

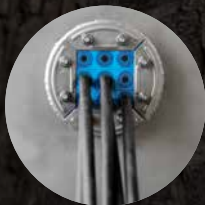
ANNUAL MAGAZINE

PUBLISHED BY MELLBY GÅRD AB

2023

“We’re continuing to do what we do best, with our sights set on the future”

During the year, many new opportunities arose, and Mellby Gård chose to take advantage of them in the verticals in which they operate. With the aim of always doing better than the previous year, 2023 turned out to be another record year.



Roxtec: “We are all in sales”

Reaches three billion Swedish Kronor in sales a year earlier than expected

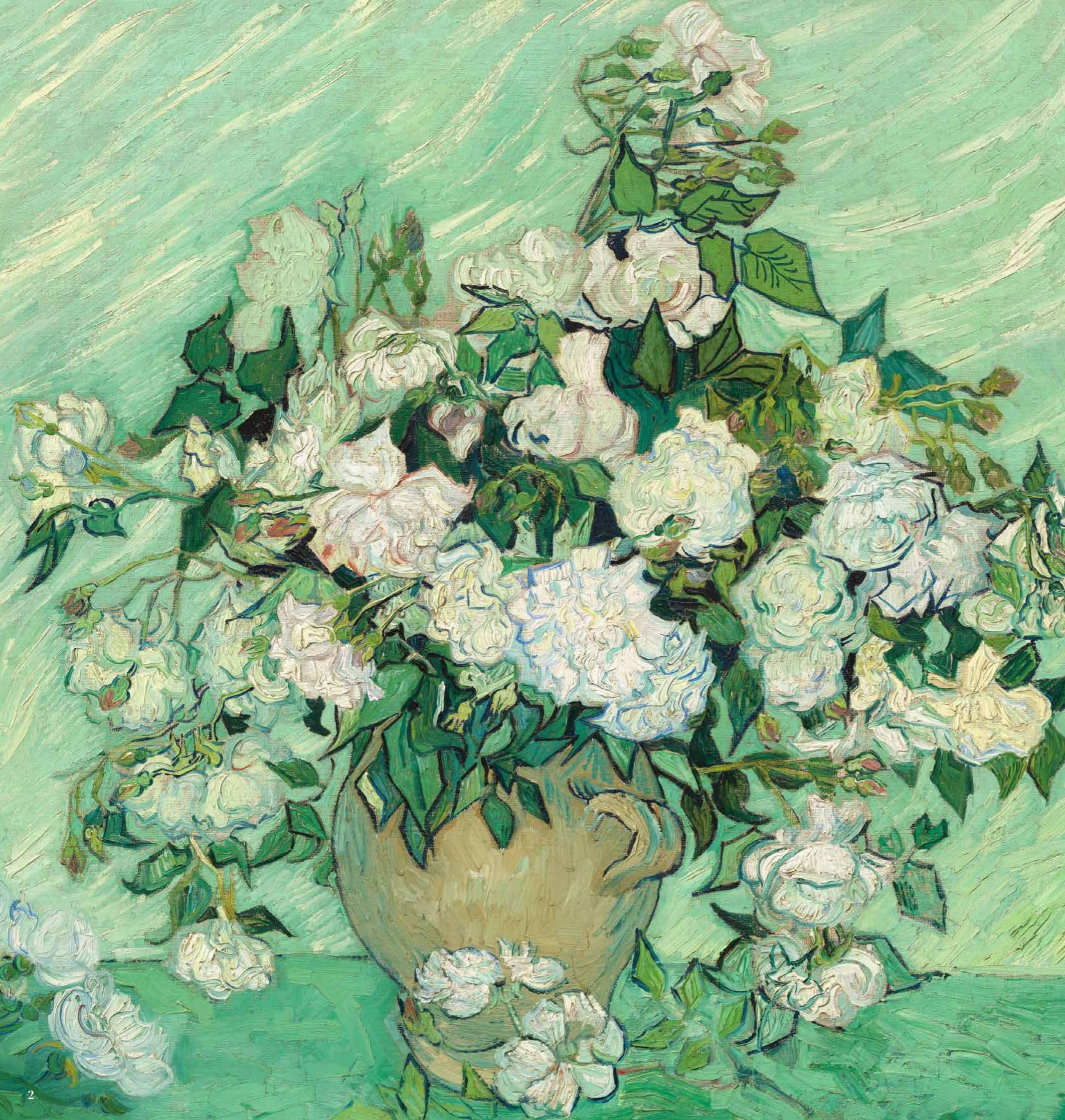


Excalibur: “We’re not a rock ‘n roll product”

Despite a turbulent market – five percent return in 2023



MELLBY GÅRD



Welcome to this year's magazine!

It's time to sum up 2023. For the third year in a row, we're doing this with the help of Mellby Gård's Annual Magazine. We can see that the magazine continues to provide a lot of reading pleasure. It gives all our employees and stakeholders a more personal insight into Mellby Gård's activities than you would get in a traditional annual report.

The world continues to be impacted by wars, conflicts and unstable geopolitical relations. We can feel the ripple effects all the way up here in Sweden. We see this mainly through inflation, higher interest rates and great uncertainty about what to consume and what to invest in. We at Mellby Gård are sticking to our owner philosophy and thus remaining stable in these troubled times.

In this year's magazine, geopolitics is an overarching theme. With the current state of the world, we're all seeing the impacts of these tensions. But we should also take the opportunity to celebrate. In 2023 it was ten years since Johan Andersson took over as CEO of Mellby Gård from Rune Andersson. We would like to recognize the successes of the past years, but also look ahead to the years to come.

Finally, we at Mellby Gård would like to thank you for reading our magazine. We're delighted that you're choosing to spend your time with us and our companies. Happy reading!

Steady progress with sights set on further investments

In 2023 it became clear that global politics would continue to be characterized by rapid change and complex challenges. Increased tension between the major powers created a more unstable geopolitical situation. This has a major impact on how Mellby Gård and our companies do business. Despite this, 2023 was another record year.

A more unstable world is affecting our trading relationships, and we are witnessing greater volatility in almost all markets. In short, our international companies have needed to adapt to a new reality. This has involved dealing with trade restrictions, investing in a local presence in different markets so as not to be excluded, and complying with more regulations from the EU and elsewhere. We need to be flexible, proactive and anticipate potential risks. At the same time, we need to seize opportunities as they arise to successfully navigate this 'new' environment, where free trade is no longer a given.

As a group of companies, we at Mellby Gård endeavour to learn from each other and thus identify soft synergies between our companies. Within the Group, we have companies with extensive experience in both international sales and global purchasing, which can thus benefit our other companies. In addition, we have so far been effective in making macroeconomic judgements. These are just a few examples of how the diversity of our companies makes us strong together.

In retrospect, 2023 was a year in which many new opportunities arose and we chose to take advantage of these in the verticals in which we operate. We faithfully continued to do what we do best and invested further in our existing companies. One example is how we chose to go over the mandatory bid limit when the share price of Duni fell. An investment of almost half a billion Swedish kronor made Mellby Gård a 40-percent owner. We also chose to increase our holding in AcadeMedia. In addition, we have invested further in the FMG Circular Invest investment initiative and taken a leading position in the immunotherapy company Anocca as a result of the company's capital raising.

In addition to investments in our prioritized verticals, we have thus also invested in life science during the year. This includes Anocca and our contribution to the cluster headache research center at Karolinska Institutet medical university. For us, it is important to invest using both heart and mind, and our social commitment through research, education, sport, children and community affairs remains an essential part of our business.

There are some successes among our companies that I would like to highlight. Roxtec broke the three billion-kronor barrier earlier than expected, Feralco achieved record earnings, Perituskliniken signed a contract with Region Skåne, and Open Air Group exceeded one billion

kronor in net sales. Oscar Jacobson and Klarahill improved their earnings and Kappahl managed to achieve better earnings than in 2022. All admirable efforts that deserve to be recognized. You can read about even more successes in the magazine.

As we close the books for the year, we can conclude that 2023 will be another record year for Mellby Gård. We're very proud of that. I want to thank our companies and employees for the hard work they do every day – our success would not have been possible without you.

It's been an eventful year, to say the least. Inflation, rising commodity costs and interest rate hikes have fuelled uncertainty. We hadn't feared a dramatic fall in economic activity, but had instead expected a slow decline. Looking ahead, we predict that the sluggish economic growth will continue. Consumption is likely to decline as many people's personal finances will be hit harder in 2024 when savings start to dry up. 2023 was a challenging year for many companies, but also a favourable year for industrial ones. The low value of the Swedish krona, combined with necessary price increases, has resulted to a large extent in a financial situation on steroids.

We are entering 2024 with a solid balance sheet. We expect to make major investments in the future to lay even firmer foundations for our companies to grow. Eriksberg is investing in more hotel rooms, we're building new distribution centers close to Gothenburg for Kappahl and in Karlskrona for Roxtec, and we will continue to assist Aros Kapital with growth capital, to name just a few examples. At the same time, we're factoring into the equation that some consumer companies will have a harder time. With more sober valuations, it's possible that we will be looking to invest in listed companies that suit our Group.

Whatever happens, we always try to stay one step ahead. In the coming years, I am convinced that AI will increasingly characterize the way we work and create efficient processes. Data is a prerequisite for both customer metrics and customer relationship management. We're ready for the challenges ahead.

Our goal is always to do better than the previous year. It will be difficult, but it's not impossible.

Johan Andersson
Johan Andersson,
 CEO, Mellby Gård



BRIEF FACTS ABOUT US

Mellby Gård is a family-owned, long-term investor committed to preserving the entrepreneurial spirit of its portfolio companies. A fundamental part of its business model is to be the largest shareholder in each company and thus have the right opportunities to set the strategic agenda and take overall responsibility for the company's development.

Mellby Gård currently operates in four verticals: industry, consumer goods, agriculture and services. From an overall portfolio perspective, it is important to strike a balance between these verticals to spread the risks. There are currently no plans to invest in new verticals, but future investments have not been ruled out.

FOUNDED IN 1986

Mellby Gård was founded in 1986 when Rune Andersson bought the Mellby Gård farm in Sösdala, in the northern Skåne region in southern Sweden. Initially, the farm was purely an agricultural operation, and expansion took place over a few years within the company Andersson & Bennet. In 1995 50 percent of Älvsbyhus and 100 percent of Söderberg & Haak were acquired, two companies that are still part of the Group.

FROM PROMISING TO LEADING

The three cornerstones of Mellby Gård's business model, the Mellby Model, are a long-term approach, active corporate governance and partnership. The goal of the business is to transform companies from being promising to leading. Gradually developing the full potential of our holdings is fundamental. This is achieved by being an active owner, having a close dialog with the companies' management teams through and co-ownership that ensures a joint agenda.

Mellby Gård's objective – to help companies make the transition from promising to leading – describes the direction in which companies should develop while also confirming the value of all portfolio companies.

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DISPROVED THE MYTH OF 'INHERIT AND RUIN'

Johan Andersson celebrates ten years as CEO of Mellby Gård.



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ROXTEC REACHES SEK 3 BILLION IN SALES

Strong growth in North America and good recovery in Asia were key factors.

28

INTENSIFIES ITS SUSTAINABILITY EFFORTS

A year focused on meeting new regulatory requirements – major commitment throughout the Mellby Gård Group.

42



THE TEXTILE INDUSTRY – A TAPESTRY WITH MANY THREADS

The geopolitical influence is always present for Kappahl. They've learnt to deal with major changes over the years.

54

EXCALIBUR FIXED INCOME DELIVERS

Return for 2023 amounted to around five percent. The fund's clients should be able to sleep well at night.

80



CONTINUING TO EXPLORE, LEARN AND GROW

FMG Circular Invest welcomed two new acquisitions to the company portfolio during the year.

The Mellby Gård year in brief

2023 was a year characterized by great geopolitical turmoil. This led to inflation, rising interest rates and lower consumption. But despite a slowdown in the economy and an ongoing recession, Mellby Gård achieved its standing target: beating the previous year in terms of earnings. Some of the most important events of the year are highlighted here.



HOLDINGS IN
14
COMPANY*

*Company owned by Mellby Gård AB. Companies owned by Mellby Gård Intressenter AB, the parent company of Mellby Gård AB, are also presented in the Annual Magazine.

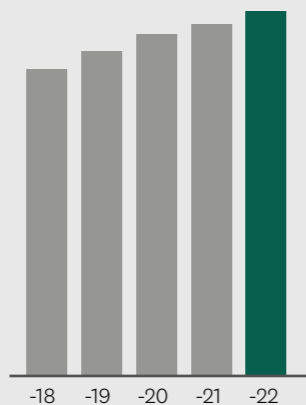


2023
was yet another record year for Mellby Gård

NET SALES

12,202

SEK M



TWO NEW INVESTMENTS
with Feralco AB via the FMG Circular Invest initiative



JOHAN ANDERSSON
celebrated ten years as CEO of Mellby Gård

EBITDA

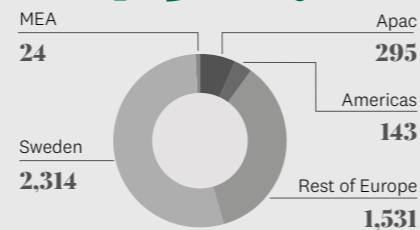
2,718

SEK M

MELLBY GÅRD
acquires additional shares in Duni Group and AcadeMedia

FULL-TIME EQUIVALENTS

4,307



FINANCIAL KPIS

SEK m	2020	2019/2020 (18 mths)*	2021	2022	2023
Net sales	9,449	13,983	10,433	11,394	12,202
EBITDA (excl. IFRS16)**	1,548	2,354	2,068	2,185	2,718
EBITDA %	16%	17%	20%	19%	22%
Equity		7,714	9,729	11,670	11,125
Net debt (excl. IFRS16)		-1,268	45	669	471
Total assets		13,813	15,655	16,886	17,158
Equity/assets ratio		56%	62%	69%	65%

*Financial year 2019/2020 changed to calendar year, hence 18 months in the transition year.

** EBITDA corresponds to earnings before net financial items, tax and depreciation/amortization of tangible and intangible fixed assets and excludes non-recurring costs and income. EBITDA includes the Group's share of associated companies' EBT.

ROXTECp18

- Another record year, both financially and for recruitment.
- Sustainability goals set.
- Waterjet cutting business acquired in Ronneby.

DUNI GROUPp22

- Science Based Targets approved.
- Normal market situation – more people are eating out in restaurants.
- Launch of the Idun and UNMO investment initiatives, in environmental and social sustainability respectively.

ÄLVSBYHUSp24

- Became the second largest player in the house market.
- Closure of a factory in Finland and redundancies in the two Swedish factories.
- Construction of new show houses in all markets.

FERALCO p26

- New EU legislation and directives for water treatment and efficiency improvements.
- Adaptation to the changing geopolitical situation.
- Change in the supply of commodities from abundance to scarcity.

KAPPAHLp42

- Focus on two strong brands – Kappahl and Newbie.
- Presented with a Market Award in the clothing and fashion category.
- Investments in transformation and technology in terms of traceability, transparency, e-commerce platform and business systems.

OPEN AIR GROUP p46

- Reaches one billion Swedish kronor in net sales for the first time.
- Modernization of the Aclima factory in Estonia.
- Further synergies in the Tech division identified.

OSCAR JACOBSONp48

- Achieves record net sales and earnings.
- Establishes a new Sustain by Oscar Jacobson store in Gothenburg.
- Opens three new stores in Denmark.

EXCALIBURp54

- Increase in assets under management of ten percent since 2022.
- Approaching the target of one billion Swedish kronor in assets under management.
- Wins award for best fixed income fund in the Nordic region.

KLARAHILL AND VERAHILL ..p58

- Klarahill acquires three new funeral homes in northern Sweden and establishes two completely new funeral homes in southern Sweden.
- Klarahill and Verahill implements a number of initiatives to ensure internal efficiency and strengthen the workplace culture.
- Verahill launches a nationwide partnership with Skandia.

STUDENTCONSULTING p60

- Received the award for the industry's Most Satisfied Customers from Evimetrix for the ninth consecutive year.
- Continued to develop the proprietary comprehensive digital matching system SC Jobbot.
- Established solid partnership with most municipalities regarding the staffing and recruitment of teachers.

AROS KAPITAL p62

- Focused its offering on corporate and real estate financing.
- Pål Ryfors appointed new Chairman of the Board.
- Mellby Gård increases its ownership to almost 50 percent.

PERITUSKLINIKEN p64

- Wins urology care contract with Region Skåne.
- Increased satisfaction of both patients and insurance companies.
- Expanded implant surgery activities to ease the burden on waiting lists.

ACADEMEDIA p66

- Company growing in Germany and the Netherlands.
- Implements several successful campus initiatives.
- Greater interest in vocational education and training.

SÖDERBERG & HAAKp70

- Gustaf Thuresson takes over as CEO.
- Extensive reorganization and concentration of operations.
- Greater geographical representation throughout Sweden through partnerships and own facilities.

BMAGRIp72

- Major challenges arising from extreme weather.
- Hired marketing controller and sales rep/purchasing agent.
- Customers with basic contracts continue to buy large quantities of commodities.

ERIKSBERG p74

- Presented with the Game Restaurant of the Year award in 2023.
- Receives Wine Spectator's Best of Award of Excellence.
- Work continues on completing Hotell Arken.

TROTTLING BUSINESSp76

- Mellby Jinx continues to perform well.
- Operations are wound down in the US.
- The farm now also has heavy draught horses.

MELLBY GÅRD FARMp78

- Investment in solar panels paying off.
- Forestry contributes to a good year.
- Challenging year in terms of weather.



Disproved the myth of 'inherit and ruin'

In fall 2023, it was ten years since Johan Andersson took over as CEO of Mellby Gård. It has been ten successful years. The Group's backbone, the industrial vertical made up of Roxtec and Feralco, has been strengthened during the decade with companies such as Kappahl in the consumer vertical and AcadeMedia on the service side.

"I'm honored that I was offered the opportunity to take over the role of CEO and proud that I had the courage to do so."

**JOHAN ANDERSSON,
CEO, MELLBY GÅRD**

“We agreed and still agree that the Group should be a family business. Selling or going public is not an option.”

**RUNE ANDERSSON,
FOUNDER, MELLBY GÅRD**

Rune Andersson founded Mellby Gård back in 1986 and was CEO of the company until fall 2013. Johan Andersson then took on the role of CEO and under his leadership, the company has continued to grow stronger. The Group’s net sales have grown from SEK 4,6 to 12,2 billion, with profitability following suit.

“I was about to turn 70 and thought it was time to step down,” says Rune Andersson. “I called our three sons Gustav, Erik and Johan to a meeting at the office at Ribersborg in Malmö. We agreed and still agree that the Group should be a family business. Selling or going public is not an option. It was natural that Johan took over – there were no major discussions about it.”

“I was looking forward to taking on the role of CEO and thought it would be exciting,” says Johan Andersson. “Gustav and Erik run their own businesses and had their hands full with those, so it was a smooth succession.”

Johan Andersson had then worked for three years at Smarteyes, so the discussions about him taking over as CEO of Mellby Gård were well timed. He was ready for his next operational challenge.

“I want to emphasize how extremely flattering it was to be asked,” he says. “I’m honored that I was given the opportunity and proud that I had the courage to take it. Besides the change of CEO, we did several other things, including appointing a professional board of directors. Dad was appointed chairman and we three brothers and a couple of external individuals were elected as board members.”

CREATED MELLBY GÅRD 2.0

With the change of CEO, the Group was restructured and reorganized. All operating companies were incorporated into Mellby Gård AB, and the trotting horses, forestry and agriculture and Eriksberg – activities that were more like passion projects and closely linked to the family – were placed outside it. Today, Eriksberg is a commercial operation that is developing well in terms of both net sales and profitability.

“My father had built a large group of companies, at that point consisting of about ten companies with net sales of billions of Swedish kronor, so I felt it was a huge responsibility,” says Johan Andersson. “I was well aware of the Swedish expression *ärva och fördärva* (inherit and ruin) and put a great deal of pressure on myself. But I didn’t go around thinking about it for too long – instead, I quickly decided to go for it. You could say that we created Mellby Gård 2.0 and became a family business.” He continues:

“Dad had run the Group almost single-handedly. He had hired Sten Libell, Anders Bülow and subsequently Rolf Andersson, and they ran the business together. Dad always managed the Group in a professional way, and with Mellby Gård 2.0, there was more structure. It wasn’t a revolution, but rather an evolution.”

When Johan Andersson took over, Mellby Gård also started employing a number of additional people at the Group’s head office.

The management was gradually expanded and the company now has a slightly larger head office, although it is small in relation to the size of the Group. A number of key employees have been added over the years and today, Mellby Gård has just over a dozen permanent employees.

“Mellby Gård is a slightly different family business in that we operate in many different sectors and you have to respect the fact that it takes time to learn about the companies,” explains Rune Andersson. “To familiarize himself with their operations, Johan joined several of their boards, as well as chairing Feralco and Cale. But it wasn’t feasible for him to be on all the boards, so it was important to create a professional team.”

During the ten years that Johan Andersson has been CEO, Mellby Gård has made several important transactions. When Kappahl was bought out of the stock market, the Group’s net sales almost doubled. In addition, Mellby Gård’s two industrial companies, Feralco and Roxtec, have continued to perform strongly and a major investment has been made in AcadeMedia, which has performed very well operationally. In the parking industry, an important structural deal was made when Mellby Gård co-created Flowbird by integrating Cale with Parkeon.

