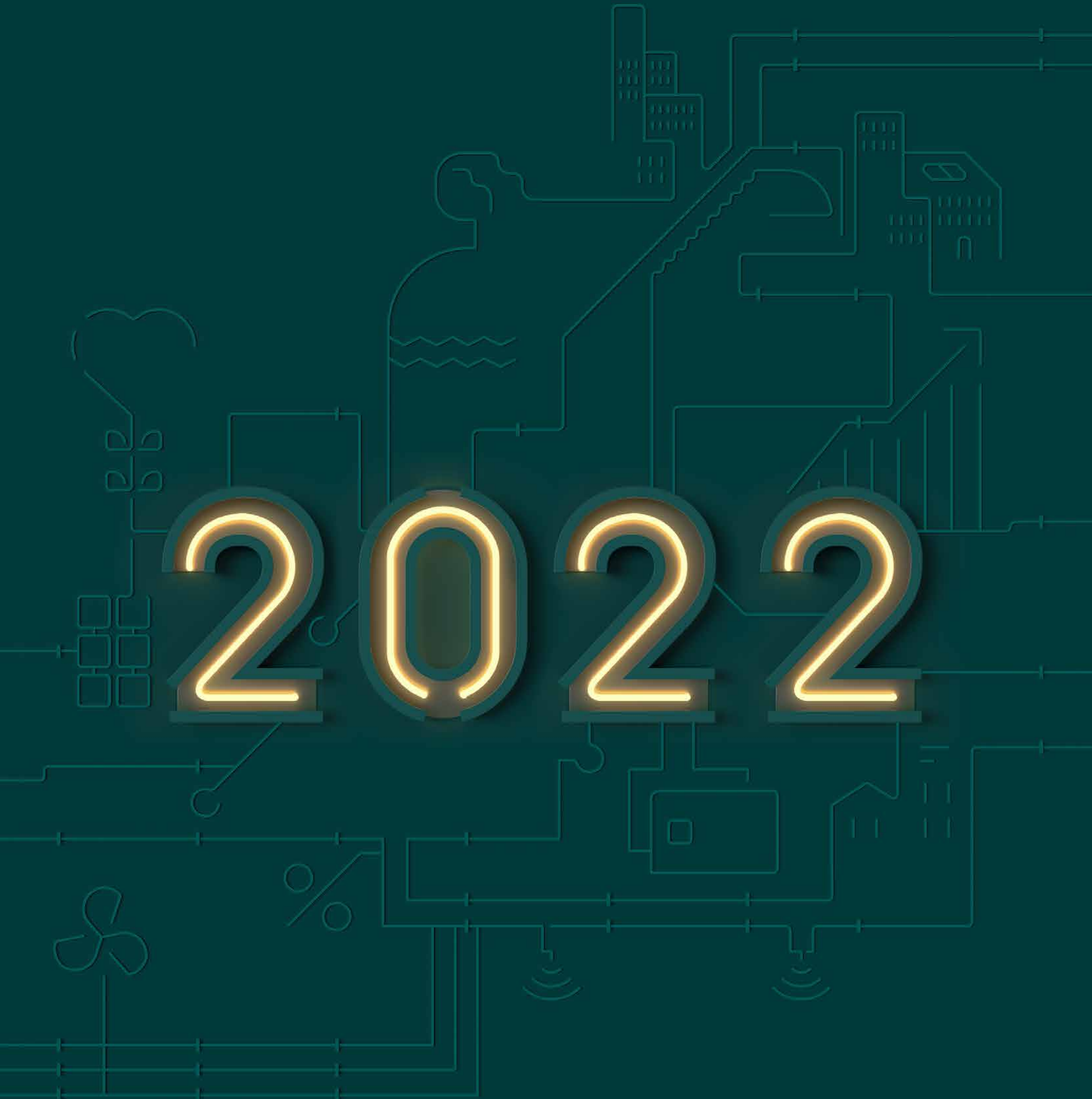
Annual and Sustainability Report

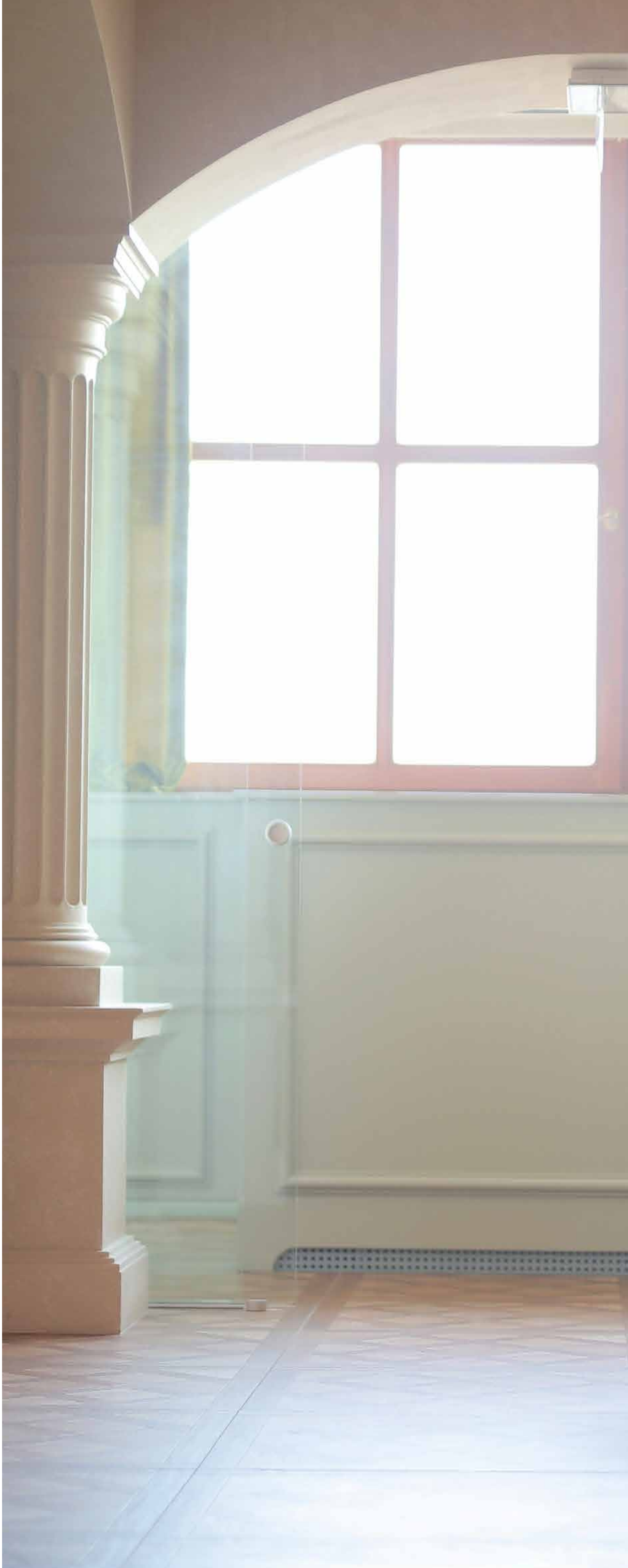


2022

Assemblin

CONTENTS

This Annual and Sustainability Report pertains to the operations of Assemblin Group AB, with corporate identity number 559077-5952. All amounts are stated in SEK million unless otherwise specified. Due to rounding, differences in summations may occur.



We create smart, energy efficient and sustainable installation solutions

All people are entitled to have access to clean water, secure electricity and a favourable indoor climate – at work, at home and in public spaces. Now and in the future.

This is something to which we at Assemblin can contribute. As an installation company, we play an important role in society as we affect the well-being of millions of people, not only by contributing to a healthy indoor climate, but also by offering solutions capable of accelerating the climate realignment currently in progress.