“I’m very happy with the balance we’ve created between our verticals,” says Johan Andersson. “We’ve broadened our business in a good way, and today Mellby Gård consists of about twice as many companies as it did ten years ago.”

THE IMPORTANCE OF SAYING NO

And perhaps most importantly, what isn’t visible. All the investment proposals and external bids that Mellby Gård has turned down, where the advantages of being a long-term family business really show. Because unlike an investment fund, you can say no when things aren’t quite right and continue working instead on your existing companies, as long as you think they can develop. This is the basis of Mellby Gård’s business logic.

“Over the years, many operators have approached us with attractive offers, but we’ve consistently rejected them, with a few exceptions,” says Rune Andersson. “We’re very pleased that we stuck to our logic and turned down this type of deal.”

Rune Andersson emphasizes that there is currently a good balance in the Group. Compared to ten years ago, the Group’s business is more evenly distributed across several different sectors, although the industrial vertical still generates the largest share of total value added. This balance offers many advantages, including currency hedging that is naturally built in. Kappahl makes virtually all its purchases of goods in dollars, which is largely offset by Roxtec’s equal export sales in dollars.

“Johan’s time as CEO has been special, as there have been zero interest rates almost all the time, at times even negative interest rates,” says Rune Andersson. “I think those interest rate levels have been downright painful and are the basis for most of the bubbles we have now, mainly in real estate and tech companies. I feel a great sense of relief that we’re back in a better interest rate environment, which is still low for me as I’ve been in business for over 50 years.”

MELLBY MODEL STANDS FIRM

The world has experienced several major world events in recent years, most notably the 2020 pandemic but also continued unrest, with wars, conflicts and geopolitical tensions.

“The pandemic years were undoubtedly the toughest period,” says Johan Andersson. “We’re proud of the way we handled it. Sure, we did some refinancing and had discussions with banks, but we managed the situation well and then the market started to recover. It was also challenging during Russia’s full-scale invasion of Ukraine when we closed a couple of subsidiaries in Russia, but that was a simpler and more natural decision.”

For a period, the situation with inflation has also been challenging. The Group has focused on compensating for higher input, transport and energy prices.

“An internal mantra that Dad has always worked by is ‘set the right price’, which has been more important than ever,” says Johan Andersson. “There’s a built-in culture at Mellby Gård that makes everyone understand the importance of pricing.”

Mellby Gård’s investment philosophy – the Mellby model – has been around for many years, but it has only recently been articulated and described in more detail. It consists of three components: a long-term approach, partnership and active ownership. In times of market volatility, the Mellby model has proved more relevant than ever.

“Our definition of active ownership means that there are almost always two people on company boards,” he says. “Most often we take the role of chair. Many other owners often let someone from the industry take the gavel. There’s a logic to this, but we believe that when we take the chair ourselves, we’re obliged to really get to know the companies and their operations in detail.”

This active ownership and proximity to the companies ensures that all companies know how Mellby Gård thinks. This in turn means that the companies focus on fundamentals central to Mellby Gård’s DNA, such as the importance of pricing, organic growth, add-on acquisitions at reasonable multiples and not presenting five- or ten-year plans, as the mantra is always to beat the previous year.

“I have great respect for the fact that some companies want to make a budget so they can plan better – some of them also have payroll systems directly linked to the budget,” says Johan Andersson. “But budgeting can be time-consuming. While others are making a budget, we’re out making sales’ is a saying we subscribe to, even if we didn’t coin it ourselves.”

STRONG SOCIAL COMMITMENT

Mellby Gård has always recognized the importance of giving back to the community, but its commitment to various social issues has grown over the past ten years.

“In particular, we’ve established a clearer framework for setting aside a portion of the profits each year,” says Johan Andersson. “We’ve also formalized it in Mellby Gård AB and a foundation. We’ve also said that we’re aiming for fewer and larger commitments. The partnership with Karolinska Institutet is a good example, where we’ve invested 35 million Swedish Kronor in research into cluster headaches.”

Soccer is close to the hearts of both Johan Andersson and Rune Andersson and for several years, Mellby Gård has supported Trelleborgs FF soccer club.

“It was therefore very gratifying that the TFF women’s team were promoted to the Swedish league,” says Johan Andersson. “We’ve now also started to sponsor the Mjällby AIF soccer club in the county of Blekinge, which means that in 2024 we will be involved in both the women’s and men’s Swedish leagues. Mellby Gård isn’t a company based in a big city, and we think it’s more fun to be associated with clubs from smaller towns. The environment around Mjällby fits well with our family, and my father grew up in a small village in Blekinge.” He continues:

“Another interesting aspect is the public debate on profits in welfare, linked to our ownership of AcadeMedia. At its core, it’s about conviction. My father got involved in the ‘No to EMU’ movement in Sweden, and as convinced as he is about that, I’m equally convinced that we should have private schools that have to make a profit. This is an issue I’ll be happy to pursue for the rest of my life. We’re a socially engaged family and talked a lot about these kinds of issues at the kitchen table. It feels natural for me to take part in this debate.”

TEN-YEAR PLAN IRRELEVANT

With the mantra of ‘beat the previous year’, neither Johan Andersson nor Rune Andersson wants to predict where Mellby Gård will be in ten years. They don’t work with plans in the traditional sense, even if they are making investments for the long term.

“It becomes irrelevant, because our goal is to beat last year,” says Johan Andersson and laughs. “Seriously, I think a ten-year plan could go very wrong. Many companies say that in ten years, they’ll achieve a certain level of net sales from certain geographies or sectors. I believe it’s basically impossible to predict the future so far ahead. If we were to do a ten-year plan, we would have to redo it after a year.”

But both Rune Andersson and Johan Andersson still hope that Mellby Gård will remain a family business.

“As a family business, it’s interesting and crucial to note that in ten years’ time, three of the members of the third generation of the Andersson family will be over 20 years old and one of them almost 25. It will be exciting to see what plans they make in life, what skills they develop and what they want to get involved in,” concludes Johan Andersson.



“During my years here, we’ve broadened our operations in a good way. Today Mellby Gård consists of about twice as many companies as it did ten years ago.”

JOHAN ANDERSSON,
CEO, MELLBY GÅRD

“I see family businesses as the employers of the future.”

**ANNELIE KARLSSON,
CEO, FAMILY BUSINESS NETWORK**



Family businesses contribute to social stability

Owner families such as the Andersson family of Mellby Gård almost always naturally take a long-term approach. United families who think in terms of generations and not quarters become owners with a clear vision who build and develop viable businesses, according to Annelie Karlsson, CEO of the Family Business Network.

Family Business Network is a Swedish organization that advises and supports family businesses on issues related to family, enterprise and ownership.

“We’ve worked with owner families for decades, been an impartial player with knowledge from academia and experience of many ownership processes,” says Annelie Karlsson, CEO of the Family Business Network.

Over the years, many business economists have described the strengths and importance of entrepreneurial families.

“That’s why it’s particularly pleasing that this has now been confirmed by a number of economists,” she says. “They found that family businesses are currently the biggest employers in Sweden, bigger than the public sector. They account for around a third of employment and contribute to robust stability in society.”

A STABILISING EFFECT ON THE NATIONAL ECONOMY

New business research also shows that family businesses have higher productivity than other forms of ownership, while having a stabilising effect on the national economy, as they create more net jobs over time than other forms of ownership. While they don’t recruit as much in boom periods, they also don’t fire staff to the same extent in times of recession. According to the National Institute of Economic Research, unemployment in Sweden during the 2008 financial crisis would have been two percentage points higher without family businesses.

In several Swedish municipalities and towns, especially outside the big cities, family businesses are the biggest employers. In many places, they account for between 80 and 100 percent of employment and GDP.

THIRD AND FOURTH GENERATIONS CRITICAL

Succession can sometimes be a challenging issue for entrepreneurial families.

“Research shows that it is usually the third or fourth generation that is critical,” says Annelie Karlsson. “But it’s not really about the generation number, more about the family establishing a functioning system of ownership and inheritance,” says Annelie Karlsson.

If the owners develop as average families with two or three children and adhere to the principle that all children should have an equal inheritance, the number of owners grows quite considerably from the first to the third generation.

“Those who make it past the third generation often set up a system of selecting ownership representatives based on competence, which is one of the major challenges in later generations,” she says. “When you get to that stage, the issue of ownership becomes clearer and simpler because it’s the beginning of a representative democracy and, from that point of view, it doesn’t make much difference whether there are 20, 200 or 2,000 owners.

A key concept for family businesses, particularly Mellby Gård, is a long-term approach, and this goes hand in hand with their view on indebtedness. They don’t take on debt in the same way as other types of companies, because they don’t want to risk losing control of the business. They don’t think in terms of quarters but rather generations – they don’t talk about Q1, Q2 and Q3, but about G1, G2 and G3.”

EMPLOYERS OF THE FUTURE

When discussing the importance of entrepreneurial families, it’s important to emphasize the role that the families play outside entrepreneurship. Many of them are highly committed and play an increasingly crucial role in several areas of Swedish society, says Annelie Karlsson:

“Mellby Gård’s Johan Andersson can be seen in many contexts today. He’s a Board member of the Stockholm Chamber of Commerce, the Confederation of Swedish Enterprise, SNS (Center for Business and Policy Studies), Family Business Network and others. He also participates widely in the public debate in the same way as his father Rune.”

Annelie Karlsson sees a tendency for many owner families to live by the Wallenberg family’s old Swedish motto: *landsgagneligt* (for the benefit of the country). And it’s not always about the whole of Sweden benefiting – it can be the region, the municipality or the town.

“The Andersson family is a shining example of this,” says Annelie Karlsson. “It should also be remembered that it’s often a demanding and challenging role.”

“Finally, I want to emphasize how marvellously fun and stimulating it is to work in and with the type of family business that Mellby Gård represents,” she says. “They’re all over Sweden, and often have global operations. Mellby Gård’s Roxtec is a good example, a bit of a hidden gem with exciting activities and a world leader in its niches. I see family businesses as the employers of the future.”

Strong year in 'Industry' despite rapid geopolitical changes

Impacted by major external challenges, the industrial companies in the Group still managed to perform very well in 2023. These companies have shown strong growth and record profitability. The hope is to make some important investments and add-on acquisitions in 2024.

Mikael Helmersson, Deputy CEO of Mellby Gård, works primarily with the Group's industrial companies, chairs the Board of Feralco and is a member of the Board of Roxtec. Both companies broke records in net sales and profitability during the year.

"Positive currency effects certainly had an impact, but overall both growth and profitability are looking very good," says Mikael Helmersson. "The development in our companies is very much in line with what we've seen in general in the industry, and it's extremely gratifying that we're keeping up with it.

We're continuing to focus on organic growth, but add-on acquisitions may also be of interest in the future."

"Once again this year, it's been a challenge to find companies that are good potential acquisitions valued at the right price," he says. For this reason, we haven't made any major acquisitions in Industry, but acquisitions remain high on our agenda. However, it's important to find the right potential acquisition – we prefer to stay on the sidelines rather than take unnecessary risks."

During the year, the profits generated by the companies have therefore continued to be used to strengthen the existing holdings, including by investing in new manufacturing and storage facilities in the US on behalf of Roxtec.

SUDDEN NEW GEOPOLITICAL SITUATION

The geopolitical situation has changed rapidly and dramatically in just a few years. The world has become smaller. By this Mikael Helmersson means that today, it's even more important for Mellby Gård to evaluate where it operates and which customers and suppliers it is dependent on. This affects to a certain extent how they view potential acquisitions.

"All forms of geopolitical tensions affect free trade," says Mikael Helmersson. "One of Mellby Gård's tasks, apart from building leading companies, is to contribute to free trade between countries and people, which we believe is one of the very best ways to reduce the risk of conflict. Globalization had come a long way a few years ago – it's now important to restore the understanding that it's better to cooperate and do business with each other. Right now, unfortunately, things seem to be heading in the opposite direction."

Mikael Helmersson goes on to describe how the turbulent geopolitical situation, in particular the war in Ukraine, has affected energy prices in particular.

"The biggest impact in Mellby Gård's industrial vertical has been on Feralco, which in itself is not a major energy consumer, but which buys raw materials, mainly hydrochloric acid, from companies with processes that are highly energy-consuming," says Mikael Helmersson. "Going back another year, it was obviously important to quickly shut down all operations in Russia."

RAPID AND EFFICIENT COST COMPENSATION

The rising costs meant that companies had to quickly compensate by raising prices.

"The combination of the changing geopolitical situation, rising inflation and periodically very high energy costs came at us like a whirlwind," says Mikael Helmersson. "The management of Mellby Gård immediately agreed to quickly put the price issue on the agenda of all our boards. All holdings have subsequently focused intently on this issue during the year, and this work has been successful."

Since the cost increases were a widely recognized fact, there was – at least in the spring of 2023 – a high level of acceptance among

customers to implement these compensations. Inflation slowed down towards the end of the year, but Mikael Helmersson sees a need for further cost compensation:

"We live in a 'new era', or rather a 'revisited era'. After 10–15 years with virtually no inflation, it's now ever-present."

Mellby Gård has always worked in a flexible way and quickly made different adaptations, as Mikael Helmersson points out:

"The geopolitical events of recent years have increased our awareness of how quickly the playing field can change, so we need to be even better prepared. One specific area that has ended up even higher up on the agenda is defence against cyber attacks. We must carefully ensure that all companies have good control over all data and a high level of security in this area."

"The world has become more uncertain and we have to deal with that," he says. You have to keep your ear to the ground in the market and your organization, and then act on things quickly."

As for currencies, Mellby Gård's approach is that they go up and down, and that the fluctuations even out over time.

"We've had an extremely weak krona for a period, which has been positive for Swedish export companies, but which is not good for the country in the long term," says Mikael Helmersson. "Our assessment is that the krona will strengthen in the relatively near future, but by how much and when is difficult to predict."

He also recognizes that recent developments have affected the customers of industrial companies.

"Feralco has experienced a slight decrease in demand from German industry, mainly the chemical industry, which is both a supplier and a customer," he says. "But when it comes to municipal water treatment, both drinking and wastewater, for example, we haven't seen any major changes.

CONTINUED FOCUS ON SUSTAINABILITY

Sustainability has been and continues to be a major issue for Mellby Gård. During the year, there has been a lot of focus on reporting and what this demands from the companies.

"For me, it's important to highlight what we do in concrete terms in the businesses, and I'd like to highlight Feralco and the fact that 60 percent of the inputs now consist of by-products from other manufacturing, which is incredibly positive," says Mikael Helmersson.

As a group made up of many different companies, Mellby Gård can greatly benefit from encouraging experience and knowledge sharing between the companies.

"During the year, we've seen the people who work operationally with sustainability in the companies cooperate with each other in an exciting way," says Mikael Helmersson. For example, both Roxtec and Feralco have run interesting projects with Kappahl."

He also believes that customers are increasingly demanding more from companies in terms of sustainability efforts. This is one of the key aspects.

"Again, it's up to these companies to be responsive and adapt to their markets and customers," he says. "Companies are the ones with the specialized knowledge, and they need to act on it."

"Where 2024 is concerned, we hope above all for a more settled geopolitical situation, although unfortunately there's little evidence of this. We're looking forward to interesting acquisition opportunities arising. We have the resources and are very much ready to use them. But it must be the right situation and the right price, which we hope will be the case in 2024," concludes Mikael Helmersson.

Roxtec

In the space of 30 years the ingenious innovation from Karlskrona, southern Sweden, the Multidiameter™, has established Roxtec as a global leader in sealing solutions for cable and pipe transits. Its modular and scalable solutions are used in a multitude of industries and are available in over 80 markets through subsidiaries and distributors. Where many of its customers are concerned, Roxtec's solutions are essential when it comes to guaranteeing operations and safety and protecting lives, assets and the environment.

**Roxtec sets new records:
“We are all in sales”**

Roxtec's growth curve was heading distinctly upwards in 2023. The company skilfully handled continued challenges in the form of price increases, currency fluctuations and geopolitical tensions. Roxtec achieved its sales target of SEK 3 billion a year ahead of schedule.

Facts

NET SALES SEK 3,063 M	EMPLOYEES 916	HEAD OFFICE Karlskrona	CHAIRMAN Hans Stråberg	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2007
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Roxtec's explicit focus on growth has a major influence on its internal corporate culture – a spirit that the company is keen to maintain and develop. All employees are committed and know exactly where the company is at in relation to its budget and targets.

"It was a nail-biter right up until the end, but we managed to reach the target of three billion Swedish kronor in net sales – a year earlier than expected," says Magnus Holmberg, CEO of Roxtec.

NORTH AMERICA AND ASIA DRIVING BUSINESS

Roxtec produces customizable sealing modules for cable and pipe transits. The transits are designed for environments with multiple exacting performance requirements – on land, at sea and underground. Through its own subsidiaries and distributors, Roxtec makes sales in 80 markets today. The company is organized into three business areas: Marine & Offshore, Power & Process Industries and Industry & Infrastructure. This enables it to deal with customers in sectors such as energy, infrastructure and research, manufacturing and process industries and the cruise ship industry.

Geographically, 2023 was characterized by strong growth in North America, while the recovery from the pandemic was significant in Asia. It was mainly these geographies that drove Roxtec's business during the year. In contrast, developments in Europe were slower as the construction of cruise ships (Marine & Offshore) has still not regained full speed. In Europe, Roxtec is seeing a growing market in the power supply segment (Power & Process Industries) in terms of transmission and distribution of both electricity and gas. The wind power segment also developed strongly. In Industry & Infrastructure, Roxtec sells sealing solutions to the semiconductor industry and took some large orders during the year.

"We have the right products for very advanced installations," says Magnus Holmberg.

STRATEGIC INITIATIVES IN 2023

Roxtec is constantly planning for continued growth, and 2023 was no exception. Among the major initiatives undertaken was a strategic acquisition of Ronneby-based Shape's waterjet cutting business. The companies have worked together for many years and, along with extrusion and molding, waterjet cutting of polymers is a comprehensive and important manufacturing technology for Roxtec. The acquisition and new technical expertise enable further initiatives in the development of manufacturing and technology. This is especially true for low-volume manufacturing with short lead times of customized sealing solutions, which are important for Roxtec's business.

Roxtec also decided to invest in a new global distribution center at its head office in Karlskrona. The company needs more space so that

the global logistics function can develop in line with the company's growth. This is a major investment, and the new center is expected to be operational in fall 2025.

Roxtec also expanded its distributor network in key markets in 2023. Contracts were signed for Thailand, for example.

"With the new agreement in Thailand, our ambition is to expand mainly in offshore, oil and gas and marine in Southeast Asia," says Magnus Holmberg.

Roxtec has been present in the US market for more than 25 years, and the company inaugurated its new head office in Tulsa, Oklahoma in April. This now houses manufacturing, storage and logistics. The new premises helps ensure that the company's presence on the other side of the Atlantic is more firmly rooted.

DRIVEN BY DIGITALIZATION AND SUSTAINABILITY

During the year, Roxtec continued to develop its digital offering with its own software (SaaS). The digital portfolio allows customers to design and select the right products and, above all, to have control and an overview of the transits. Today, the smart online tool Roxtec Transit Designer helps more than 50,000 users rapidly make the right choice.

Roxtec sealing solutions also help customers prevent risks and protect the environment. At the same time, Roxtec wants to take its environmental responsibility and minimize its own greenhouse gas emissions. In 2023 the company set clear environmental targets with the aim of being fully carbon neutral by 2045, the product portfolio being 100 percent recyclable by 2030 and 100 percent of manufacturing waste being recycled by 2030.

"Our environmental work has matured over a number of years of focusing on doing the right things," says Magnus Holmberg. The new targets help us to identify innovative solutions that also make us more profitable, since waste means a higher price tag."

EXPANDING ORGANIZATION FOR CONTINUED GROWTH

Going forward, the strategy remains unchanged. Roxtec will attain new volumes by developing products in both the traditional and the digital business. 2023 was an intensive year of recruitment, with almost 80 new employees joining the company. Even in 2024 and beyond, there is a significant need to recruit around the world, with a particular focus on IT, sales and marketing. Magnus Holmberg, sums things up as follows:

"This year's achievement was truly a team effort. Or as we tend to put it: 'We are all in sales.'"



Business best way to build trust and peace

Being successful in business internationally in 2023 requires both knowledge and creativity. It's important to be able to quickly familiarize yourself with new regulations and adapt to new conditions – something that Roxtec, with sales in 80 countries, has become very good at.

The fact that Roxtec now manufactures critical components in Karlskrona is no coincidence. It's simply not sustainable to have manufacturing operations in 28 countries. Manufacturing needs to be coordinated. At the same time, Roxtec faces new requirements if it wishes to operate in certain markets, and the company needs to adapt to new conditions and regulations. These may include new tariffs and local certificates to protect their own industry, or requirements for local manufacturing or local inputs in products to operate in a specific country at all. Examples of this type of protectionism can be found in several countries.

"We at Roxtec like to do business, and the current tensions are obstructing this in various ways," says Magnus Holmberg, CEO of Roxtec. "Business builds trust and increases our tolerance – it shouldn't be a means of punishment, with tariffs and local taxes and the imposition of local manufacturing. It goes against the entire concept of free trade, and the customer is penalized through inferior products at a higher price."

But the challenges are not only external to Sweden. They can also be found at home and require constant management. The number of cyber attacks has skyrocketed and can be described as a low-intensity war aimed at disrupting countries' industry and civil society.

"Today we have three staff members solely dedicated to stopping the attacks," says Magnus Holmberg. "To do business, we need tools and technology that can sustain our operations."

As the world gears up for conflict, there is a growing demand for military applications for naval defence, for example. At the same time, demand from the energy sector is increasing as Europe seeks to replace Russian gas with other energy sources." Roxtec used to have subsidiaries in Russia, but immediately ceased operations after Russia began its war of aggression against Ukraine.

"You can't trade with countries at war. Business creates peace, but business also requires peace to make it work."



Magnus Holmberg, CEO

Growth and expansion in a changing industry

In 2023 Duni Group recovered from the pandemic. The Group remains the market leader in napkin and tablecloth manufacturing and is expanding in the takeaway packaging segment. Focusing on innovation and circular solutions, Duni Group wants to be the driving force for sustainable development in the HoReCa industry.

The international player Duni Group has two business areas: Dining Solutions, with products for table settings, and Food Packaging Solutions, with packaging for food, including takeaways. The Group is in a stable position, with two complementary business areas and a uniquely diversified product portfolio, making it resilient to economic downturns and changes in the business environment. After a few stormy years during the pandemic, Duni Group can now focus once again on increased growth.

“It’s been a fantastic year,” says Robert Dackeskog, President and CEO of Duni Group. “Since more people are choosing to eat out after the pandemic, this has resulted in growth and profitability for Duni Group in 2023. In the third and fourth quarters, the market started to return to normal, and towards the end of the year, we were in line with our target margin of ten percent.”

FOCUS ON SUSTAINABILITY-ORIENTED GOALS

In line with its sustainability goals – to become circular on a large scale, have net-zero climate emissions in its own operations and become a leader in sustainability in its industry by 2030 – the Group has achieved several good results during the year, according to Robert Dackeskog.

“Our Science Based Targets have been approved - an important milestone in our sustainability efforts,” he says. “We’ve reduced our CO₂ emissions, invested in solar panels and charging points in several locations and invested in our paper mill to further reduce energy consumption. Sustainability is integral to our business, as evidenced by our excellent EcoVadis score, which puts us in the top three percent of our industry. I’m incredibly proud of the progress the entire organization has made in the area of sustainability. It requires focus, and we have that!”

Duni Group places great emphasis on internal training in leadership and sustainability. Through its digital training platforms, the entire Group will play a part in developing sustainability efforts.

SINGLE-USE AND REUSABLE SOLUTIONS IN SYMBIOSIS

Although the Group’s business concept is based on manufacturing single-use products, Duni Group is convinced that a combination of single-use and reusable products is needed in the market, as the most sustainable option differs in each given situation. As the number of legal requirements and directives for single-use items increases, Duni Group must, for example, enable its products to be collected and reused. For this reason, the Group is investing both internally and externally in innovative and circular system solutions.

“We depend on the availability of collection points where our products can be composted, recycled or reused,” says Robert Dackeskog. “In Australia, we’re working with Compost Connect to link up business and the community. This year in Sweden, Duni Group has

been testing and developing Idun, a system for reusing serving ware for restaurants. More needs to be done! That’s why the international and national initiatives for circular standards are extremely important.”

PROMOTING SOCIAL SUSTAINABILITY

In the area of social sustainability, Duni Group launched in 2023 the UNMO innovation project, a digital platform and social network for those working in the restaurant industry.

“There’s been a major skills shortage in the sector since the pandemic,” says Robert Dackeskog. “The purpose of UNMO is to provide restaurant owners, chefs and catering staff with a common recruitment platform.”

For several years, Duni Group has been working on diversity and inclusion in the labor market through the Mitt Livs Chans mentorship program provided by the organization Mitt Liv. In 2023 the Group launched a partnership with TENT, which works to integrate refugees in the labor market. A Diversity Inclusion Board was also set up during the year to bring together the internal initiatives and training that the Duni Group undertakes in this area.

NEW OPPORTUNITIES FOR EXPANSION AND GROWTH

Duni Group’s solid financial position lays the foundations for acting on long-term, profitable growth opportunities. During the year, the Group launched products such as Bio Dunisoft® – the napkin with a fossil-free binder. Duni Group has expanded into the large event category, supplying several festivals in Sweden and internationally. The Group is now also focusing on the Asian market, according to Robert Dackeskog.

“The middle class in Southeast Asia is growing, and more people can afford to eat out,” he says. “This is an expansive market for us, and we’ve expanded our manufacturing facility in Thailand to meet the increased demand. Going forward, we’ll continue to focus on growing in Europe and accelerate our growth journey in the region with, among others, our partner Five V Capital.”

Duni Group is starting 2024 by continuing to focus sharply on sustainability. The Group will continue to innovate, invest and focus to deliver the best sustainability solution for all those occasions when people come together to cook, serve and enjoy food and drink.



Robert Dackeskog,
President and CEO

Duni Group

Duni Group is the market leader in sustainable tableware and food packaging solutions for the restaurant market. The Group markets and sells its products mainly under the Duni, BioPak and Paper+Design brands, which are represented in over 40 markets.

Facts

NET SALES
SEK 7,718 M

EMPLOYEES
2,326

HEAD OFFICE
Malmö

CHAIRMAN
Thomas Gustafsson

**PART OF THE MELLBY GÅRD
PORTFOLIO SINCE**

2007

Mature and experienced – and gearing up for the future

For several years, Älvsbyhus has been the leader in the Swedish market for prefabricated single-family homes – and 2023 was another successful year in terms of earnings. Looking ahead, the company is preparing for more volatile times. Declining order intake has led to closures, redundancies and a greater focus on cost efficiency and sales.

Älvsbyhus builds quality houses at the lowest price on the market, a business concept coined by founders Gunnar and Göran Johansson. Three generations later, the family business is being run by grandsons Kent and Stefan Johansson. This year, Älvsbyhus is celebrating 80 years as a company in Sweden.

“We saw everything we need in our sawmill and also have drying facilities, a cutting facility and a planing mill,” says Kent Johansson, CEO of Älvsbyhus. “Our factory in Älvsbyn was built in the late 1950s. The first house rolled out in 1960, and today we have an industrial area within our gates that corresponds to about 55 football pitches.”

The company has been the market leader in its segment for 23 consecutive years. However, only 1,600 single-family houses were sold in total in the whole of Sweden in 2023, which meant the company missing out on first place by only 20 houses. After having overflowing order books during the pandemic years, the company is now seeing a sharp decline in orders. 2023 will be another good year in terms of earnings as the revenue is derived from the order intake from 2022. But as Älvsbyhus looks to the future, they are preparing for more uncertainty.

FURTHER DECLINE IN NEW ORDERS EXPECTED

Like many other companies in the sector, Älvsbyhus is also being affected by changes in interest rates, energy prices and higher costs in the supply chains. Despite this, the company has managed to keep its order books full for a longer period than many other companies, largely thanks to its fixed price promise.

“When we sell a house to a customer, we guarantee a fixed price – even when our backlog is up to two years old,” says Kent Johansson. “Many others in the industry have an index-linked price with annual increases even after an order is placed. This is one of the reasons why customers still choose us. They know in advance what the cost will be.”

NORWAY NEW TO THE ‘BEST SELLER’ THRONE

Of Älvsbyhus’ three markets, Norway delivered the best sales results for the Group during the year, which is a historical break in the trend.

The company delivered nearly 800 houses in 2023. 550 houses were built in Sweden, 70 in Finland and 170 in Norway. The company had to close down its Finnish factory and lay off 30 employees. It also had to lay off staff at its Swedish factories in Älvsbyn and Bjärnum.

“Orders in Finland have been low for a long time, and overall single-family house manufacturing has not been this low since the Second World War,” says Kent Johansson. “We also see that the order intake is decreasing in Sweden, and we’ve had to make the tough but necessary decision to adjust the manufacturing rate and let more employees go.”

The closure in Finland only affects factory staff. Otherwise, the Finnish organization with management, sales and marketing is intact, but all manufacturing will take place in Älvsbyn from the beginning of the year.

HIGH INTEREST RATES ARE THE NEW NORMAL

Recent events around the world have been a useful wake-up call for Älvsbyhus in terms of the supply chain, and they are now working continuously to find new purchasing channels. There is a need and demand for affordable houses that will continue, but Kent Johansson believes that potential house buyers need to modify their expectations.

“We have a major housing shortage in Sweden,” he says. “What’s required is an understanding that the new interest rate situation is the new normal. We’ll have a mortgage rate of around four to five percent, which is quite low compared with the 1990s. For people to accept this, the Riksbank (Swedish central bank) would need to freeze interest rates and thus allay fears of further increases, something we’re now finally seeing.”

MAKING USE OF EXPERIENCE IN MORE DIFFICULT TIMES

Although 2024 is expected to be a significantly worse year than 2023, Älvsbyhus is choosing to focus on the opportunities. The company has lived through previous recessions and knows how to deal with them.

For example, they are now looking at the possibility of ‘stripping down’ certain house models to make them even more affordable – something that turned into a bestseller in the 1990s. Going forward, the company is investing in marketing, digitalization and participation in trade fairs to generate more visibility for the brand. For the Hem & Villa trade fair in 2024, Älvsbyhus is planning to build an entire house inside the exhibition center to give visitors the full experience.

The profit for 2023 is slightly lower than the previous year, but still gave a margin of more than 12 percent, which is quite unusual for the industry. We’re financially robust and will manage to cope with even more difficult times. We’re heading into 2024 with high hopes for our sales. Once we turn up the production rate again, we’ll be ready to welcome back the employees and the invaluable expertise that we had to lay off,” Kent Johansson concludes.



Kent Johansson, CEO

Älvsbyhus

For over 60 years, the family-owned company Älvsbyhus has been building houses all over Sweden. The company offers affordable, prefabricated houses that are delivered turnkey to the plot – always at a fixed price. With its own sawmill and railway tracks, the company maintains a high level of cost efficiency. Today, Älvsbyhus has grown into a Nordic group with operations in Sweden, Finland and Norway.

Facts

NET SALES SEK 1,650 M	EMPLOYEES 271	HEAD OFFICE Älvsbyn	CHAIRMAN Erik Andersson	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 1995
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Feralco

Since 2000 Feralco has supplied high-performance water treatment and process chemicals, enabling and ensuring access to clean drinking water and wastewater treatment. Its customers are primarily in the municipal sector. Today, Feralco is one of the leading suppliers in the market, with production facilities all over Europe and around 130 million people dependent on their products.



Facts

NET SALES SEK 2,608 m	EMPLOYEES 284	HEAD OFFICE Helsingborg	CHAIRMAN Mikael Helmerson	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2000
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Flexibility and proactivity are the recipe for success

Feralco's objective is to remain the most reliable supplier of water treatment chemicals in Europe. 2023 was the company's best year ever, and going forward it will be investing to meet the growing demand for even cleaner drinking water and wastewater.

On a daily basis, Feralco's work enables 130 million people to have access to clean drinking water. As the world struggles against the headwinds of inflation, energy crises and war, this work is becoming all the more important. It is in troubled times that our most basic needs come under the spotlight – and clean water is one of them.

Heading into 2023, Feralco anticipated a turbulent market with major cost increases and disruptions in the supply chain, according to CEOs Stephen Childs and Ludovic Huitorel. Thanks to high-cost investments to ensure flexibility in manufacturing, delivery, stock-keeping, and the successful integration of two important acquisitions made in 2021, the company has been able to create a sustainable business model. Despite the turbulent market situation, Feralco has managed to deliver to its customers in a punctual and reliable manner. As a result, Feralco was able to reap the benefits of its hard work – with 2023 being the company's best year yet.

INVESTMENT IN OWN OPERATIONS

As Feralco sees the demand for its products continue to grow, the company is investing even more in its existing manufacturing units. In 2023, investments were mainly made in France and in 2024, they will be primarily made in the UK.

"The clear focus on sustainability, circularity and the legal requirements introduced regarding improvements in water standards and supply, contribute and will continue to contribute to a greater demand for our products," says Stephen Childs. "These processes take time, but we're investing in our businesses now to meet growing future demand. This means increased production of the right type of chemicals, more warehouse space and a broader supply chain."

Feralco believes that the most strategic thing it can do now is to prepare for large-scale events like the pandemic, the war in Ukraine or the energy crisis. This is why the company is investing in fundamental aspects of its business to become more flexible, reduce potential risks and absorb crises more effectively.

"Nobody knows what the world will look like in a few years' time, and we have to evolve with it," says Ludovic Huitorel. "What we're doing is increasing our assets and options, such as the supply of raw materials, production capacity and cooperation between countries within the company. Our investments have two objectives: to improve our manufacturing network by expanding capacity and to prepare for the next crisis. We always endeavour to be more proactive."

LOCAL PLAYER FOCUSED ON SUSTAINABILITY

Feralco has managed to maintain its ability to be a local player, with 18 production units across Europe. For several years, the company has been one of the few companies that has been able to deliver without any interruptions. Its local presence means products are transported over short distances and the supply network is stable, with sustainability always front and center.

"Almost all our suppliers are in Europe," says Ludovic Huitorel. This, combined with our large storage units and the fact that most of our raw materials are transported by boat or train, means short transport distances and low emissions. But we always strive to improve and reduce our carbon footprint even more, including by performing updated life cycle analyses. We've also hired a circularity manager this year to further streamline our sustainability efforts."

FLEXIBILITY AS A FOUNDATION FOR AN UNCERTAIN FUTURE

As Feralco looks to the future, it is clear that the ability to act flexibly will provide the company with an advantage in a turbulent market. But Feralco needs to maintain its focus on customer relations if it is to bring its customers along on the journey.

"Although we've proved that we're a reliable and stable supplier, there's still uncertainty among our customers that we need to address," says Stephen Childs. "Uncertainty is our biggest challenge for next year. We must also recognize that times have changed. For example, long-term price commitments are no longer possible. This can be difficult to convey and requires new ways of doing business. We need to work with our customers to adapt to a world in a greater state of flux."

"Our entire way of working and manufacturing has changed dramatically over the past three years," says Ludovic Huitorel. "Processes change every week, and we're extremely grateful that our skilled staff are able to adapt. We have to be flexible all the time, because what the customer needs is still the same – when they turn on the tap, water must come out. We act as a buffer, ensuring that the water continues to flow regardless of what's going on in the outside world."

**Stephen Childs and
Ludovic Huitorel, CEOs**



Strong commitment to intensifying sustainability efforts

With the aim of publishing its first Group-wide sustainability report in spring 2026, Mellby Gård and its subsidiaries are working to put all the necessary structures in place. The focus in 2023 was on conducting a double materiality assessment.

“The sustainability work has got off to a very good start, and the subsidiaries have really got involved.”

**ANNA BLOM, GROUP CONTROLLER,
MELLBY GÅRD**

Working and investing sustainably is fundamental to Mellby Gård. Its ownership philosophy – the Mellby model – emphasizes long-term, responsible and active ownership. Sustainability work has been conducted for a long time in the parent company, each subsidiary and the associated companies in the Group. With new reporting legislation from the EU setting clearer requirements and guidelines for everyone in the Group, 2023 was largely characterized by intensifying and structuring the work and building knowledge in the area.

“Our priority has been to gain an overview and build knowledge, and we’ve really had to dig into the new regulations for sustainability reporting,” says Johan Sandberg, Chief Financial Officer at Mellby Gård. “There’s a lot that needs to be put in place for us to be able to report correctly. We’re not there yet, but we’re well on our way.”

“Just like all companies, we want to meet the legal requirements of the Corporate Sustainability Reporting Directive (CSRD),” says Anna Blom, Group Controller at Mellby Gård. “That’s why during the year we’ve started work on our double materiality assessment, in which all companies have identified their most important issues. These will be compiled in spring 2024 and establish which will be the most significant sustainability issues in our Group. The assessment provides us with answers regarding where we need to focus our efforts going forward.”

CHALLENGE OF DIVERSE PORTFOLIO OF COMPANIES

Both Anna Blom and Johan Sandberg emphasize the importance of getting things done in good time and doing your homework – especially as there is no established practice for the new reporting format. Moreover, the fact that EU legislation is not adapted to their circumstances – as a group with a wide variety of businesses and sectors in their portfolio – poses an additional challenge.

“It’s obvious that an agricultural business and a financial undertaking don’t have the same essential issues, although some overlapping ones do exist,” says Anna Blom. “It will be a challenge for us as Group parent to establish key issues and associated KPIs that suit both Mellby Gård and our wide range of businesses. There are also additional questions about how we should handle our associated companies in our reporting. This is not yet entirely clear.”

ESTABLISHED SUSTAINABILITY COUNCIL

At the beginning of the year, Mellby Gård set up a council with the aim of accelerating sustainability efforts throughout the Group. The council currently consists of representatives from the Group, Roxtec, Feralco and Kappahl. They are among the larger companies that are already well advanced in several areas of sustainability and have already started to implement the CSRD in their own operations.

“The idea of the council is to enable us to utilize knowledge and create synergies among all the companies in our portfolio, including in the long term,” says Johan Sandberg. “This has included gaining insight into how our businesses have tackled various issues, which can be of great help to some of our smaller companies when they are getting started on taking practical steps.”

“The council also plays an important role in ensuring that all companies within the Group interpret the regulations in the same way, so that we speak a common language,” says Anna Blom. “The council can also provide support for particularly difficult issues, sometimes with the help of external resources.”

POSITIVE RECEPTION

There are many companies affected by the new EU reporting requirements. Many are also feeling overwhelmed and worried. Mellby Gård had similar concerns – how would all the requirements be received in the subsidiaries?

“We were really pleasantly surprised in this respect,” says Anna Blom. “The work has got off to a very good start, and the subsidiaries have really got involved. It’s clear that they find it genuinely exciting to get to the bottom of how their business affects the world around them and vice versa. It takes the form of detective work that leads to them confirming that they’re already doing the right things, while at the same time realising what needs to be improved.”

“We’ve also seen that the work has helped generate a great sense of pride among the companies,” says Johan Sandberg. “Some have also taken the initiative to expand the project when it has become clear that information about the companies’ sustainability work and environmental impact can be used in relation to banks, customers and suppliers, for example.”

Allowing the companies themselves to drive sustainability efforts has long been established practice within the Mellby Gård Group. The decentralized approach allows each company to make its own decisions on which initiatives to prioritize and implement based on their own unique knowledge of the business and the industry in which they operate.

“It would be odd if we, as Group parent, micromanaged their sustainability efforts,” says Johan Sandberg. “Nobody knows the organization better than they do. That’s why our take on it, at least for now, is that we don’t need a dedicated ‘central sustainability manager’ at Mellby Gård – partly because the new legal requirements are closely linked with the financial reporting and partly because we all need to become familiar with these regulations. External expertise will be sought as needed until further notice.”

CLEAR TARGETS FOR 2024


Mellby Gård is humbled by the fact that a lot of work remains to be done to implement such a large package of rules, but the way forward is clearly marked out. Everything must be in place to meet the requirements of the CSRD and the EU taxonomy for sustainable investment from the 2025 financial year.

“By January 2025, we need to have the structures in place to collect data, based on our key areas,” says Johan Sandberg. “Our first report will be released in 2026 and reflect back on the whole of 2025, just as is the case in financial reporting. But it will also look ahead and describe future activities and targets.”

“It will be two years focused on meeting these new regulatory requirements,” says Anna Blom. “After that we can start on initiatives and actions. We also need to be on our toes for any new acquisitions. Any new companies in the Group should be trained and introduced to all the reporting requirements. This work will take place centrally.”

Both of them are also excited about the business benefits of all this work.

“Sustainability and a long-term approach go hand in hand for us at Mellby Gård. That’s why this work is particularly important for us as both owners and investors,” concludes Johan Sandberg.



“Sustainability and a long-term approach go hand in hand at Mellby Gård. That’s why this work is particularly important for us as both owners and investors.”

JOHAN SANDBERG,
CHIEF FINANCIAL OFFICER, MELLBY GÅRD



Community and faith in the future through soccer

At Mellby Gård, we believe that sports should be accessible to everyone, regardless of their circumstances. Through its long-term efforts, the Group works to lay the foundations for athletes to achieve their goals while having a positive impact on society. Welcoming more children and young people into the sports movement creates a community and a conviction that an active lifestyle can shape a promising future.

FC ROSENGÅRD X TIM BERGLING FOUNDATION – METHOD HANDBOOK ON MENTAL HEALTH FOR YOUNG PEOPLE

With 13 Swedish championship titles under their belt, it's clear that cooperation is the key to success for FC Rosengård. As one of Europe's top soccer teams, they qualified for the Champions League group stage for the second time this year. As well as being exceptional on the pitch, the club is also a pioneer of community engagement. The club is guided by its vision to create an equal Malmö that includes all neighbourhoods and people. It has a long-standing commitment to social issues and works with the Tim Bergling Foundation to highlight the need for mental health interventions for young people – something that Mellby Gård would like to contribute to as a partner.

The Tim Bergling Foundation was set up by the parents of Tim 'Avicii' Bergling after their son's tragic suicide. In honour of Tim, his musical legacy is being used to make a difference. The Foundation's vision is a society in which children and young people feel good, safe and have faith in the future. The partnership between FC Rosengård and the Tim Bergling Foundation aims to help other clubs with simple and age-appropriate exercises in the field of mental health. This includes developing a digital method handbook.