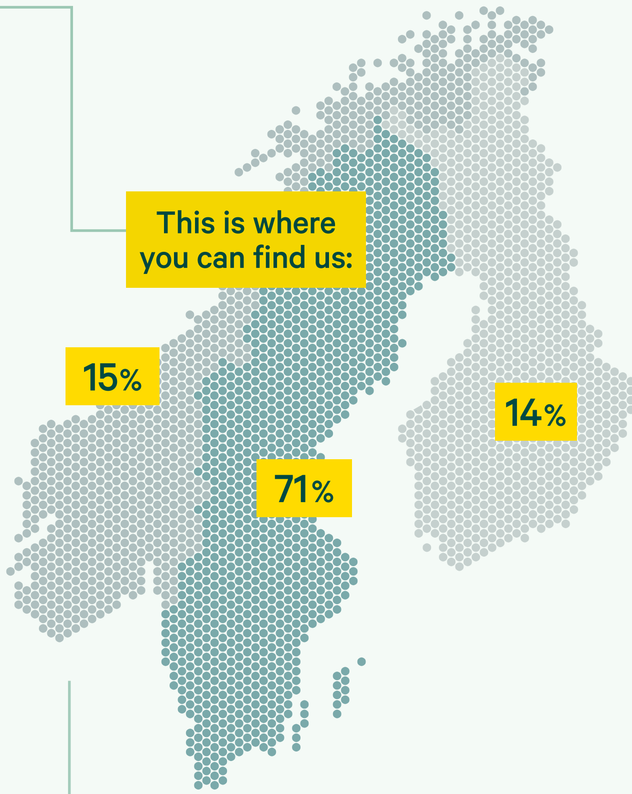
We take this mission most seriously – it drives our 6,900 employees in all of our assignments – both large and small. With our leading technological expertise and focus on energy-efficient, green and connected technical building systems, we create future-proof installation solutions designed from a life cycle perspective and with minimal impact on the environment. This is firmly anchored in a stable business model and our genuine interest, commitment and willingness to bring about change.

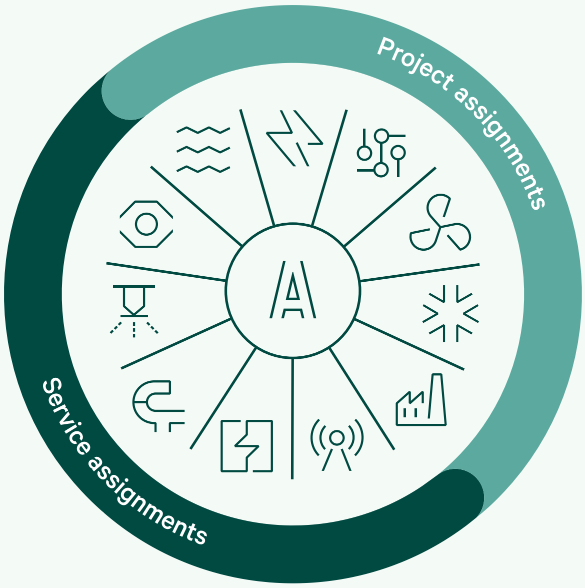
Because we can. We want to. And because we care.

BUSINESS CONCEPT	VISION	MISSION
We design, install and maintain technical systems for buildings.	Smart and sustainable installation solutions. For people, by people.	With air, energy and water, we make buildings function and people feel comfortable.

Assemblin in brief

Assemblin is one of the Nordic region's leading installation companies. We differ from our competitors in our decentralised operations, considerable technological focus and high proportion of intelligent, green and energy-efficient technology solutions.





A complete installation partner at the forefront of technology

Assemblin aims to attract the industry's best employees with leading-edge expertise in a large number of areas of technology. Although electricity, heating and sanitation, ventilation and automation/BMS are the largest, we also offer expertise in sprinklers, data and telecoms, security, district heating, refrigeration technology and industrial pipes. Our multi-technical expertise allows us to take a comprehensive approach to all systems, although we also work individually.

Connected buildings and green, energy-efficient property technology

In recent years, we have purposefully strengthened our expertise in automation as well as in BMS and IMD solutions, allowing us to offer intelligent technical systems that help our customers optimise their operations by means of controls, sensors and AI. We have also invested in systems associated with renewable energy and energy efficiency services that reduce energy costs and mitigate the impact on the climate.

Strong local presence

Assemblin is an end-to-end installation and service partner with operations in Sweden, Norway and Finland. The company's business concept entails installing and maintaining technical systems in different types of buildings. The operations are conducted with a strong focus on quality, efficiency and sustainability in approximately 100 locations in the Nordic region with its headquarters outside Stockholm. The Group was formed in November 2015 and is divided into five operational business areas. The Parent Company in the Group is Assemblin Group AB, which is principally owned by investment company Triton.

6,550 EMPLOYEES	13,500 SALES, SEK MILLION
58% EMPLOYEES TRAINED IN THE CODE OF CONDUCT	46% CONNECTION TO ISO 9001 AND 14001

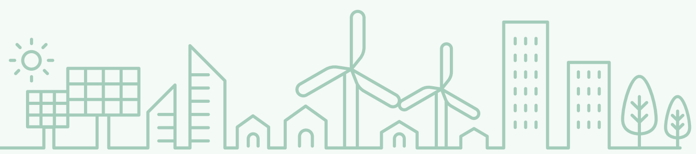
The year in brief

Significant events during the year

- **26-percent growth**
  Sales increased through continued high acquisition rate and organic growth.
- **High order intake**
  Despite signals of an economic slowdown, the market was stable and high order intake resulted in an increased order backlog at the end of the year.
- **Increased demand for energy efficiency and green technology**
  High energy prices drove demand for energy efficiency measures and systems associated with renewable energy. Assemblin Charge, our electric car charging concept, achieved a breakthrough.
- **Continued growth in earnings**
  Continued growth in earnings and favourable profitability were reported for the full year.
- **Management of supply chain disruptions**
  Handling of delayed deliveries and increased purchasing prices for certain products due to the uncertain geopolitical situation.
- **Specific initiatives in selected niche segments**
  In 2022, successful initiatives were made in security and locks, as well as in cooling technology.
- **Development of climate and sustainability reporting**
  Several measures were implemented to improve the non-financial reporting, among others by using the GRI 2021 reporting standard, reporting of Scope 3 CO_2 emissions as well as an updated materialty analysis.

KEY FIGURES	2022	2021	2020	2019
Net revenues, SEK million	13,521	10,721	10,009	9,978
Growth, %	26.1	7.1	0.3	12.3
of which, organic, %	12.6	-3.6	-2.1	8.3
of which, acquisitions, %	12.2	10.6	3.9	3.7
of which, currency effect, %	1.3	0.1	-1.5	0.3
EBITA, SEK million	960	728	533	270
EBITA margin, %	7.1	6.8	5.3	2.7
Operating profit (EBIT), SEK million	889	659	506	252
Adjusted EBITA[1], SEK million	940	758	597	516
Adjusted EBITA margin[1], %	7.0	7.1	6.0	5.2
Profit for the year, SEK million	390	322	226	78
Order backlog, SEK million	9,535	9,370	8,148	8,478
Order intake, SEK million	13,167	11,258	9,903	11,258
Average number of employees, FTE	6,553	5,962	5,820	5,901

1) Adjusted for expenses affecting comparability, defined on page 64.
For definitions, refer to page 114.