"To break the stigma and taboo in this area, the focus is on specific exercises and activities that leaders can do with their teams and groups to establish a dialogue on mental health," says Jenny Damgaard, club manager at FC Rosengård. "We've jointly launched a digital method handbook in 2023 to promote mental health among children and young people in clubs and associations. Together we hope to contribute to the field by bringing together methods and tools on a digital platform."

The club proves year after year that sport isn't just about winning and losing, but about building a community that cares about each individual – no matter what challenges they may face.

Jenny Damgaard,
Club Manager

Since the interview was conducted, Jenny Damgaard has resigned as club manager.



Project Playground

PROJECT PLAYGROUND FC ONCE AGAIN AT THE GOTHIA CUP

With the aim of helping children and young people in the shanty towns of Cape Town, South Africa to achieve a better life, HRH Princess Sofia and Frida Vesterberg founded Project Playground in 2010. Today, Project Playground is a charitable foundation and a platform consisting of trustworthy adults who motivate children and young people to have faith in the future. Providing a safe space for study assistance, preparation for employment and psychosocial support gives them scope for personal development. Soccer and other leisure activities are used as tools to change mindsets, behavior and attitudes.

The Project Playground FC soccer team, from Langa, South Africa, has for many years made it to the Gothia Cup in Gothenburg – the world's largest international youth soccer cup. When selecting players for the team, talent is not the primary consideration. To be eligible for the team, students must have a high level of attendance at school and in Project Playground activities, and they must have improved their school results during the school year. Each individual is also required to be an empathetic, inclusive and motivating team player.

Project Playground FC is extremely important to many of the

young players. They often come from harsh domestic conditions in communities with high unemployment, violence and alcohol and drug abuse. The opportunity to come to Sweden and play soccer is a dream come true.

"All children are entitled to have faith in the future," says Lina Hellqvist, partner and Fundraising Manager at Project Playground. "Mellby Gård's contribution to our activities is essential and helps us to continue our development. It's heartwarming to see the results of the work. Victory on the pitch and the experience of the cup is an unforgettable memory for the kids. It's inspiring to see how they're shaping their future."

For many years, Mellby Gård has been a proud partner of the organization and the preventive measures created to improve the futures of children and young people.

Lina Hellqvist,
partner and Fundraising Manager



TRELLEBORGS FF READY FOR DAMALLSVENSKAN IN 2024

For Trelleborgs FF's women's soccer team, 2023 has been a fantastic year, not least because of their rapid promotion to the Damallsvenskan women's soccer league after just one year in the Elitettan league. After a thrilling final in which Alingsås lost against Jitex, it was clear that they'd secured their promotion. Their supporters celebrated at their Vångavallen ground in November. The men's team finished in eighth place in the Superettan league.

Trelleborgs FF and Mellby Gård have a close, long-term partnership, their joint ambition being for sport to be accessible to all. Sport can be a positive and powerful force in communities when it engages a lot of people.

Today, Trelleborgs FF enables an active life for those who want to try football. Activities for girls at the club continue to thrive, with the number of active participants growing from 40 in 2016 to 230 today. Mellby Gård's sponsorship is a strong contributing factor to the

women's football initiative that has really paid off during the year.

"In just seven years we've taken the team to the Damallsvenskan women's league," says Johan Bauer, head of sports for Trelleborgs FF's women's soccer team. "This is a great achievement and proof that the right recruitments have been made. The initiative would not have been possible without Mellby Gård, which chooses to support the club year after year."

Johan Bauer,
Sports Director



IVA – KEY PARTNERSHIP BETWEEN ACADEMIA, RESEARCH, BUSINESS AND POLITICS

The Royal Swedish Academy of Engineering Sciences (IVA) was founded in 1919. More than 100 years later, IVA remains an independent academy focused on expanding the exchange between research, business and politics to ensure positive community development. With its approximately 1,300 elected Swedish and international members, IVA represents a diversity of expertise, including economists, researchers, engineers and leaders from the business community and the public sector.

Mellby Gård is one of 250 member companies in IVA's Business Executives Council and has provided valuable experience, commitment and financial support since 1988. The Business Executives Council ensures that the Academy is rooted in the business community and is a key requirement for solving societal challenges together.

With the aim of promoting Sweden's competitiveness and sustainable development, IVA currently runs almost 15 different programs and projects. These include IVA's Entrepreneurship Academy, to strengthen entrepreneurship in Sweden; IVA's Smart Industry, which aims to promote digital development in small and medium-sized enterprises; and Sustainable Water Supply, which focuses on issues related to the lack of clean water.

By promoting cooperation and partnerships between different sectors, IVA acts as a catalyst for transferring knowledge and technological advances to businesses and society as a whole.



Teach for Sweden

TEACH FOR SWEDEN – FOR CHILDREN'S RIGHT TO THEIR OWN FUTURE

Schools should be safe and equal for everyone, regardless of their initial circumstances. However, the statistics show that the reality is a different matter. This is why Ida Karlberg Gidlund and Mattias Svensson established the Teach for Sweden Foundation in 2013. Competent and qualified teachers are essential for student performance, but for several years the number of qualified teachers has been declining, which is reflected in lower grades. One in seven ninth graders left school in 2023 without being qualified for upper secondary school, increasing the risk of lifelong exclusion. Regardless of where you come from or the educational background of your parents, school should be the platform for every child to become their best self.

Teach for Sweden helps skilled graduates take steps to become highly sought-after, qualified teachers through a two-year leadership program in collaboration with Luleå University of Technology. By integrating both theory and practice in the leadership program, Teach for Sweden offers a more effective solution to a major problem – the lack of competent teachers and classroom role models who can inspire and motivate students. The Foundation endeavours to recruit people from different backgrounds and with a variety of professional experiences to create a teaching force that reflects the diversity in

society.

Today, Teach of Sweden works with around 30 municipalities and there is great interest in the training. After more than ten years of operations, 400 teachers have been trained and have taught more than 40,000 pupils all over Sweden. With the help of partners in the Swedish business community, the Foundation can continue to work to help children achieve their full potential, regardless of their background. It is also one of the many ways to ensure the skills supply that business needs in the future.

"We're delighted with our long partnership with Mellby Gård that involves working together for an equal school," says Ida Karlberg Gidlund, Head of Operations at Teach for Sweden. "We're now looking forward to the coming years when we'll continue to strengthen the system and give all children the opportunity to choose their own future."

Ida Karlberg Gidlund,
Head of Operations



Research and education shaping the sustainable society of the future

Research and education are needed to create a better and more sustainable society, a higher level of competitiveness and innovation. At Mellby Gård we believe that everyone has a right to education and emphasize the important work of teachers in the development of each individual.

Lärargalan

LÄRARGALAN (TEACHERS' GALA) – FOR A BETTER FUTURE THROUGH BETTER TEACHERS

At the age of 18, Beata Kull, CEO and founder of Lärargalan, the Teachers' Gala Foundation, visited the US. There, she was exposed to a culture that celebrated the important work and achievements of teachers. The noticeable lack of attention to the important role of teachers in society became the basis for Lärargalan. Beata Kull believes that despite their crucial role in shaping and educating future generations, teachers have not always received the recognition they deserve.

Lärargalan aims to recognize and highlight role models in the profession. Since 2016, Lärargalan has presented the award for Sweden's best teachers annually and is now an important organization and platform for recognising and supporting the profession. Lärargalan gives Sweden's students the opportunity to vote for and recognize teachers who have made a difference in their teaching.

The gala also serves as a platform for building community, enabling networking and promoting a sense of unity within the teaching profession. Other activities, such as lectures, inspiration days and teacher meetings, are to highlight examples of success. During the year,

Lärargalan also established a new award for young people's mental health together with the Tim Bergling Foundation. They have also organized several seminars on mental health, including one with Malmö University.

"Together with our existing partners, such as Mellby Gård, and new supporters such as the Tim Bergling Foundation, we've been able to take a big step forward in developing our operations to boost the status of teachers in society," says Beata Kull, CEO and founder of Lärargalan. "We've offered even more activities during the year through seminars in partnership with the country's teacher training centers and universities, as well as a platform that allows teachers to share lesson plans."

Beata Kull,
CEO and founder



Shaping the future through community development

At Mellby Gård we value knowledge, commitment and cooperation to promote the development of society. When business and other players work together, a more inclusive society can be created. Mellby Gård wants to actively contribute to this.

MITT LIV PROMOTES DIVERSITY, EQUALITY AND INCLUSION IN THE LABOR MARKET.

Mitt Liv was founded by Sofia Appलगren in Gothenburg in 2008, with the approach that everyone should have equal opportunities to get a job and equal conditions in working life. The mentorship program, which is still running today, originated at Angeredsgymnasiet upper secondary high school in Gothenburg, where it was initially a program for young people. Every idea and action in the program since then has stemmed from Mitt Liv's vision to create an inclusive society and a labor market that values diversity and equality. A vision that Mellby Gård shares.

Today, Mitt Liv is Sweden's biggest player in diversity, equality and inclusion. It provides employers with strategies, training and tools to successfully address these issues. They also run the Mitt Livs Chans mentorship program for graduates with a foreign background who do not have a job corresponding to their skills. Participants in the program are supported by a mentor who is established in the Swedish labor market. This gives them the opportunity to expand their professional network and gain in-depth knowledge of this market. The results of the mentoring program show that 51 percent of participants have found a job or internship as a result of participating in the program.

With 45 partners who together employ more than 400,000 people,

there is a strong drive to make a difference together. Today, Mitt Liv trains around 14,000 people annually in its consultancy business and supports around 1,000 participants per year in its mentorship program.

"We can see that our work is paying off," says Lenka Prokopec Karlberg, CEO of Mitt Liv. "It's important that major players like Mellby Gård support what we do. Funding through partnerships allows us to continue working for increased diversity, equality and inclusion in the labor market."

Mitt Liv's network of partners includes two of Mellby Gård's companies - Kappahl and Duni. The CEOs of both companies are part of the Mitt Liv CEO program, which aims to encourage businesses to work on diversity and inclusion.



Lenka Prokopec Karlberg,
CEO

Drivhuset



SNS CELEBRATES 75 YEARS OF PUBLIC DEBATE AND RESEARCH

The non-profit organization SNS, Studieförbundet Näringsliv och Samhälle, celebrated 75 years in 2023. Since its inception in 1948, SNS has been an independent forum for knowledge-based dialogue on social issues, and the need for fact-based debate is as important today as it was then. Working methods and meeting formats have evolved over the years, but the basis of the organization has always been to act as a bridge between business, administration, academia and politics.

SNS' activities consist of various research projects, conferences and training programs to jointly address current societal challenges. The topics have varied over time, while others such as education, the environment and the conditions for enterprise are constantly in focus. Social commitment and research are two fundamental reasons for Mellby Gård's membership, which has been active since 1995.

"It is crucial for us that our members provide funding, as SNS is a non-profit organization with no fixed, recurring funding," says Ilinca Benson, CEO of SNS. "With its contribution, Mellby Gård shows that it shares our conviction that it is important for new research to be disseminated and used in society."

In 2023 Mellby Gård contributed to the Crime and Society research project. The project examines the preventive effects of social interventions to reduce crime, activities in large cities to help criminals disengage from crime and the impact of organized crime on the state and municipalities, among other aspects. A new project on productivity, competitiveness and sustainable growth, which Mellby Gård will support, will start in early 2024. Mellby Gård will also be involved in the reference group for this project. Reference groups provide a forum for constructive discussions on how research results can be applied in practical decision-making. Members can contribute facts and data and give feedback on the direction and structure of the project.



Ilinca Benson,
CEO

DRIVHUSET SHAPES THE ENTREPRENEURS OF THE FUTURE

Drivhuset Norden is an organization that has been training entrepreneurial talent for over 30 years. Through practical and research-based tools, they teach individuals to know why, how and what to do to address societal challenges and generate innovation. Drivhuset is a meeting place for developing business concepts and entrepreneurial drive. Those who wish to do so are given support and opportunities to either start and run their own businesses or to contribute by sharing knowledge in existing organizations.

Today, Drivhuset Norden has operations in Sweden, Norway and Finland, working in close collaboration with universities in these countries. Activities are funded by government grants and support from industry partners.

The purpose of working closely with educational institutions is to create an environment in which students can think creatively, take risks and explore different business opportunities. Drivhuset organizes workshops and lectures in schools to introduce students to the basic principles of entrepreneurship and innovation. They also assist in finding internships, run mentoring programs and support competitions

and events in which students can present business concepts and receive constructive feedback. Drivhuset is to also be a meeting place where aspiring and experienced entrepreneurs can share knowledge with each other.

"We see it as important that Mellby Gård chooses to support organizations like ours that work to bring education and business together," says Anna-Carin Sandberg Jödahl, CEO of Drivhuset Norden. "This is crucial for shaping the entrepreneurs and innovators of the future."

As active owners, Mellby Gård is keen to preserve the entrepreneurial spirit in the companies that are part of the Group, and the partnership with Drivhuset is fully in line with the company's strategy.



Anna-Carin Sandberg Jödahl,
CEO

Promising research – a bright spot for cancer patients

A significant injection of capital in 2023 from Mellby Gård and others has secured future funding for groundbreaking medical research for Swedish biotech company Anocca. The company is a world leader in the development of T cell immunotherapy.

Anocca is a biotechnology company based in Södertälje, Sweden. It was founded in 2014 by CEO Reagan Jarvis and serial entrepreneur Mikael Blomqvist. With an experienced management team and 100 employees, the company is now a world leader in the development of TCR T: T cell receptor-engineered T cell therapy – a treatment method in which T cells are modified to identify and attack the patient’s cancer cells. It will be possible to use T cell immunotherapy to treat cancer, autoimmune diseases and viral infections.

Researchers at Anocca come from more than 30 countries. They have state-of-the-art laboratories for product development, and the company has also established probably the largest GMP-certified cleanroom facility in the Nordic region for manufacturing cell therapies for clinical studies. This unique infrastructure ensures that the company covers the entire value chain from research and development to manufacturing therapies that can be administered to patients in clinical trials.

INVESTMENT IS VITAL

A key event in 2023 was that Mellby Gård and other investors continued their involvement in Anocca – particularly in view of the climate in the capital markets being especially challenging for many biotechnology companies over the past year. Fredrik Hansson, Vice Chairman of the Board of Anocca, says:

“Having Mellby Gård as a long-term, stable owner is extremely important to us and crucial to our success. Good cooperation with investors is essential to drive our research and development forward. Despite experiences from past funding challenges, we now feel more than hopeful. We’re determined to continue our corporate journey with optimism and confidence.”

The capital injection from 2023 means that the company will be able to invest in an initial clinical study in which a T cell-based treatment targets a specific cancer mutation in patients with solid tumors. Today, the tumors are very difficult to treat and there are currently no effective treatment options.

RESEARCH THAT MAKES A CONTRIBUTION TO SOCIETY

Sweden has long been lacking a major biotech company. Today, Anocca has an established position in the market and major potential to contribute to advances in precision medicine. The company is a pioneer, with an industrialized analytical technology platform that

enables it to offer targeted, T cell-based therapies. In short, Anocca is developing cell therapy treatments that modify the patient’s own T cells to attack the most difficult-to-treat cancers. Given the precision and efficiency of the platform, the company is able to cover large patient populations.

“We see a long-term impact and social benefit with Anocca,” says Fredrik Hansson. “The revolutionary technologies we’ve developed could have a major impact on future treatments for cancer and other serious diseases. Most people know someone who has cancer, had cancer or lost their life to the disease. Research is therefore vital to society.”

A HOPEFUL FUTURE

Anocca’s first clinical trial is planned for 2024 for a cancer for which less than ten percent of patients have a life expectancy of more than five years. It is crucial that treatments for cancer, especially for solid cancers, become more effective. Today, Anocca has a portfolio of 40 early-stage product candidates that can target specific cancer types. In about five years’ time, they are expected to number in the hundreds, and the company expects to start further clinical trials in the foreseeable future.

“We’re collaborating with eight leading cancer centers across Europe for our first clinical study. Anocca has good relationships with prominent doctors in the institutions and is engaged in dialogue with the Swedish Medical Products Agency. Our clinical plan can also be expanded to include other forms of cancer that are hard to treat. Our unique research platform opens up many opportunities for the future, and we’ve started researching other applications, such as cancer vaccines. The future looks hopeful,” concludes Fredrik Hansson.

“The revolutionary technologies we’ve developed could have a major impact on future treatments for cancer and other serious diseases.”

**FREDRIK HANSSON,
VICE CHAIRMAN OF THE BOARD OF ANOCCA**

**Fredrik Hansson,
Vice Chairman of the Board**





Continued focus on long-term projects in a turbulent environment

At the start of 2023, Thomas Gustafsson, Deputy CEO of Mellby Gård, didn't dare be too optimistic about the coming year. But despite turmoil in the environment, the companies he works with have stuck to their long-term plans and exceeded expectations.

From a geopolitical perspective, uncertainty and instability have increased significantly in recent years. There have been major and rapid changes in a short time, which definitely affects how Mellby Gård thinks and acts.

"Overall, the holdings where I chair the board or am a board member have performed well in 2023, much better than we thought they would at the beginning of the year," says Thomas Gustafsson, Deputy CEO of Mellby Gård. "We were quite pessimistic going into 2023. Above all, we were worried about the effects of inflation and high mortgage rates."

It was estimated that essential consumption of food, for example, would remain reasonably stable, while consumption of clothing and restaurant food would decrease. But clearly, many individuals have had fixed interest rates and possibly used their savings for consumption. This has led to them prioritising both eating out and buying clothes more than anticipated.

"Our analysis for 2023 was probably correct, but we didn't take into account the shift in consumers' personal finances," Thomas Gustafsson continues. "Now, ahead of 2024, we're making a similar assessment and assuming that private consumption will decrease, which will probably affect several segments."

A BRAND-NEW WORLD ORDER TO CONSIDER

It has become unstable in many parts of the world, and a new world order has rapidly emerged. This has quickly and extensively influenced the way Mellby Gård thinks and acts. Companies, in turn, are living with greater and, in many respects, novel uncertainty.

"The increasingly turbulent environment means, among other things, that we're assessing geographical markets from a broader perspective," says Thomas Gustafsson. "A few years ago, such assessments mainly concerned the level of corruption. Today, for example, we can see a much stronger link between political risk and business risk. This has made us more vigilant, and those constraints weren't as strong a few years ago when we saw China as being more attractive, for example." He continues:

"As many countries have become more protectionist, companies naturally feel more secure in existing markets or where the political risk is not as great or obvious. This is a wise conclusion, but at the same time it's important not to become too defensive."

At Mellby Gård, Thomas Gustafsson and his colleagues listen closely to the Group's companies regarding geopolitical issues.

"It's important for us to keep our ear to the ground in the various markets," he says. "Some of our companies are national, while others are distinctly international. We continuously share information and experiences with all our companies on various external events, how to assess them and what effects they may have. It's an extensive exchange of knowledge that's crucial to us, and one of the strengths of belonging to a group like Mellby Gård."

IMMEDIATELY WOUND UP ALL BUSINESS IN RUSSIA

When Thomas Gustafsson looks back a few years, he sees a world that was taking a breather after the pandemic had kept it in a tight grip. It was expected that things would get back to normal as far as the impact of external factors was concerned. So Russia's full-scale invasion of Ukraine came as a bolt from the blue.

"We immediately wound up all business in and with Russia, and for Duni this meant a relatively extensive effort in terms of closing down our subsidiary there," says Thomas Gustafsson. "In general, the main direct consequences have otherwise been higher input and energy prices, i.e. a sharp rise in inflation."

"The cost increases meant that in 2023, we had to compensate by increasing our prices. Finding the right levels has been a challenge for several companies. This is partly because some cost increases have been very volatile, and partly because some components have increased in price significantly more and for a longer period than anticipated. But the companies have generally handled the issue very well."

In the longer term, Thomas Gustafsson believes that tensions in many parts of the world may continue to rise. For example, in 2023 the Israel/Palestine conflict escalated, while the 2024 US presidential elections could further increase instability.

"Overall, there are currently more factors with potentially negative impacts than factors that improve the geopolitical situation," he says.

Cybersecurity is another concrete example of the impact of the turbulent geopolitical situation. Thomas Gustafsson says that the companies are seeing an increase in crime in this area and that the offences are becoming increasingly sophisticated. IT security is an existential issue that cannot be underestimated – it is important that it is prioritized and continuously improved.

REVIEW OF MANUFACTURING AND PURCHASING

In the current global situation, there is also reason to review where companies have manufacturing facilities and where they make their purchases from. This is also strongly linked to the sustainability perspective and to a more rigorous assessment of political risk.

"In several sectors, particularly ready-to-wear clothing, a shift in manufacturing has been underway for several years," says Thomas Gustafsson. "The sustainability transition is an important driver, but there's also a more rigorous assessment of risks."

Thomas Gustafsson says that in 2021, many of the world's companies became painfully aware of the fragility of global infrastructure and the implications of the container cost going from USD 2,000 to USD 17,000 in the space of four months. Such a scenario was probably not in the risk calculus of any company in the world, and obviously nobody wants to end up there again.

"All in all, the companies within Mellby Gård should be highly commended for the way they handled first the pandemic with lockdowns and restrictions, and then even greater turbulence with high inflation and in many places a war-torn world," he says.

"We at Mellby Gård always work closely with our companies, and in recent years we've had an even closer dialogue. Despite the current situation, all companies have continued to prioritize their strategic projects. In times of uncertainty, it's easy to only look at the short term, but the companies have certainly not slowed down regarding their strategic agenda, which is a clear sign of strength," Thomas Gustafsson concludes.

Kappahl

Kappahl was founded in Gothenburg in 1953 and is one of the Sweden's leading fashion chains, with around 355 stores under the Kappahl and Newbie brands in Sweden, Norway, Finland, Poland and the UK, and Shop Online in the majority of European countries. Kappahl offers a wide range of products for all of life's occasions. Today, more than 80 percent of Kappahl's fashion range is made from certified and/or traceable materials.

newbie
SIZE 44-128

Transformation towards a more sustainable business model

By focusing on business and brand transformation, Kappahl has set its sights on growth. The company has continued to invest in 2023 in smart tools and infrastructure to scale up and increase profitability in a sustainable way – with very good results.

Facts

NET SALES
SEK 5,002 M

EMPLOYEES
Approx. 4,000

HEAD OFFICE
Möndal

CHAIRMAN
Thomas Gustafsson

PART OF THE MELLBY GÅRD
PORTFOLIO SINCE
2013

For over 70 years, Kappahl has offered affordable fashion for the many, and the company's commitment to sustainability extends beyond the latest trends. Sustainability stands for both responsibility and the power of innovation and is in itself a value anchored in Kappahl's culture and strategy.

"We've made significant investments in the transformation process that will take us towards a sustainable business model," says Elisabeth Peregí, CEO of Kappahl.

PROFITABILITY AND SUSTAINABILITY GO HAND IN HAND

Kappahl is convinced that profitability and sustainability go hand in hand and has chosen to take responsibility for the entire value chain: design, manufacturing and distribution. The new business system is therefore designed to also explore and scale up sustainable solutions for all parts of the supply chain.

The TrusTrace digital tool enables traceability and measurability throughout the supply chain, meaning that Kappahl keeps track of each individual garment's life cycle, all the way from the cotton field to the local store for the millions of garments sold each year.

"During the year, we started to introduce traceability for our products and now offer full traceability in our jeans range," says Elisabeth Peregí. "Customers can now see where the cotton is grown, the yarn spun and the trousers sewn."

With new tools and systems in place, Kappahl is well placed to link up with selected suppliers and make more informed decisions based on data rather than assumptions.

"This is a huge investment for us," says Elisabeth Peregí. "It affects how we deal with our suppliers and adapt to new legislation. We're convinced that transparency at all levels strengthens Kappahl's credibility and brand."

STRONG BRANDS WITH POTENTIAL

The Kappahl brand currently serves as an umbrella for several brands (Kaxs, kay/day, Minories and XInt), while the Newbie brand has been a separate business unit since 1 June.

"Newbie has online sales in over 20 markets and its own stores in Sweden, Norway, Finland, Poland and the UK," says Elisabeth Peregí.

"We really believe in the brand and have tasked the new CEO Thomas Kusoffsky with optimising its underlying potential through expansion."

The plan is to expand Newbie's online sales into additional markets in Europe in 2024. In parallel, Kappahl plans to continue remodeling, open new stores and establish itself in new channels.

IN-STORE AND ONLINE INITIATIVES

Traditionally, Kappahl has mainly operated through its own sales channels, either physical stores or its own e-commerce. Today, Kappahl has 355 stores of its own, which are the hub of the business and account for 85 percent of sales.

"We like customers to come to the store, and to keep them happy we have to constantly work on upgrading the store experience," explains Elisabeth Peregí.

Something new this year is that Kappahl is testing second-hand sales of children's clothing in selected stores in Sweden and Norway, the aim being to drive development towards more sustainable consumption and circular business.

"Clothes really shouldn't end up in the trash!" says Elisabeth Peregí. "That's why we need to offer simple alternatives such as repair or reuse to extend the life of the garments."

By investing in a new e-commerce platform, the company will also be able to more effectively scale up its online sales – in both its own and other channels.

"We'll soon have a stable system solution with the new e-commerce platform," says Elisabeth Peregí. "This allows us to have more of a local presence in the countries in which we operate."

SALES STRONGER THAN EXPECTED

The year began with relatively low expectations and a great deal of caution. Where customers' wallets were concerned, the company expected both inflation and the energy crisis to have a dampening effect on consumption. Kappahl decided to review its cost base to prepare for lower sales. But the year's outcome was surprisingly positive.

"Sales have grown more than we could have anticipated," says Elisabeth Peregí. "Our brand stands for sustainable clothing at reasonable prices, and that's a combination that always works."

Kappahl's initiatives and successes have not gone unnoticed by the industry either. In October, the company won a prestigious Market Award in the clothing and fashion category. The Market Awards are presented by Market magazine to the top companies in the ten largest retail sectors.

"We want to offer responsible and affordable fashion that suits our customers' everyday lives, whatever they're like," says Elisabeth Peregí. "Receiving the award for Fashion Company of the Year makes us very proud!"



The global textile industry – a tapestry with many threads

There are few industries as closely intertwined as the global textile and fashion industry. Like others in the fashion industry, Kappahl is used to fluctuations throughout the value chain.

The textile and fashion industry is a dynamic system with many interdependent parts. It has been built up over centuries and ensures that the cotton in the fields reaches the fashion- and cost-conscious consumer, in stores or online.

"We've learnt to live with and manage major changes, such as higher costs for raw materials and transport," says Elisabeth Peregí, CEO of Kappahl. "The geopolitical influence is always present. It means we need to be able to make decisions and act quickly without having all the information."

Most of Kappahl's manufacturing takes place in Asia. The company takes responsibility for the entire value chain: cultivation, manufacturing, design and transport to stores. This is why the company is on site near its suppliers in Shanghai, New Delhi and Dhaka. The European suppliers are managed from Sweden. All finished garments are transported by boat, train or lorry to the central warehouse in Mölndal – a chain in which a lot can happen along the way.

"We're constantly reviewing our supply chain so we can manage different types of risks and be more transparent," explains Elisabeth Peregí. "Our aim is to move production closer to Europe to shorten transport routes and reduce our carbon footprint. Europe has factories and expertise, but not to the same extent as Asia. Almost all outerwear is sewn in China, and Bangladesh specializes in linen and knitwear. A balance between time, cost and quality must be achieved."

LEGISLATION AND INFORMED CUSTOMERS

In the EU, legislation is driving transformation of the textile industry aimed at ensuring the safety, quality and sustainability of textile products, requiring traceability at all stages.

"We've been preparing for several years," says Elisabeth Peregí. "And now, in 2023, we've started working intensively on providing transparency and traceability through a recently launched traceability tool. The tool allows our customers insight into how the garment was made."

Traceability is simplified if textile factories are also in close proximity to the raw materials. This means fewer, fully integrated suppliers, reduces on-site transport and strengthens relationships with suppliers.

Customer awareness is also driving development. More and more consumers are demanding transparency to be assured that the garments they buy are made in factories with decent working conditions. Transparency requirements will eventually result in manufacturing moving from one market to another.

TRANSITION ADDS VALUE

The global green transition is costly. Many smaller companies will find it difficult to adapt, which will mean consolidation in the industry over time. Kappahl believes that the transformation is necessary, and sustainability work is well integrated in its business strategy.

"Our ambition is for consumers to be able to buy sustainable and affordable garments. We've already factored in the cost of manufacturing clothes in a way that has less of a negative impact on people and the planet. We're now focusing on designing and offering garments that can be used even more times and thus have an even longer lifespan," concludes Elisabeth Peregí.



Elisabeth Peregí, CEO

Diversification and successful synergies enabled record net sales

Open Air Group is the group that creates better experiences in nature. The Group is growing both through acquisitions and organically by letting each brand 'do what they do best'. This strategy has generated net sales of a record one billion Swedish kronor this year.

The Open Air Group headed into 2023 with the goal of creating the best products and equipment for hunting, dogs or the outdoors while being the leading e-commerce player. The company focused during the year on trying to identify synergies in each division to minimize costs and develop better products. This work has yielded good results for Open Air Group, which despite challenges in the retail division has secured a sales record.

"As we summarize 2023, we can see that our strategy is working and delivering the desired results," says Camilo Sjödin, CEO of Open Air Group. "We're delighted that we've managed to grow given that we're in a recession. The reason is that our three verticals provide us with a diversified offering."

This year, Open Air Group saw increased growth in the Tech division, following the successful integration of the platforms for the WeHunt and Tracker hunting and tracking applications, and in the Brands division, in which the outdoor clothing brands Chevalier, Aclima and Alaska are performing well.

"This favourable development is largely due to Aclima's business-to-business operations," says Camilo Sjödin. "This year saw the delivery of a major contract, generating a positive contribution. Chevalier and Alaska have also experienced excellent growth in their direct-to-consumer sales. However, we aren't achieving the growth in the Retail division that we'd hoped for."

OPERATIONAL CHANGES FOR THE FUTURE

At the end of 2022, a CEO for the Tech division was hired whose task it was to develop and establish greater synergies between the Group's more technically oriented brands such as WeHunt, Tracker and UltraCom. "Greater collaboration between the brands required joint product development, which has yielded good results," says Camilo Sjödin.

"We're seeing a positive trend for the Tech division this year, both financially and internally. Employee surveys indicate that the change management process has been well received. Staff have shown great commitment, which has laid the foundations for building the common platform for WeHunt and Tracker that has provided a better user experience and unified the brands."

Chevalier's operations also moved into the Open Air Group warehouse during the year. This is also where the e-commerce company Widforss operates. The aim has been to optimize and benefit from the core activities and knowledge of the different companies.

"For a product company like Chevalier, warehousing and logistics solutions are not part of the core business like they are for Widforss," says Camilo Sjödin. "That's why we bring together all the product companies' inventories at Widforss. We should help each other with what we're good at."

CONTINUED EFFORTS TO REDUCE CARBON FOOTPRINT

For Open Air Group, it's important that their products are manufactured with as little environmental impact as possible. For this reason, the company is constantly working to improve its processes and manufacturing from an environmental perspective. Last year, the Group was admitted to the Science Based Targets initiative and has now been able to start reviewing and acting on the results.

"It's thanks to Science Based Targets that we now understand the emissions we generate throughout our business chain," says Camilo Sjödin. "It also helps us understand how we can act to reduce these emissions."

During the year, product companies have continued their work to see how they can utilize the waste material produced in clothing manufacture. One example is the Aclima brand's ReBorn product line.

"The products are made from scraps of wool that are spun into new yarn or woven into new fabric," says Camilo Sjödin. "The new yarn or fabric is not dyed, but retains the colour it has acquired after spinning, making each garment unique. This means that no more water, chemicals or energy are used than necessary."

Aclima's ReBorn pullover won an award at the ISPO extreme sports fair for its innovative way of using waste wool without compromising on quality and functionality.

Investments have also been made in the Aclima factory. A new and modern cutting machine will minimize waste fabric and make the factory more resource-efficient.

MANAGEMENT OF EXISTING COMPANIES

There is now greater uncertainty in the market for consumer products. Several companies are struggling and valuations are falling, increasing the chances of making interesting acquisitions. Open Air Group's goal is to grow through acquisitions, so the company is always on the lookout for interesting prospects. No acquisitions were made in 2023 – instead, the focus was mainly on the company's own operations.

"We'll see if any acquisition opportunities arise in 2024," says Camilo Sjödin. "But in the near future, we'll be focusing on generating further success in the existing brands. That's how we can ensure a strong 2024."



Camilo Sjödin, CEO

Open Air Group

Excitement, community and close proximity to nature – hunting and outdoor activities provide a sense of freedom and independence. And the experience is all the greater if you have the right equipment. Open Air Group's nine different subsidiaries offer more or less everything you need in the wilderness, from woolen underwear to GPS tracking for hunting dogs.

Facts

NET SALES
SEK 1,042 M

EMPLOYEES
233

HEAD OFFICE
Stockholm

CHAIRMAN
Rickard Kemfors

**PART OF THE MELLBY GÅRD
PORTFOLIO SINCE**
2019

Uncompromising quality drives sustainable fashion

The historic menswear company Oscar Jacobson celebrated its 120th anniversary in 2023 with another record year. With a classic cut, high quality and a wide range, the style-conscious man can select Oscar Jacobson for both everyday wear and festive occasions.

For Oscar Jacobson, 2023 was another successful year. Both net sales and earnings reached new record levels. “We’re a bit surprised that we’re continuing to grow at this pace and that we’ve grown by 60 percent compared to the year before the pandemic (2019),” says Richard Woodbridge, CEO of Oscar Jacobson. “But it shows we have a brand and range that many customers are attracted to and appreciate.”

INVESTING IN NEW MARKETS AND STORES

During the year, Oscar Jacobson invested both in new markets and in developing its stores. The company opened three of its own stores in Denmark in 2023. Sales have exceeded expectations and a fourth store is planned to open in early 2024.

The Oscar Jacobson store on Birger Jarlsgatan in Stockholm has undergone an extensive upgrade, and the company has also had its outlet store in Barkaby renovated and made the decision to move the store in Täby, Stockholm. Today, the company has 19 of its own stores in Scandinavia.

“Our stores are important to us and during the year, direct-to-consumer sales have grown by 20 percent compared to the previous year and 85 percent compared to before the pandemic (2019),” says Richard Woodbridge.

Oscar Jacobson has made a major change in terms of its online sales during the year. The company now sells to all EU countries in English, with dedicated sites for Sweden, Denmark and Norway. Online growth in 2023 was 45 percent, and total e-commerce net sales amounted to SEK 61 million. The company will also establish a new e-commerce platform to enable it to scale up its online business more quickly. Intensive work is underway to create a brand-new infrastructure for a new online store scheduled to open in March 2024, with the aim of achieving sales of SEK 100 million in the near future. Another piece of news is that Oscar Jacobson is making sales through Zalando Marketplace to reach an even wider audience and complement its other sales channels.

SUSTAINABLE MENSWEAR GETS A LONGER LIFESPAN

With the suit as the staple of a man’s wardrobe, Oscar Jacobson has continuously developed its range. New additions such as jeans, shirts and shoes account for an increasing share of net sales and reinforce the overall look and feel of the brand.

As a supplier to the Royal Court, the brand works with some of the world’s most exclusive weavers and offers a wide range of quality fabrics. Oscar Jacobson saw increased demand in 2023 for its Custom Made offering, which allows customers to personalize their suits by

choosing the fabric, lining and cut. Having a suit made for an extra special occasion, such as a wedding, is in vogue.

“There’s a clear sustainability aspect to the offering,” says Richard Woodbridge. “In Custom Made, we make all suits to order, thus avoiding overproduction and inventory risk.”

From a global perspective, fast fashion, with its emphasis on quantity rather than quality, is a huge problem. In ten years, the number of people on the planet has increased by eleven percent, while the consumption of clothing has more than doubled. This poses major challenges for people and the environment. The solution is to take responsibility for reducing consumption.

“If we can help produce one less garment, it makes a difference,” says Richard Woodbridge. “Manufacturing currently accounts for 80 percent of a garment’s total carbon footprint. If you can double the number of times you use your clothes, from an EU average of seven to eight to 15 times, your carbon footprint will be halved.”

SUSTAIN FOR A CIRCULAR FASHION INDUSTRY

The Oscar Jacobson range consists of high quality craftsmanship in a classic style with extensive durability, which is well suited for reuse. The circular concept of Sustain by Oscar Jacobson, introducing reuse in physical stores in Stockholm and online, emerged from this idea in 2021.

“We didn’t really expect such an impact and response to Sustain,” says Richard Woodbridge. “About 70 percent of all the garments that come in are sold within two weeks, and they’re now selling so well that we simply can’t get enough clothes.”

The success of Sustain has been both surprising and overwhelming. The store has by far the best growth of all Oscar Jacobson stores in 2023, with sales doubling in the last year. A new Sustain store is now about to open in Gothenburg.

“To Oscar Jacobson, Sustain is more than just a shop,” says Richard Woodbridge. “This is our contribution to creating a more circular fashion industry, and our clothes are perfect for reuse.”

OSCAR JACOBSON

Oscar Jacobson

The brand was founded in 1903 by tailor Oscar Jacobson in Borås. The leading menswear chain has 19 of its own stores in Sweden, Denmark and Norway and 150 retailers in Europe. High quality combined with a high degree of style lends itself well to reuse. Oscar Jacobson has also been a purveyor of timeless and sustainable menswear to the Swedish Royal Court since 1980.

Facts

NET SALES SEK 460 M	EMPLOYEES 86	HEAD OFFICE Borås	CHAIRMAN Sven Knutsson	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2018
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Richard Woodbridge, CEO



Accountant looking forward to new experiences

In November 2023, Johan Lilliestrand started working as an accountant at Mellby Gård. With enjoyable and exciting tasks similar to those in his previous role as auditor, Johan is looking forward to the future at Mellby Gård and to developing along with his colleagues.

After studying for an MBA and working for four years as an accountant in Växjö, Johan Lilliestrand was looking for new challenges. With his partner in Malmö, he turned his attention southwards. Then the advert for an accountant at Mellby Gård turned up, and he decided to apply.

"There were some similarities with my previous role, so I took the opportunity to apply," says Johan Lilliestrand. "After the interview, I realized that I would be working on many of my favourite parts of auditing work. The employees I met at Mellby Gård gave a good impression and described it as having a family-like atmosphere, so it was easy to accept the job."

RETURNING HOME TO SKÅNE

After being assigned to his new position, Johan Lilliestrand set up home with his partner in Malmö. He's now settled in his new hometown and is enjoying himself very much.

"It's been a fun and exciting time, having a new job and living in Skåne again, as I grew up in Hässleholm," says Johan Lilliestrand. "Since November, I've been able to familiarize myself with Mellby Gård's business, but also find my feet in the city. Malmö has a lot of nice restaurants that I'll explore when I'm not playing padel or watching hockey."

Johan Lilliestrand has a broad interest in sports, and the move to Malmö has provided good opportunities to watch several sports at a high level. Apart from sports, he's been interested in economics and entrepreneurship for a long time.

WIDE VARIETY OF ASSIGNMENTS

At Mellby Gård, Johan Lilliestrand works with the company's accounting and manages internal and external reporting in a number of subsidiaries. Part of his sphere of responsibility is to make sure things are done right and on time. He has also been assisting with the implementation of new ideas, such as digital solutions, so that Mellby Gård remains at the forefront.

"The complexity of many of the issues I work on is exciting and challenging, as it means you have to think carefully and brainstorm with your colleagues," says Johan Lilliestrand. "A lot of things are happening all the time at Mellby Gård, which is great."

It's precisely the variety of tasks and the entrepreneurial spirit that he enjoys most about his daily work at Mellby Gård.

"I've already been involved in projects where we've gone from idea to realization in a short time," says Johan Lilliestrand. "It's exciting to be involved in the whole process."

This is why Johan Lilliestrand is also excited about the regular monthly meetings at which the staff at Mellby Gård get an overall insight into what's happening in the Group.

"It was a pleasant surprise to have monthly meetings and to gain a better understanding of the subsidiaries and their activities," he says. "When I accepted the job, I obviously realized we were very involved, but not to what extent. There's a huge amount of expertise in the company and the Group, so I'm really looking forward to growing along with my colleagues. I'm proud to be part of Mellby Gård and would like to take this opportunity to thank my colleagues for their warm welcome!"

"I'm proud to be part of Mellby Gård."

**JOHAN LILLIESTRAND,
ACCOUNTANT AT MELLBY GÅRD**

Reducing risk best way to tackle a changing world

As a consequence of the pandemic and the turbulent geopolitical situation, many companies are moving manufacturing operations to Europe. This is also the case for Mellby Gård. This is primarily done to minimize risks. But there's also a clear sustainability aspect.

The pressure on Group companies to change has probably never been higher than it is today. Geopolitical tensions and the challenging cost situation, combined with a paradigm shift in the perception of what is sustainable, are resulting in a cocktail of new demands being made of companies and their management. According to Sven Knutsson, Deputy CEO of Mellby Gård, this has meant that the companies have had to review where they manufacture products and make their purchases. He is the chairman of Klarahill, Oscar Jacobson and Söderberg & Haak, among other companies, all of which have managed to successfully navigate the new market situation.

"Klarahill along with Verahill has developed well in 2023 and made great strides towards the goal of net sales of half a billion Swedish kronor in 2026," he says. "Cooperation and synergies between the companies are working well. With a solid foundation, we've now been able to expand the business geographically to northern Sweden and now cover large parts of the country."

"After a strong 2022, we had a more cautious view of Oscar Jacobson for 2023," says Sven Knutsson. "But sales held up very well for most of the year. Sustainability is very high on the agenda in the textile industry. An exciting step in the company's sustainability efforts is the store it has opened on Birger Jarlsgatan in Stockholm. Sustain by Oscar Jacobson, where we sell second-hand clothes and samples, has developed well, which is why we're opening another Sustain store, this time in Gothenburg."

"Söderberg & Haak continues to face challenges," he says. "The company operates in two areas: construction and agriculture. The construction part of the company is now becoming increasingly important, while we still have a foot in the agricultural industry, as we can see clear synergies in operating in both areas. We made a big change in 2023 that will also make its mark on part of 2024. The goal is to head into 2025 with more focused activities and an optimally adapted organization."

NEW RISKS TO CONSIDER

As a consequence of the pandemic and the turbulent geopolitical situation, many companies are looking to move manufacturing operations to Europe. This is primarily to reduce risk, but there is also a clear sustainability aspect to bringing manufacturing closer to the local market. It can reduce lead times and the amount of transportation required, which is positive. This is particularly the case for the clothing industry, where longer lead times mean more risk in terms of fashion and volumes. Sven Knutsson explains:

"In clothing companies, we generally endeavour to reduce the degree of fashion. At the same time, we have to remain relevant to our customers. We aim to create garments that can be used many times and then be repaired to be used again. To do this, we need to maintain high quality at all stages, which means a slightly higher manufacturing cost. But we're willing to pay to meet our ambitious targets for the sustainability of our garments and our environmental footprint."

"Overall, we're aiming to reduce our exposure by diversifying our risks," he says. "For example, at Kappahl we've allocated our purchases by moving a fairly large proportion of manufacturing from

China to India and Bangladesh, with a small part of the company's manufacturing currently taking place in Europe. It's worth mentioning that Oscar Jacobson has returned some of its manufacturing to Ukraine and will be happy to expand there as soon as the geopolitical situation allows."

"In recent years, it's become clear that there are many unresolved and hidden tensions in the world," he says. "Also, democracy is under pressure in several countries, which you couldn't have foreseen a few years ago. This is a new situation that affects the way Mellby Gård does business and that the Group has to deal with."

"The main conclusion for dealing with a turbulent environment is to work even more on risk diversification, as you never know where, when or how something will happen next," he says.

GETTING THE PRICE RIGHT MORE IMPORTANT THAN EVER

The geopolitical situation has strongly contributed to greater pressure in terms of costs and higher inflation. Pricing is always high on the agenda at Mellby Gård. It is important to have a logical and structured pricing process, and to continuously monitor changes in costs so any compensatory measures can be quickly implemented.

"During the year, we've made sure to adjust our prices and have always done so to compensate for higher costs," says Sven Knutsson. "We want to maintain our margin, but not profit from inflation to increase profitability."

Another key strategy for Mellby Gård is for the companies to be in the right part of the value chain. The optimum situation is many suppliers, a lot of customers and a strong brand.

"In one of our companies, we had two suppliers for an extremely important product, but one of them bought out the other and suddenly we were left with only one supplier," says Sven Knutsson. "The same happened with a sector-specific IT system where there were three operators, but they merged to become one company."

"This type of consolidation at the supplier or customer level is impossible to resist," he says. "We quite simply have to be excellent planners so we can navigate this."

The assessment for 2024 is that private consumption in Sweden will decline, mainly due to the broader impact of higher mortgage rates. Although it is still uncertain how this will affect Mellby Gård's companies, Sven Knutsson is cautiously optimistic.

"The return of interest on capital is healthy," he says. "Free capital isn't good for individuals or businesses, and it's especially bad from a sustainability perspective. With low - or no - interest, we've seen many companies not paying enough attention to how much capital they have tied up in stock. This is perhaps most evident today in a large number of e-retailers who are left with large inventories, sometimes also of the wrong kind. That didn't matter so much when money was free, but now that inventory costs five to seven percent, it's important to reduce inventory levels to free up capital and reduce the burden of debt."

Excalibur

Excalibur Asset Management is a small, independent fund management company that manages, administers and controls the Excalibur Fixed Income hedge fund. The aim is to offer private savers and investors a stable return at the lowest possible risk.

Strong performance in a volatile market

High interest rates, inflation and greater uncertainty are leaving many investors and savers tearing their hair out. But there are opportunities for good, stable returns even in a new economic environment. The Excalibur fund is showing once again that it can deliver, with a return of five percent for 2023.

Facts

**ASSETS UNDER
MANAGEMENT**
SEK 930 M

EMPLOYEES
6

HEAD OFFICE
Stockholm

CHAIRMAN
Johan Andersson

**PART OF THE MELLBY GÅRD
PORTFOLIO SINCE**
2008

Excalibur Asset Management is an independent fund management company that runs the Excalibur Fixed Income fund. It is a fixed-income hedge fund focused on positive returns, regardless of market conditions. Private savers and investors are offered positive and stable returns at low risk. In today's volatile market, the fund is an attractive alternative to riskier investments. Or as Excalibur CEO Thomas Pohjanen puts it:

"This isn't a 'rock 'n roll' product with high risk – our customers should be able to sleep easy at night."

MANY YEARS OF STABLE GROWTH

Excalibur has grown by more than 28 percent since 2020. In the past year alone, growth in assets under management has been close to ten percent, and the fund is now approaching its target of one billion Swedish kronor.

In spring 2023, Excalibur won the "Best Nordic Fixed-Income Hedge Fund 2022" award at the Nordic Hedge Awards in Stockholm. The prize is awarded to the fund that delivered the best return, with the jury consisting of representatives from the industry organization Nordic Hedge and from Stockholm School of Economics.

"Winning this award shows we're able to deliver in various market conditions and that it's not a coincidence," says Thomas Pohjanen. "This kind of attention is extremely important for us as an independent fund because we operate in a market dominated by banks. Winning the award requires qualitatively strong management over the previous three years," he explains.

Launched in 2001, the fund managed to deliver a profit immediately, and it has subsequently grown organically over twenty years. With the exception of two years of minor losses, Excalibur has delivered an average annual return of almost five percent.

In times of great uncertainty, experience is invaluable. Excalibur consists of a small, well-informed and qualified team in which each employee's expertise is crucial to success.

"We're experienced, tried and tested and have lived through several business cycles," says Thomas Pohjanen. "In this way, we've learnt how markets change over time and how to position ourselves."

AN EAR TO THE GROUND

Excalibur focuses on Sweden, the Eurozone and the US. Its daily work involves taking in information from the outside world and interpreting it to understand where each market is in the business cycle and where it is heading.

In the coming year, Excalibur expects a return to more normal inflation and interest rates. From a historical perspective, the years between the financial crash and the pandemic will probably go down in history as a period of financial excesses in which risk-taking was rewarded.

"We closely monitor what central banks say and do. We believe that a more sober approach to risk and money is good for the market economy. Everyone now knows that there are simply no free lunches," says Thomas Pohjanen.



Business intelligence to spread and minimize risk

Looking ahead to 2024 and beyond, Excalibur is closely monitoring geopolitical developments around the world – to understand, diversify and implement strategies to mitigate and hedge various risks in its portfolio in any given situation.

Conflicts, tensions and global challenges can have major consequences for the world economy, free trade, investment decisions and financial flows, as well as for the green transition. Excalibur is currently paying particular attention to a variety of high and low intensity conflicts in Europe, the Middle East and Asia.

"Managing geopolitical risks and risks in general is about being prepared and spreading your risks as the world changes," says Thomas Pohjanen, CEO of Excalibur.

CONFLICTS SLOW DOWN GROWTH

The tension between China and the US in the South China Sea is potentially a major geopolitical risk. Taiwan is taking center stage in this respect, and the conflict has manifested itself in Chinese military escalation and increased US presence in the region. Trade barriers and restrictions, particularly regarding high-tech inputs, have been gradually implemented and risk slowing down global growth.

As a direct consequence of Russia's war of aggression against Ukraine, Sweden and Finland have abandoned their long tradition of a policy of neutrality. NATO members are expected to invest two percent of GDP annually in military spending and armaments, which will have a major impact on the military-industrial complex and the world economy.

"Humans are astonishingly good at adapting to different types of crises and wars," says Thomas Pohjanen. "Ukraine has quickly and successfully transitioned to a war economy while halting Russia's advance.

There's also an imminent risk that the conflict between Israel and Palestine, which escalated again in the fall of 2023, could escalate and spread. This may involve armed engagement by other parties in the region and the eruption of social unrest and conflict elsewhere."

GLOBAL CHALLENGES REMAIN

A rapid green transition to ensure lower greenhouse gas emissions is an urgent global challenge for future generations. This issue has been further accentuated and brought to the fore by the Ukraine war, already affecting overall energy supply and transmission capacity within and between countries.

Since the pandemic, many countries are now facing major budget deficits. Many countries chose to stimulate domestic consumption, with generous payments to both businesses and households. Looking ahead, more countries are predicted to have to deal with high inflation through more restrictive policies.



Thomas Pohjanen, CEO

Taking care of customers during major life events

Klarahill and its subsidiary Verahill approach every assignment with the utmost respect and commitment. Based on their extensive experience and expertise in their respective fields, they bring a sense of security to every situation and customer encounter. This is a successful recipe for more – and happier – customers.

Both Klarahill and Verahill have experienced impressive growth over the past year. Through Klarahill's acquisition of three new funeral homes in northern Sweden, they can now offer their services throughout the country. Klarahill also consolidated its presence in southern Sweden by establishing two new operations. The increased nationwide presence also benefits Verahill, which gains natural access to more customers.

Klarahill grew by 35 percent in 2023. Its conscious strategy to grow through acquisitions and establish itself in locations with high demand is a successful one.

A CHANGING SOCIETY AND INDUSTRY

Klarahill recognizes that the funeral industry is undergoing changes that reflect the development of society. As funeral directors, they are faced with more requests, new types of unique needs and more belief systems to take into account. The demand for personalized funeral ceremonies is growing, and new ways of meeting customers through digital services are making it easier to plan and carry out farewells for close relatives. This is creating opportunities for Klarahill to strengthen its position in the market.

"Having a large number of employees is a strength when it comes to meeting new requests and demands," says Sven Ackell, CEO of Klarahill. "Together, we have more knowledge and can simply offer more. Our shared Klarahill spirit and entrepreneurial streak mean that we embrace the new and are quick to adapt so we can meet new requests and needs."

CLIMATE-SMART AND DIGNIFIED

Sustainability issues are high on the agenda at Klarahill. An internal initiative is currently underway to survey the company's climate impact, which has shown that Klarahill's transportation is one of the parts of the business with the biggest impact in this area.

"Modernising our vehicles to reduce their carbon footprint is a priority. But we're also looking at how we can make it easier for customers to make sustainable choices in all aspects of a funeral," concludes Sven Ackell.

INCREASED DEMAND AND STEADY GROWTH

The subsidiary Verahill also had a successful year. Their offering includes professional assistance and guidance in family law, real estate law and international civil law.

"It's getting increasingly difficult to navigate various legal issues yourself, such as divorce, inheritance or drawing up family law contracts," says Petra Segerdahl, CEO of Verahill. "Today's family

constellations look very different and involve more parties, which makes things increasingly complex."

Verahill has also noticed an increased demand for services in real estate law and international civil law and has therefore expanded its workforce with cutting-edge expertise to meet these new needs. Petra Segerdahl explains:

"We've grown from 30 to over 100 employees in four years. For this reason, we're working consciously and actively to create team spirit, build our shared internal culture and establish efficient internal processes. The fact that we have a higher average value than the industry index for employee satisfaction is proof that we're heading in the right direction."

The company's growth curve is steadily rising and in 2023, net sales increased by 49 percent to SEK 107 million. Verahill can now pride itself on being the second largest firm in Sweden in its segment.

"We have a strategy with ambitious targets," says Petra Segerdahl. "That's why it's particularly pleasing that we can close the books for 2023 with a profit, combined with another strong year of growth."

STRONG COMMITMENT TO CHILDREN'S RIGHTS ISSUES

Verahill is a responsible player. A key element is their commitment to gender equality and children's rights issues. An important breakthrough was made in this area in 2023 with the Swedish government's announcement to ensure a well-functioning, efficient and legally secure regime for estate division and distribution.

"Gender equality and children's rights are issues close to Verahill's heart. The rules on estate division were outdated. They created lock-in effects for the financially weaker party, which in itself can have a negative impact on children if they are forced to grow up with parents living in a destructive or violent relationship. This change is a win-win situation for everyone in society," concludes Petra Segerdahl.

Klarahill and Verahill

The Klarahill Group rests on two firm foundations – funeral services and family law. Klarahill's ambition is to drive development in the industry while ensuring the individual's right to a dignified final farewell. The subsidiary Verahill wants to be an enterprising and reliable partner in legal matters. In addition to legal services regarding deceased individuals, it also offers services in other types of family law, real estate law and international civil law.

Facts

NET SALES
SEK 367 M

EMPLOYEES
Approx. 250

HEAD OFFICE
Nacka

CHAIRMAN
Sven Knutsson

**PART OF THE MELLBY GÅRD
PORTFOLIO SINCE**
2015

Sven Ackell,
CEO of Klarahill
Petra Segerdahl,
CEO of Verahill



Right person in the right place at the right time – at the right price

Skills supply is an urgent issue and a major obstacle to growth. StudentConsulting's digital offering for recruitment, staffing and filling temporary positions provides a unique platform that offers better matches, faster processes and the industry's most satisfied customers.

The biggest barrier to growth for businesses is finding staff with the right skills. At the same time, unemployment is rising and people are finding it difficult to enter the labor market. StudentConsulting's business concept is to match the right person with the right place at the right time – at the right price. This must take place with the shortest lead time, lowest transaction cost and highest level of flexibility and quality.

SC JOBBOT – A SUCCESS STORY

A cornerstone of StudentConsulting's success is the proprietary, leading and comprehensive business management system SC Jobbot, which the company has developed along with its customers over 23 years. StudentConsulting's working methods and comprehensive management system are ISO certified to ISO 9001 Quality management systems, ISO 14001 Environmental management systems and ISO 45001 Occupational health and safety. SC Jobbot is a comprehensive system for consultants, clients, candidates and employees. A major factor for success is that all parties work with the same system using separate tools that ensure that each target group works in the most effective way.

NEW WAYS TO TACKLE CHALLENGES

SC Jobbot is also behind the fact that StudentConsulting is the biggest provider of substitute teachers for schools in Sweden. The system is a service that has been very successful when working with municipalities to find new, more intelligent ways for schools to quickly find substitute teachers. It manages to fill posts at short notice while solving the long-term skills supply issue.

"We help many municipalities and companies with temporary employees, staffing and recruitment," says Tobias Lindfors, CEO of StudentConsulting. "This includes managing substitute staff for schools and kindergartens throughout Luleå municipality, meaning that we have full responsibility for the temporary staffing function, from recruitment and quality assurance to matching. SC Jobbot combined with an optimally composed pool of temporary employees enables us to maintain a high level of delivery reliability and of continuity in temporary employees. At the same time, customers are given the opportunity to take on temporary employees for full-time positions on an ongoing basis. In this way, we become a staffing, temping and recruitment function."

The system matches the school's requirements in terms of skills and needs with the pool of substitutes, sends out a request to the consultants who do the matching, and the substitute quickest to

accept is appointed to carry out the assignment. The solution is a win-win for both clients and temporary employees.

"Everyone's a winner with this solution," says Tobias Lindfors. "We get to help solve the skills shortage and our clients get skilled substitute teachers. This means that we're working entirely in line with our mission – to put more people into work each day while ensuring the most satisfied customers in the industry."

Digitalization creates new opportunities and can break down barriers. StudentConsulting was the first to market a video CV service for job applicants. It's a way to respond to an increasingly digital generation. But it's also a way to make things easy and inclusive for those who find it challenging to express themselves in writing."

INDUSTRY AWARD WINNER

The long-term approach behind and development of SC Jobbot has generated major successes over the years. This has included StudentConsulting becoming a Gazelle Award winner four times in northern Sweden and being designated Sweden's fastest growing company three times. StudentConsulting was designated Master Gazelle, and thus the company that has won the Gazelle Award most times in Sweden, by financial newspaper Dagens Industri in 2019. Between 2020–2022, StudentConsulting had organic growth of half a billion Swedish kronor. Despite a turbulent environment and a tougher economic situation, StudentConsulting continued to gain market share in 2023. In addition, it was recognized as an industry winner in collaboration with the company "Largest Companies", with StudentConsulting outperforming its own industry in terms of net sales and earnings.

For the ninth year in a row, StudentConsulting received the award for the Recruitment Industry's Most Satisfied Customers in Evimetrix's annual survey. According to the results of this year's survey, digital solutions were one of the most important parameters for success.

"It's great that for the ninth year in a row, we're demonstrating that we're a staffing and recruitment partner you can rely on, regardless of the economic situation. The award is a fantastic acknowledgement of our employees, who work daily to achieve our mission of putting more people into work each day while ensuring the most satisfied customers in the industry," concludes Tobias Lindfors.

Tobias Lindfors, CEO



StudentConsulting

StudentConsulting is one of Scandinavia's leading staffing, temping and recruitment companies, specialising in students, academics and professionals. Its recruitment network consists of over 17,000 clients and more than 450,000 candidates in over 200 locations in Sweden, Norway and Denmark.

Facts

NET SALES SEK 1,305 M	EMPLOYEES 2,529	HEAD OFFICE Luleå	CHAIRMAN Bengt Wallentin	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2010
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Aros Kapital

Since 2014 Aros Kapital has specialized in financing solutions, primarily for small and medium-sized enterprises in Northern Europe, with offices in Gothenburg, Stockholm, Örebro, Oslo and London. The corporate offering includes factoring, corporate loans, real estate loans and leasing.

Facts

NET SALES SEK 763 M	EMPLOYEES 108	HEAD OFFICE Gothenburg	CHAIRMAN Pål Ryfors	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2015
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Meticulous, cautious – but open to new business

Many companies still have a major need for financing, but opportunities have diminished as the environment has become more unstable, interest rates are higher and the level of caution is greater. Aros Kapital conducted a review of its offering in 2023 in order to remain a partner for growth and development.

For Aros Kapital, 2023 was markedly an investment year. The change management program initiated in 2022 when Erik Berfenhag took over as CEO sharpened the focus on internal business management and enhanced control functions. At the same time, the company has consolidated and diversified its offering to better meet customer needs. Despite greater uncertainty in the market, the company is positive about the future.

FOCUS ON COMPLIANCE AND EFFICIENCY

As a credit market company, Aros Kapital conducts its operations under the supervision of Finansinspektionen, the Swedish Financial Supervisory Authority. At the end of 2023, the company received the authority's decision on the audit conducted for the 2018–2021 financial years. The decision involved imposing a penalty that was considered sufficient in view of the extensive program of measures implemented by the company since 2022. The Board was both expanded and renewed, and a new management team was appointed to implement a comprehensive change management program. The organization was strengthened in all areas and major investments were made to secure processes and procedures in areas such as granting credit, anti-money laundering and internal governance and control.

"The company's internal culture is currently business-oriented with a focus on compliance and risk management," says Erik Berfenhag. "Being a good partner for companies means we need to be able to manage business risks. The investments we made during the year have made us more professional and efficient in our business."

SUSTAINABLE LENDING FOR JOBS AND HOUSING

Today, Aros Kapital's business is mainly based on corporate loans and real estate financing. The company offers SMEs different types of loans to expand, invest, reorganize or address temporary difficulties. Small businesses are offered EU-supported loans on favourable terms, with lower personal guarantee requirements and more favourable interest rates. The loans are often a prerequisite for continuing business operations.

"Our focus is on sustainable lending," says Erik Berfenhag. "We provide loans to SMEs where needed, to create jobs or to buy new machinery, but we don't over-finance."

Developments in the real estate market in recent years have accelerated the need to clarify the company's real estate offering. Aros Kapital currently offers real estate financing for acquisitions or for real estate development, such as the construction of new commercial or residential properties. Many real estate developers have found that

construction projects have been delayed or rendered much more expensive. As interest rates have risen, many condominiums have been converted into rental apartments. Overall, this has led to a need for extensions and increased limits on development finance credit lines.

Aros Kapital cooperates with the Swedish National Board of Housing, Building and Planning, which offers guarantees to banks that finance the construction of affordable rental housing in typical small, growing cities. During the year, the company helped finance new housing in Borås, Norrköping, Uppsala and Skara.

GUARANTEEING GROWTH AND DEVELOPMENT

Greater uncertainty reduced the risk appetite of many lenders in 2023. Established banks remained cautious in their lending behavior and focused on their large customers. This opened up the market to smaller, agile alternatives.

"We can see huge potential for growth, as we're small compared to the big banks," says Erik Berfenhag. "We have an important role to play in business and society. There will be a greater need for different types of financing, other than from the major banks, to guarantee continued growth and development."

Today, Aros Kapital has around 100 employees and operations in Sweden, Norway and the UK. All markets grew in 2023 and sales amounted to approximately SEK 763 million. Going forward, Aros Kapital will continue to grow in all markets, albeit not at the same pace as in recent years. Erik Berfenhag remains positive about the future:

"We mustn't forget our customers, and we can see that many companies are struggling with the new higher interest rates. This means we need to be meticulous and cautious, but we also need to show that we are open to business."



Erik Berfenhag, CEO

Perituskliniken

Since its inception in 2020, Perituskliniken in Lund has developed into a well-reputed and appreciated private hospital specializing in urology. With unique expertise in diagnosing and treating urological symptoms and diseases combined with cutting-edge technology, Perituskliniken is the leading private operator and thus an important complement to the Swedish healthcare system.



Facts

NET SALES SEK 46 M	EMPLOYEES 38	HEAD OFFICE Lund	CHAIRMAN Orvar Magnusson	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2018
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Care without the wait – now a reality for more people

Perituskliniken reached an important milestone by winning an important bid. They are now a partner of Region Skåne and made a successful bid under the Swedish Public Procurement Act for a urology care contract. More people can now be provided with care without the need to wait, allowing Perituskliniken to make a better contribution to the Swedish healthcare system than before.

The private specialist hospital Perituskliniken offers diagnosis and treatment in urology. Perituskliniken has Sweden's most experienced specialists and surgeons and is the only private clinic in Sweden to offer PET-CT for the investigation of advanced prostate cancer. It is also able to perform robot-assisted surgery. Since it was started in 2020, the clinic has provided proof of its excellence year after year. Satisfaction index ratings from both patients and insurance companies are on the rise, and the number of patients is growing annually. Åsa Dahm, CEO of Perituskliniken, explains:

"In 2023, we've increased the flow of patients in diagnostics and surgical treatments by about 15 percent compared to the previous year. One success factor is that we work systematically on quality and safety and all employees at the clinic are involved in this work. We take rapid action and continuously develop our business and offering.

Perituskliniken expanded its activities in 2023 through requests from private healthcare providers who now use the modern and advanced technology for knee and hip implants. This is a way to contribute to the Swedish healthcare system and to utilize existing infrastructure to increase business volumes."

DEVELOPMENT IN THEIR DNA

Locating Perituskliniken at Medicon Village in Lund was a strategic choice. There, the clinic can contribute cutting-edge knowledge and advanced medtech infrastructure to various research projects. One such project is the collaboration with NanoEcho on clinical image interpretation of rectal cancer diagnostics for an upcoming registry study.

The specialist expertise available at Perituskliniken, combined with the clinic's excellent reputation, opens many doors as regards knowledge sharing and collaboration with other hospitals, both nationally and internationally.

"There's currently an interesting exchange of knowledge with private healthcare in Finland, which excels at oncology and new forms of treatment with cytostatics and radiation therapy," says Åsa Dahm.

NEW AGREEMENT IS A BREAKTHROUGH

Since its beginning, Perituskliniken has mainly provided high-quality care to patients coming from private insurance companies or patients paying for their care themselves. However, the goal has always been to be a complement to the public healthcare system, with assignments for specialized healthcare coming via public-sector agreements with the regions in Sweden.

The development of the care choice system for specialized healthcare in Sweden is slow, and the country's regions make use of the system to varying degrees. This is a very important issue for Perituskliniken. The clinic has therefore worked strategically to expand knowledge and awareness of its excellent conditions for providing

specialist care in urology, and fall 2023 saw its major breakthrough in this area. It was then clear that Perituskliniken had won a urology care contract with Region Skåne that would enter into force in February 2024.

"I'm delighted that we've finally been awarded a contract and become partners of Region Skåne," says Åsa Dahm. "This means that we can make a contribution and offer patients the opportunity for investigation, treatment and surgery with a high level of availability and quality."

The new contract means a growing influx of patients and the need to hire more people.

"I expect that we'll need to grow the organization, with more specialist doctors, specialist nurses and other expertise."

KEY ISSUES FOR THE FUTURE

Working to minimize its impact on the environment is a matter of course for Perituskliniken. The most important issues in this regard are linked to the clinic's purchasing, use and waste management of consumables and plastics, and how the clinic can optimize energy consumption in its operations.

"As we're ISO certified, a great deal of our quality and safety work takes place within the framework of the management system," says Åsa Dahm. "A priority right now is to optimize our energy consumption, much of which is linked to our ventilation system and humidification of the premises. Over the past year, we engaged a consultant who has identified important efficiency measures that we'll now be implementing."

At Perituskliniken, staff are the most important resource, as they possess the specialist skills that are crucial to the success of the clinic. For this reason, the clinic works constantly to ensure that its staff are happy and develop in the workplace by means of various initiatives.

"I see this as solid proof of our success, as we have almost no staff turnover at all," says Åsa Dahm. "I'm also very excited about the future, as we finally have the contract that we all worked so hard for and were waiting for. I now hope that everyone continues to work with the same fervour to deliver the high quality care we're capable of."

Åsa Dahm, CEO



AcadeMedia

Founded in 1996, AcadeMedia is the leading independent school operator in Sweden and northern Europe, offering quality education to children, teenagers and adults. AcadeMedia has over 18,900 employees working in 700 kindergartens, compulsory schools, upper secondary schools and adult education centers in Sweden, Norway, the UK, Germany, the Netherlands and Poland.

Facts

NET SALES SEK 15,500 M	EMPLOYEES 18,900	HEAD OFFICE Stockholm	CHAIRMAN Håkan Sörman	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2017
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High-quality education and a strong community presence

AcadeMedia is a stable and secure independent operator that takes a long-term approach, with the aim of leading the development of future education. With growth in Germany and the Netherlands, combined with the success of new campuses in Sweden, the Group is reaching new heights.

It is now more than thirty years since the Swedish independent school reform came into force and in 2023, AcadeMedia celebrated four anniversaries. Three organizations turned 30 and one, Hermods, celebrated 125 years of operations. Independent schools are appreciated by many, with one in five students in Sweden currently attending an independent school. AcadeMedia fulfils an important role in society, a responsibility it assumes with great humility and respect. Marcus Strömberg, CEO of AcadeMedia, explains:

“Our main task is to provide high-quality education and ensure that all students achieve their educational goals. More than 190,000 children, students and participants pass through our education system. We lay the foundations for higher education and open the doors to the labor market.”

One key to success is AcadeMedia’s systematic work on development and quality in line with their unique AcadeMedia model. By strategically working towards clear goals and monitoring the results in four target areas – learning, attractiveness, efficiency and innovative development – AcadeMedia can lead the way in developing the education of the future.

“We want to contribute to positive change for our students, our staff and society at large,” says Marcus Strömberg. “This is where our teachers and head teachers have an extremely important role to play. My most important task is to work with the management of our various organizations to set up the best conditions for teachers and principals to be able to focus on teaching. We know that it’s crucial for quality and that it generates satisfaction among both teachers and students. It also ensures operations run more efficiently.”

CAMPUS INVESTMENTS CONTINUE

AcadeMedia’s strategic investment in campuses has proven to be a successful concept. Campus Södermalm and Campus Vasastan in Stockholm, two major investments that have now become important landmarks in their second academic year, were inaugurated in 2022. These are AcadeMedia’s single largest investments to date, and they are helping to meet increased demand and new needs. The two campuses house several schools that share common facilities such as a library, school cafeteria and specialized classrooms.

“By bringing several schools under one roof, we generate many positive synergies that benefit both the students and the quality of the educational programs,” says Marcus Strömberg.

DRIVING DEVELOPMENT AND PUBLIC DEBATE

AcadeMedia wants to play a part in developing schools and the regulations that govern them. They do this by offering constructive

suggestions for improvement and development in the public debate, but also by being role models and transparently reporting on quality and results.

“We work in a field that engages and affects a lot of people, which means it’s important,” says Marcus Strömberg. “The development of schools does not benefit from over-regulation, but is better served by self-control, including through accreditation and high quality standards.”

One of the more important issues in society at the moment is that of skills supply. At AcadeMedia’s 150 units that provide adult education at Komvux local adult education providers, on behalf of the public employment service or at a vocational college, there are more than 100,000 participants in a year.

“For Sweden to be competitive, a greater number of educated people need to be available on the labor market,” says Marcus Strömberg. “We’re seeing a growing interest in adult learning. We’re opening the doors for more people to enter the labor market, including through short, customized and niche courses that match labor market demand. This is positive and benefits both the individual and society.”

Providing quality education for all is also AcadeMedia’s greatest contribution to sustainable development. It is by definition part of their core mission. AcadeMedia contributes to a more sustainable society by ensuring equal access to quality education and promoting lifelong learning for all.

“But we do more than that,” says Marcus Strömberg. “The beauty of a decentralized organization is that significant initiatives emerge from below and give immediate results. A few good examples include school initiatives to improve language and literacy skills and efforts to reduce food waste.”

GROWING INTERNATIONALLY

AcadeMedia is continuing its international expansion and grew by approximately 25 percent outside Sweden during the 2022/23 financial year. In Germany, AcadeMedia now operates throughout the educational chain, from kindergarten to adult education.

“It’s challenging to develop operations in an international environment and in a new context. But I’m pleased and proud about the pace and scale at which we’ve managed to develop our international operations,” says Marcus Strömberg.

Marcus Strömberg, CEO



Clearing the forest in search of the next investment

From stock market reporter at Dagens Industri to professional asset manager for Mellby Gård. Gustaf Tapper founded Mellby Gård's investment company Antap Capital along with Rune Andersson. As a former journalist, Gustaf Tapper is used to putting together the pieces of the puzzle in the search for the right investment.

Antap Capital is a privately owned investment company founded in 2019 by Rune Andersson and Gustaf Tapper. Its portfolio consists of both Swedish and foreign shares – a mix of industrial companies, highly profitable small companies and stable value companies in mature sectors.

“We prefer to own manufacturing companies with unique, high-quality products that generate value for the customer, with high market shares in a small market and with good pricing and high barriers to entry for new competitors,” says Gustaf Tapper, CEO of Antap Capital.

FROM ANALYSIS TO MANAGEMENT

Gustaf Tapper's interest in shares was sparked in his teens by the 1987 stock market crash. While studying economics in Lund, he was given the opportunity to write about the day's stock exchange developments in southern Swedish daily newspaper Sydsvenskan – which is how he got started on his current trajectory. Over the years, he has worked as news editor, editorial director, news reporter and senior reporter at Swedish financial newspapers Finanstidningen and Dagens Industri.

“After 19 years at Dagens Industri, I wanted to do more than just write about shares and transactions,” says Gustaf Tapper. “My experience as a journalist, spanning everything from research and interviews to analysis, is useful when putting the pieces of the puzzle together as an asset manager. The overall picture is crucial in assessing whether a company is good or bad, with good or bad management. I usually say: I don't like surprises. Unfortunately, you can't completely avoid them.”

When Mellby Gård presented their proposal to start Antap Capital, I didn't hesitate to accept the role of CEO. Today, the portfolio offers great breadth, with shares in Swedish industrial companies such as Trelleborg, VBG and Alleima, the general partnerships Christian Berner and Bufab and the power network company Dala Energi – to name just a few.

DAILY CONTRASTS

It was the challenge of building a portfolio that attracted Gustaf Tapper – he undoubtedly has a competitive streak. He enjoys running in his spare time and has completed the ten-kilometer Midnattsloppet race five times in times under 40 minutes. His daily life in the financial sector is contrasted with work in the forest, which is also high up on his list of interests, as he owns a piece of land in Småland county.

“I can go out into the forest with my chainsaw, even in the heat of the summer vacation, and thin birch pulpwood,” says Gustaf Tapper. “It's an incredible workout, and also encouraging to see the results in the forest. I cut down at least one full logging truck and trailer each year.”

READY TO INVEST IN THE STOCK MARKET WHEN NEW OPPORTUNITIES ARISE

The appetite for competition is also evident when Gustaf Tapper reflects on 2023.

“As an asset manager, you're rarely satisfied,” he says. “The challenge is to keep a cool head even during difficult periods on the stock market and not to sell good companies when prices keep falling and falling. Bad companies may go down in a crisis, but in the long run, the stock market will climb to new record highs. Timing is mostly luck – time in the market is more important.”

2023 was an extremely volatile year, according to Gustaf Tapper, with uncertainty about inflation, interest rates, geopolitics and the economy. Investors struggled to make up their minds – would everything remain as dark as a day in Sweden in November, or was there sunshine up ahead, with a soft landing and cuts in interest rates? When analyses diverge, it seems that the most important quality of an asset manager is patience. As a reward, several of the portfolio companies delivered record figures.

“My strategy in 2023 was to buy more in the companies that had moved from 'good' to 'great': Trelleborg, VBG and Bufab in Sweden, and Chemring, GEA and Iradimed abroad,” says Gustaf Tapper. “The best part of my job is seeing companies outperform themselves. It was good to see Trelleborg develop positively in 2023 after the sale of its tire business. Similarly, Christian Berner has really fulfilled my expectations, and Chemring's order intake increased by an amazing 37 percent.”

Gustaf Tapper sees Mellby Gård's long-term approach as crucial. “A year ago, Antap Capital's investments were expanded by a portfolio focused on Nasdaq Stockholm OMX Large Cap,” he says. “We have more funds available for investments if the right situation arises to expand that portfolio.”

“As an asset manager,
you're rarely satisfied.”

GUSTAF TAPPER, CEO OF ANTAP CAPITAL

Söderberg & Haak

Söderberg & Haak's business concept is based on importing and selling construction and agricultural machinery and offering technical expertise, servicing and spare parts. With one foot in each business area, the company operates in both the stable agricultural market and the cyclical construction market.

Facts

NET SALES
SEK 683 M

EMPLOYEES
109

HEAD OFFICE
Staffanstorp

CHAIRMAN
Sven Knutsson

PART OF THE MELLBY GÅRD
PORTFOLIO SINCE
1995

Major changes secure the future for Söderberg & Haak

Söderberg & Haak is active in the agricultural and construction machinery trade. The company has its head office in Staffanstorp, but is represented throughout Sweden. In 2023, Söderberg & Haak implemented changes to strengthen its sales focus and profitability.

In May, Gustaf Thuresson took over as the new CEO of Söderberg & Haak, immediately making his mark on the company. Gustaf Thuresson has extensive experience in the machine industry and began by implementing a major change management process. The aim is to make the company more sales-oriented and as a result, the agricultural division has reduced the number of its own facilities and increased the number of dealers in Sweden. In construction, changes have been made in the opposite direction by increasing the proportion of the company's own sales while continuing to cooperate with a number of dealers around the country.

"The focus this year has been on implementing the change management plan we decided on at the beginning of the year," says Gustaf Thuresson. "This has gone very well thanks to the high level of commitment out in the organization. The drive and enthusiasm of our staff have enabled the change management process to be realized in a short period of time."

FULL FOCUS ON AMAZONE AGRICULTURAL MACHINERY

Söderberg & Haak concluded its partnership with Deutz-Fahr, Dalbo and Krone during the year. Nowadays, only agricultural products from the machinery manufacturer Amazone are offered. With an intensified focus on brand and broader representation throughout Sweden, it is believed that sales of Amazone's entire product range will increase in the future. The range encompasses a wide range of products for tillage, plant nutrition, seeding and plant protection tools.

"With Amazone products having better coverage across the country, more people will have the opportunity to buy machines from us," says Gustaf Thuresson. "As it's the only brand in our portfolio, our product team can put all their effort into offering our customers machines, spare parts and first-class servicing."

Despite a challenging year for farmers caused by a changing climate and volatile prices, Söderberg & Haak noted a willingness to invest.

"Despite a challenging year, our customers chose to invest in machines from Amazone," says Gustaf Thuresson. "These are expensive machines, but they increase efficiency and help save on fertilizers and plant protection products. This makes the machines highly desirable. The efficiency and savings have a positive impact on both the environment and the economy."

CONSTRUCTION BUSINESS INCREASINGLY IMPORTANT

The majority of Söderberg & Haak's operations are now in construction machinery. The partnership with Komatsu was intensified during the year, and a strategic five-year plan was drawn up jointly.

"We believe that an increased share of sales through our own channels will give us further competitive advantages, especially in the metropolitan regions," says Gustaf Thuresson. "During the year, in addition to more construction salespeople, we also hired additional key account managers for both Komatsu and Bomag."

On the construction side, the company's customers have been affected by cautious construction, higher interest rates and long lead times for materials. This has affected the sales of smaller machines usually used for this type of project.

"However, major infrastructure investments are not affected to the same extent," says Gustaf Thuresson. "This is why we're not seeing a decrease in the sales of larger machines. At the same time, both Komatsu and Bomag are at the forefront in terms of efficiency, but also in electrification, where they've presented a number of innovations that have been well received by the market."

CHALLENGING MARKET

During the year, Söderberg & Haak has focused on adapting the Group to future conditions. During 2023 the company had net sales of SEK 683 million, which is just below their target. Customers in the two business divisions have been affected by external factors that have made it difficult for them to invest in machinery. However, the projections for 2024 look more stable.

"At the end of the year, we saw that customers were still making investments for the coming year," says Gustaf Thuresson. "Moreover, the uncertainty surrounding interest rates seems to have calmed down, resulting in stabilized projections for 2024. One advantage of the cautious market is that our suppliers have been able to catch up and minimize their waiting times, enabling us to ensure that our customers receive their machines on time."

When Gustaf Thuresson looks back on the year and summarizes his first year as CEO, he highlights an extensive change management process that will take Söderberg & Haak to new levels.

"With the reorganization behind us and new targets in place, we can now focus on the future," he says. "We've laid new foundations in 2023 to increase sales and become the most cost-effective and agile machine dealer in Sweden."

Gustaf Thuresson, CEO



BM Agri

BM Agri buys and sells grain, oilseeds, legumes and fertilizers on the global grain market. The company also works with hedging via various commodity exchanges and provides market information to Swedish farmers on an ongoing basis. BM Agri operates all over Sweden. By focusing on strong relationships, cost-effectiveness and innovative solutions, BM Agri wishes to be a partner that really benefits farmers.



Facts

NET SALES Approx. SEK 1,000 M	EMPLOYEES 10	HEAD OFFICE Lidköping	CHAIRMAN Johan LE Andersson	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2012
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Celebrating 20 years in business in a turbulent world

In 2023, the BM Agri general partnership turned 20 years old, but it was a low-key celebration due to a challenging intermediate year. BM Agri attempted to address difficult circumstances such as war, inflation and extreme weather by hedging prices on the commodity exchange and preparing for future years.

When BM Agri's CEO Per-Arne Gustavsson looks back at 2023, he describes it as being full of challenges after the record year of 2022. The company had its 20th anniversary, but there was no big celebration.

"We should have celebrated more last year when we broke records for both net sales and earnings," says Per-Arne Gustavsson. "We'd rather celebrate a year when we made money."

CHALLENGING EXTERNAL EVENTS

When Russia invaded Ukraine, grain prices soared, which meant that the year's harvest was purchased at a high price and since then, prices have plummeted.

"From the beginning of the year until the spring, prices fell, and this meant that we lost a lot of value in what we had in stock at that time," says Per-Arne Gustavsson. "It was a tough start. We saw a decline in customer demand and had to agree to longer delivery times, longer payment terms and other things to secure business."

When the summer came, with great fluctuations in the weather, the farmers had a hard time. First they were hit by drought, followed by rainfall that almost drowned the crops. For this reason, the 2023 harvest was much smaller than usual.

"Of course, this isn't good for us," says Per-Arne Gustavsson. "We make our living trading grain, oilseeds and fertilizers and want to have a lot to trade. In this case, all commodities were affected, but it was mainly trade in grain that was affected - in terms of price, volume and quality."

COPING WITH CHALLENGES THROUGH THE STOCK MARKET

When BM Agri looked ahead at the start of 2023, expectations were high, with hopes of a billion Swedish kronor in net sales and turning a profit. Unfortunately, it turned into an intermediate year. Net sales were at the expected level as the company delivered large volumes to its customers, but low prices and poor-quality raw materials affected the business, resulting in a loss for 2023.

"We're not satisfied with this at all," says Per-Arne Gustavsson. "The year has been full of challenges that we couldn't avoid. We've simply had to do our best to cope by hedging our trading on the commodity exchanges so we can make money that way. Our customers under framework agreements also continue to buy from us, which is positive. Absolut Company buys a lot of wheat and extended its three-year contract during the year."

Unfortunately, the trading on the commodity exchanges was not enough, and the gains couldn't quite offset the large volumes of the 2022 harvest that lost value.

"Predicting weather, supply and demand is something we're used to," says Per-Arne Gustavsson. "Predicting war and its impact on the amount of grain leaving Ukraine is something we haven't been able to plan for. With another war between Israel and Hamas affecting oil prices and exchange rates, we've had to adopt a war perspective in our risk analyses during the year. We've done what we could, and it's been clear that all our colleagues have been struggling to improve our financial performance. Unfortunately, the external circumstances haven't exactly been in our favour."

NEW EMPLOYEES ENSURE FOLLOW-UP

During the year, a marketing controller and a sales rep/purchaser were hired to enable BM Agri to develop further and increase its presence in Skåne. The company now receives better reports and can quickly follow up on transactions and get an overview of the potential outcome.

"We now receive regular reports and up-to-date figures on inventory levels and boat positions," says Per-Arne Gustavsson. "This has meant that our reporting is much better on both a weekly basis and at the end of the year. We now have a better understanding of what we have, where we have it and why it is the way it is. We're also pleased to welcome new employees to the company."

Preparations for 2024 are currently underway, and some business has already been finalized. BM Agri has made a strategic decision to receive fewer physical commodities for 2024, as possessing high levels of inventory is capital-intensive. There will also be further work on back-to-back trading and more transactions across the Paris and Chicago exchanges.

"We're simply choosing to take less risk for future years," says Per-Arne Gustavsson. "We'll be working more in Sweden with both farmers and the companies we usually do business with. I'm absolutely convinced that this is an intermediate year and that next year will be much better in terms of earnings."



Per-Arne Gustavsson, CEO

Major investment in the hotel experience

In the Blekinge archipelago lies Eriksberg, Scandinavia's largest nature reserve. A visit here gives you a holistic experience in symbiosis with nature. 2023 was a year in which Eriksberg Hotel & Nature Reserve dealt with challenges, prepared for the future and received several awards.

When Eriksberg Hotel & Nature Reserve was founded in 1942, the idea was to teach an increasingly urbanized population how animals and nature work. Per-Arne Olsson, CEO of Eriksberg Hotel & Nature Reserve, and his colleagues still run the hotel and park according to this motto. Today, the company works to provide high-quality experiences in a unique environment for visitors with a keen interest in nature.

BLURRING THE LINE BETWEEN INDOORS AND OUTDOORS

In 2024, the new hotel section known as Arken will be completed. The building was designed by architect Oskar Årevall and represents an ark moored in the rural environment of Eriksberg. Oskar Årevall was tasked with blurring the line between indoors and outdoors, as was the design duo Bernadotte & Kylberg, who designed the three suites. Arken is a welcome addition, as it doubles the hotel capacity of the park.

"We have a long-term plan based on creating valuable experiences for our visitors," says Per-Arne Olsson. "To ensure that everything works optimally when the hotel doubles its capacity, we've already started preparations. This includes training staff to ensure that all parts of the organization work, so that we're ready when Arken is ready for new visitors."

FOCUS ON SALES

2023 was a challenging year for the hospitality sector, with increased operating and purchasing costs. At Eriksberg Hotel & Nature Reserve, in addition to preparations for the completion of Arken, the focus has been on increasing sales.

"To capitalize on the opportunities of greater capacity, we've been working on sales, in Sweden and internationally," says Per-Arne Olsson. "We're working on communication initiatives in Denmark and Germany and collaborating with international influencers to attract more visitors. These efforts have paid off, and we're now seeing an influx of bookings from international guests."

There is a great advantage in attracting international guests to the reserve, as they contribute to stable occupancy and help ensure longevity in the operations.

"International guests choose to book their stay well in advance," says Per-Arne Olsson. "This gives us the opportunity to fill up the hotel with spontaneous guests or conference guests when we see that there are gaps in the booking system. A steady occupancy rate also means a better working environment, as we're better aware of how to schedule activities."

A YEAR OF AWARDS

Eriksberg Hotel & Nature Reserve offers unique experiences in the reserve, at the hotel and in the restaurants. This year, the Visenten and Havsörnen restaurants received two awards for their food and wine cellar. Svenska Viltmatakademin (The Swedish Game Academy) named the restaurants Game Restaurant of the Year 2023, an award that Visenten and Havsörnen received for their way of serving game at the highest level all year round.

"The availability of animals from the park makes us self-sufficient in game meat," says Per-Arne Olsson. "We have been for more than 80 years, and meat still plays a key role in our restaurants. We're very proud that we're now being recognized as Game Restaurant of the Year."

The year also saw the restaurants win a global award for the high standard of their wine cellars, with Wine Spectator giving Eriksberg Hotel & Nature Reserve the Best of Award of Excellence.

"It's wonderful to win the Wine Spectator award, and it serves as confirmation that it was the right decision to invest in the wine cellar to offer a wide variety of fine wines for our guests to enjoy."

THE FUTURE OF ERIKSBERG

With the vision of teaching and inspiring visitors about nature and its beauty, Eriksberg continues to be a place where people can immerse themselves in the rich wildlife and feel they are in symbiosis with the environment. 2024 will also be a special year.

"We'll finally be inaugurating Arken, which we've been working on for several years. We hope that it will help provide even more unique experiences for all our guests. We look forward to welcoming even more visitors to the hotel and our restaurants in 2024," concludes Per-Arne Olsson.

Per-Arne Olsson, CEO



Eriksberg Hotel & Nature Reserve

Eriksberg Hotel & Nature Reserve in Blekinge is one of northern Europe's biggest game preserves and the biggest nature reserve in the Nordic region. There's all kinds of wildlife here, including red deer, fallow deer, Père David's deer, wild boar, European bison and mouflon sheep – around 1,600 animals graze here in summer. Eriksberg offers visitors a unique experience, with a restaurant, hotel and conference facilities, events, tourism, the forest and hunting.

Facts

NET SALES SEK 52 M	EMPLOYEES 54	HEAD OFFICE Trensum, Karlshamn municipality	CHAIRMAN Sten Libell	PART OF THE MELLBY GÅRD PORTFOLIO SINCE 2008
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Reducing the number of horses to improve quality

Since Rune Andersson acquired the farm in 1986, Mellby Gård has run a significant trotting business. Over the years, the business has evolved to suit the conditions of the farm and the family's interest in trotting. Today, the breeding of trotting horses is qualitative rather than quantitative.

Mellby Gård now owns about 80 horses, most of which have grown up on its own farm. The scope of Mellby Gård's breeding activities differ from that of many other breeders, as the aim is not to sell the horses but to compete with them themselves. Jan-Olov Alfredsson is responsible for Mellby Gård's trotting business and its horses.

"The operation at Mellby Gård is smaller compared to the large breeders," he says. "We currently have 22 broodmares on the farm that have given birth to 13 foals this year that will be taken away at one and a half years of age. This is when the horses are ready to take the next step towards the goal of becoming competitive trotting horses. The goal for the year is to sell a number of broodmares in order to have 15 mares on the farm in the future."

FOCUS ON HORSE WELFARE

Under the care of Jan-Olov Alfredsson and other employees, the horses grow up in controlled loose housing and have ample spaces to live in, both inside and outside. It's important that the animals have the opportunity to move around as much as possible in order to develop well.

"Several of Mellby Gård's horses have been very successful," says Jan-Olov Alfredsson. "The most successful so far is Mellby Free, which has won the most and generated over ten million Swedish Kronor in prize money. Mellby Free has been breeding on the farm since last year and she gave birth to her first foal last summer."

Although Mellby Free has been successful, it's not a given that her foal will deliver the same results. Mellby Free's mother had a number of wins but was nowhere near as successful as her daughter. It is hoped that a star will emerge from the farm every five years, and this has been achieved.

SUCCESSES AND THE FUTURE

Mellby Gård currently owns several horses, both in training and in competition, that they hope will become household names through further and greater victories. After Mellby Free's retirement, it's the gelding Mellby Jinx who has earned the big money in various competitions.

"The six-year-old Mellby Jinx is our best horse right now, and he's already earned five million Swedish Kronor in prize money," says Jan-Olov Alfredsson. "This is particularly amazing because he's so young, and it'll be exciting to see how he develops over the years. We also hope that this year's three-year-olds will be successful."

During the year, Mellby Gård decided to stop competing in the US, as the demanding processes and administration are a major burden. Mister Mellby, trained by Åke Svanstedt, will remain in the US to complete his season as a three-year-old. This means focusing more sharply on breeding at home on the farm.

"We've had horses in the US for the last ten years, and it was now time to wind down and focus on other things," says Jan-Olov Alfredsson. "A few years ago we acquired a number of heavy draught horses, because we see greater potential to make money from them as the sport changes and not everyone has had time to adapt."

This turned out to be the right decision that paid off immediately. The now five-year-old Brolin that Mellby Gård bought from Norway earned 1.5 Swedish Kronor as a three- and four-year-old and won the Svenskt Kallblodskriterium heavy draught trotting race in record time. This year Brolin will combine competition with breeding.

With the investment in heavy draught horses and continued development on the farm, Jan-Olov Alfredsson hopes for more trotting successes and, in particular, that a real star is born on the farm in the near future.

Jan-Olov Alfredsson,
Trotting Manager



Continued focus on circularity and sustainability

The farm that shares its name with the Group has been owned by the Andersson family since 1986. It was pure luck that gave Rune Andersson the opportunity to buy it after the previous buyer pulled out of the deal. The agricultural operation is located just outside Hässleholm, in Skåne county, and consists of forest, arable and pasture land.

In addition to this land, Mellby Gård also has large-scale production of pigs for slaughter and suckle cows, and breeds fallow deer for Eriksberg Hotel & Nature Reserve. The deer are transported to Eriksberg, where they live in the large nature reserve known for its extensive diversity of wildlife.

AN INTERMEDIATE YEAR

2023 was a challenging year for farmers in Sweden due to a dry spring and a wet summer. This posed during the year a challenge in terms of profitability, but due to it being a diversified business, the agricultural operation at Mellby Gård had a profitable year. Petter Beckman, Agricultural Operations Manager, explains:

“When we sum up the year, we can see it was another strong year for forestry. This is due to high demand for timber and high timber prices. We expect prices to stabilize in the future, which we’re taking into account in our felling plans.”

INVESTMENTS IN SUSTAINABLE AGRICULTURE

In recent years, several initiatives have been implemented to increase the farm’s circularity and biodiversity.

“We operate in semi-rural areas,” says Petter Beckman. “This means we have mostly forests, and the conditions for grain are less favourable. Our business is therefore adapted to the conditions on the farm. We use wood chips from our own forest for heating, while feed for the animals comes from locally produced grain and by-products from the food industry. We use fertilizer from the farm to nourish the grass, which then becomes feed for the cows.”

The farm’s circular initiatives will contribute to more sustainable operations. Last year, investments were made in solar panels to minimize the carbon footprint and contribute to the farm’s profitability.

“We think it’s important to do what we can to contribute to a more sustainable world and play our part,” says Petter Beckman. “This has

included calculating our environmental impact in terms of CO₂e. The results of the calculations show that the farm makes a positive impact on the environment.”

THE FUTURE OF AGRICULTURE

Mellby Gård has a long-term strategy that forms the basis for the work of Petter Beckman and his employees. This work takes place on a daily basis and will continue in the coming years.

“In our long-term strategy, we look at acquiring properties that are for sale, provided they are right for us in the strategic sense,” he says. “We’re also exploring other types of investments to ensure profitability and further our ongoing work on circularity to establish more sustainable agricultural operations.”

Looking ahead, Petter Beckman hopes for a stable year for all the farm’s business areas and further opportunities to improve the business.

“2023 was a year of many uncertainties that we have now put behind us,” says Petter Beckman. “We’re now hoping for a stable year in which high demand for Swedish food continues, so that we can maintain Swedish food production. At Mellby Gård, we’re working to ensure long-term and profitable development.”



Petter Beckman,
Operations Manager

FMG Circular Invest continuing to explore, learn and grow

Just over a year has passed since Feralco and Mellby Gård launched the FMG Circular Invest investment initiative. To date, it has added four investments to its portfolio and expects to explore further opportunities in water treatment.

The challenges of drinking water and wastewater are continuously increasing alongside population growth, urbanization and a growing awareness of the impact of water management on the environment. Through the joint investment initiative FMG Circular Invest, Mellby Gård and Feralco have chosen to focus on early investments in innovative companies working to develop solutions that improve the supply of drinking water and wastewater management.

“The background to starting FMG Circular Invest was that we saw the opportunity to combine our expertise and network via Feralco with Mellby Gård’s long-term active ownership strategy,” says Mikael Helmersson, Deputy CEO of Mellby Gård.

“The lack of clean drinking water is a huge problem and a major effort is required to solve it,” says Filip Schager, Director of Business Development at Mellby Gård. “In parallel, we’re also seeing new legislation regarding water treatment and related processes, which creates opportunities for innovative technologies and companies.”

The investment initiative has three focal areas. The first is phosphorus removal. Since phosphorus contributes to eutrophication, solutions that remove phosphorus from wastewater are needed.

The second is circular and energy efficient solutions linked to Feralco’s value chain. This involves finding innovative technical solutions linked to the water treatment products that Feralco manufactures and distributes. These include raw materials for the manufacturing process and the possibility of energy recovery from the organic materials that the water treatment products bind to when used.

The third focal area is the separation of microplastics and micropollutants, with e.g. the separation of non-degradable PFAS pollutants being an area in need of innovative technical solutions.

AN EVENTFUL AND INSTRUCTIVE YEAR

At the helm of FMG Circular Invest are Mellby Gård’s Mikael Helmersson and Filip Schager together with Feralco’s two CEOs Ludovic Huitorel and Stephen Childs. More than a year after its launch, they recognize that the initiative has been successful.

“We’ve already made four investments, so we’ve proved to ourselves that there are a lot of investment opportunities in this market, which is great,” says Stephen Childs. “Also, we’ve gradually become better at identifying and evaluating them. We’ve largely kept the requirements profile and focal areas we had from the beginning, but as we’ve learnt more, we’ve also become more flexible.”

The investment portfolio currently includes the companies I-Phyc, Spec-Imaging, Aqua Green and Acwa.

A STABLE AND SUPPORTIVE PARTNER

As a partner, FMG Circular Invest, like Mellby Gård, strives to be an active, long-term owner that contributes knowledge, expertise and networks.

“FMG Circular Invest owns between 10 and 20 percent, and we’re on the boards of the companies we’ve invested in,” says Ludovic Huitorel. “There, we act as a sounding board for the management of the companies and support them where we can. In some cases, we allow them to test technologies and equipment at Feralco’s manufacturing facilities and share our relationships and networks.”

“One of the things that distinguishes FMG Circular Invest from other investors is our long-term approach,” says Mikael Helmersson. “There’s no requirement for us to sell, nor do we rule out buying more shares in the future. We’re actively looking for new companies. Now more companies are starting to contact us directly, because they’ve heard about us making this kind of investment. We’re very happy about that.”

OPEN TO NEW PARTNERSHIPS AND OPPORTUNITIES

FMG Circular Invest has been in contact with nearly 200 companies during the year and has held around 50 individual meetings to discuss the possibility of collaboration. So far this has resulted in investments in companies based in Sweden, Denmark, the UK and France.

“We’re open to receiving more enquiries from entrepreneurs, and we’ve also started to look beyond Europe, for example at North America,” says Filip Schager. “We’re currently seeing more focus on the PFAS issue there than in Europe.”

For FMG Circular Invest to become a partner in new companies, a number of criteria need to be met. Should it emerge that an interesting company is not sufficiently mature when contact is made, this doesn’t mean that the door is closed for good.

“If we are to invest in a company, it’s important for us that the fundamentals are in place,” says Filip Schager. “There must be strong technology combined with a strong team. These are important foundations for success where we’re concerned, and only then can we provide the best support. However, if these foundations are not yet in place, we don’t rule out cooperating in the future, provided that the company has developed. We’re having discussions with a couple of companies that we believe may be of interest in the long term.”

As general expectations regarding company valuations have fallen during the year, there is a greater likelihood of more transactions. FMG Circular Invest will continue to work with its portfolio companies in 2024, deepen its knowledge and hopefully make more investments, the aim being to become more recognized in the market.

“If we are to invest in a company, it’s important for us that the fundamentals are in place. There must be strong technology combined with a strong team.”

**FILIP SCHAGER,
DIRECTOR OF BUSINESS DEVELOPMENT, MELLBY GÅRD**

The Portfolio

I-PHYC - MICROALGAE AGAINST CONTAMINANTS

The British company I-Phyc was FMG Circular Invest's first investment. The company is part of the phosphorus removal focal area, as they have devised a solution for removing phosphorus and ammonia from wastewater. I-Phyc uses LED lighting to allow microalgae naturally occurring in watercourses to thrive and capture contaminants in wastewater.

"I-Phyc is an early-stage company," says Stephen Childs. "So far, their solution is being used in smaller treatment plants in rural areas. In September, they completed their first pilot plant in the UK. We're now waiting for new results to see the effect of their method."

SPEC-IMAGING - LIQUID ANALYSIS BRINGS CLARITY TO TURBID WATER

Spec-Imaging has developed a new type of spectrophotometer, a technology for liquid analysis. Unlike more conventional methods in which the concentration of a specific substance in a turbid liquid sample can only be analyzed after dilution, the company's technology is able to analyze the concentration of a specific substance even in turbid liquids.

"Spec-Imaging's first handheld device is now available for sale," says Mikael Helmersson. "In addition, they're also developing an inline solution. This means that the same technology is used for continuously reading values in pipes through which the liquid passes."

In 2023, Spec-Imaging received support from Swedish innovation agency Vinnova to finance a research and innovation project regarding their 'inline' solution. The project is being carried out in collaboration with Lund University and Nordvästra Skånes Vatten och Avlopp's test bed RecoLab in Helsingborg.

AQUA GREEN - RECYCLING SLUDGE AND USING IT FOR ENERGY

FMG Circular Invest invested in the Danish company Aqua Green in 2023. The company covers all the focal areas of the investment initiative. Sludge is formed during the water treatment process as Feralco's water treatment chemicals bind to dirt and contaminants in the contaminated water. In cases in which the water being treated is contaminated with PFAS, the sludge formed during the water treatment process will also be contaminated. In countries that have regulations governing the management of PFAS-contaminated sludge, it is costly for wastewater treatment plants to dispose of the sludge. Aqua Green has developed a patented pyrolysis technology that breaks down PFAS.

"Aqua Green's technology allows the sludge to be used to generate energy, enabling the process to run itself and generate a net surplus that can be sent to the district heating network," says Filip Schager. "The sludge also produces biochar, which is high in phosphorus and can be used as a fertilizer in the fields. Instead of paying to dispose of the sludge, Aqua Green's technology allows treatment plants to monetize it."

ACWA - ROBOTICS IMPROVES WATER SUPPLY NETWORKS

FMG Circular Invest's latest investment - in the French company Acwa - was made at the end of 2023. They have developed a robot that is used in the water supply networks that provide communities with drinking water. Using sensors and cameras, the robot can check the quality of the pipes and detect damaged and weakened sections.

"Acwa is an interesting early-stage company supplying innovative technology," says Ludovic Huitorel. "Water supply networks in Sweden and Europe are old and neglected. Depending on the geography, 20-40 percent of the water produced is lost due to pipe leakage. The robot identifies the exact location of damage and wear, allowing repairs and preventive maintenance to be carried out without digging up kilometres of pipes. This saves time, money - and ultimately water."



"We've already made four investments, so we've proved to ourselves that there are a lot of investment opportunities in this market, which is great."

**STEPHEN CHILDS,
CEO, FERALCO**

HISTORY

Our history

A lot has happened over the years since Mellby Gård was founded. Here are some of the most significant events for the company's development.



1986

Mellby Gård AB is founded by Rune Andersson when he buys the Mellby Gård farm in Sösdala. At that time Mellby Gård AB is a purely agricultural company working with animals and grain.

1995

Acquisition of 50 percent of Älvsbyhus. Acquisition of 100 percent of Söderberg & Haak. These holdings are the oldest in today's Mellby Gård AB.

2000

Acquisition of 49 percent of Feralco.



2007

Acquisition of 22 percent of Duni (publ). Acquisition of the remaining 60 percent of Roxtec.

2011

Acquisition of 12 percent of Kappahl.

2015

Acquires Chevalier, which is integrated with Open Air Group in May 2019.

Acquires Aros Kapital and Klarahill.

2016

Acquisition of ten percent of AcadeMedia.

2018

Flowbird is created by merging Mellby Gård-owned Cale and its competitor Parkeon.



2022

Divests Hedson and Smarteyes.

The Anderson family receive the EY Family Enterprise Award of Excellence 2022.



2020

Perituskliniken opens and welcomes its first patients.

1989

Mellby Gård AB and Carl Bennet AB form Andersson & Bennet AB, each with a 50-percent holding. Until 1997 all expansion takes place within Andersson & Bennet AB.



1997

Andersson & Bennet AB is divided up by transferring some of its assets to Mellby Gård AB and some to Carl Bennet AB.



2006

Acquisition of 40 percent of Roxtec.

2008

Acquisition of a further 8 percent of Duni, with a total holding of just under 30 percent.



2013

Johan Andersson is appointed as the company's first CEO. A board of directors is formed, with Rune Andersson as chairman.

2017

Acquires another ten percent of AcadeMedia, for a total of just over 20 percent.

2019

Acquisition of over 90 percent of shares in Kappahl. Kappahl is delisted from the Stockholm Stock Exchange.

2021

Sells its holding in Flowbird

2023

Johan Andersson celebrates ten years as CEO. Acquires additional shares in Duni Group and AcadeMedia.

Our holdings

CONSUMER GOODS

- KAPPAHL
> 90%
- OPEN AIR GROUP
23%
- OSCAR JACOBSON
> 90%

INDUSTRY

- DUNI GROUP
40.1%
- FERALCO
> 90%
- ROXTEC
> 90%
- ÄLVSBYHUS
50%

AGRICULTURE

- BM AGRI
41.6%
- SÖDERBERG & HAAK
100%
- ERIKSBERG
HOTEL & NATURE RESERVE
100% ***
- MELLBY GÅRD FARM
100% ***

SERVICES

- ACADEMEDIA
24.4%
- AROS KAPITAL
48.4%*
- EXCALIBUR
51%**
- KLARAHILL
86.9%
- PERITUSKLINIKEN
33.3%***
- STUDENTCONSULTING
47.5%

* The share of Aros' capital amounts to 47,49 percent and votes to 48,43 percent
 ** The share of Excalibur's capital amounts to 40 percent and votes to 51 percent.
 *** Company owned by Mellby Gård Intressenter AB, the parent company of Mellby Gård AB.

Board of Directors at Mellby Gård

- RUNE ANDERSSON (CHAIRMAN)
- JOHAN ANDERSSON
- ERIK ANDERSSON
- GUSTAV ANDERSSON
- ANDERS BÜLOW
- HANS STRÅBERG
- THOMAS GUSTAFSSON

The team at Mellby Gård



RUNE ANDERSSON
Chairman of the Board



JOHAN ANDERSSON
CEO



THOMAS GUSTAFSSON
Deputy CEO



MIKAEL HELMERON
Deputy CEO



SVEN KNUTSSON
Deputy CEO



JOHAN SANDBERG
Chief Financial Officer



ANNA BLOM
Group Controller



FILIP SCHAGER
Director of Business Development



KARIN MILLER
Head of Accounting



MAGNUS BROKELIND
Tax Director



SUSANNE CANERSTAM
Executive Assistant



JOHAN LILLIESTRAND
Accountant



TAMARA DUBYNA
Accountant



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