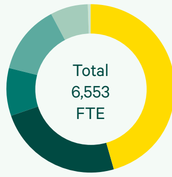


SALES BY BUSINESS AREA

- Assemblin Electrical (Sweden), 36%
- Assemblin H&S (Sweden), 24%
- Assemblin Ventilation (Sweden), 12%
- Assemblin Norway, 15%
- Assemblin Finland, 14 %

EMPLOYEES PER BUSINESS AREA

- Assemblin Electrical (Sweden), 2,853
- Assemblin H&S (Sweden), 1,455
- Assemblin Ventilation (Sweden), 554
- Assemblin Norway, 834
- Assemblin Finland, 832
- Assemblin Group staff units, 25

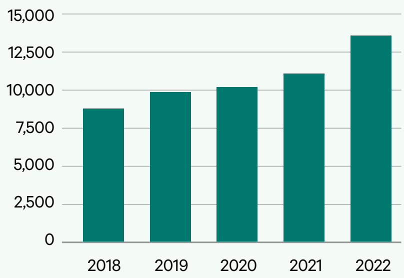


SALES BY ASSIGNMENT TYPE

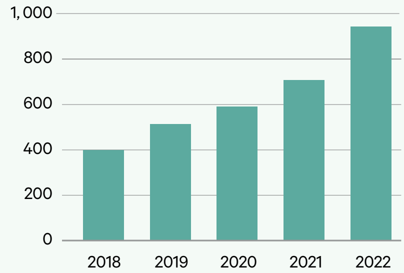
- Contracting/project assignments, 58%
- Service assignments, 42%

Development over five years

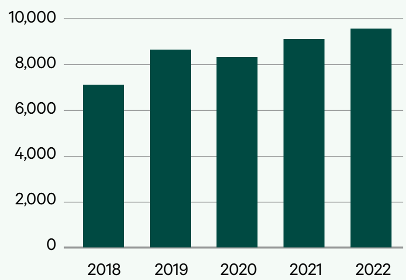
SALES, SEK MILLION



ADJUSTED EBITA[1], SEK MILLION



ORDER BACKLOG, SEK MILLION



1) Adjusted for expenses affecting comparability, defined on page 64. For definitions, refer to page 114.

COMMENTS FROM THE CEO

On a steady course towards the future

Our vision is clear and progress is strong as we are navigating towards our long-term objective of becoming the best installation company in the industry. In 2022, we achieved further progress on our journey by continuing to develop our offering and improving our sustainability position while delivering strong organic growth and stable profitability.

Clear and distinctive position

In 2018, we developed a new strategic platform for our operations. This began by building further on the technology-focused, decentralised organisation already distinctive for Assemblin, and combining this with an ambition to develop operations and position Assemblin as the innovative installation company in a relatively conservative market. This approach is reflected in our vision: to create smart and sustainable installation solutions – for people, by people.

This vision has then guided our decisions, our operations and the development of our offering. With time, we have increasingly grown into our vision. Today, we have market-leading technical expertise. We have taken major initiatives in new, intelligent technologies and are proud to now offer the market's largest share of intelligent solutions. We are also very well positioned in green technologies with a particular emphasis on energy efficiency, geothermal and ground source heating, heat exchangers and electric car charging. We are also in the process of sharpening our offering in solar cell technology and will accelerate this in 2023.

Our vision is a strong source of inspiration. For me personally, the post-script "for people, by people" has particular relevance. Although we work with property technology systems, people are what make the difference. Assemblin seeks to attract the market's best employees and managers – our success there means that we can design well-functioning, intelligent and energy-efficient installation solutions for our customers. Today, we have 6,900 amazing employees, and I would like to take this opportunity to offer them my heartfelt thanks for their tremendous efforts in all of our assignments.

The year 2022 – a financial perspective

As we sum up the year 2022 from a financial perspective, we have every reason to be proud. We delivered strong organic and acquisition-driven sales growth of 26.1 percent in total, meaning that we now have annual sales of SEK 13.5 billion. All business areas contributed to this growth.

The strong growth also drove results and we reported an adjusted EBITA of SEK 940 million (758) and an adjusted EBITA margin of 7.0 percent (7.1). It gives me great satisfaction to see that all Swedish business areas increased their margins and that Assemblin Norway retained the same high level of profitability as the preceding year.

Overall, we have now established a high level of profitability, even though we have yet to reach the level for which we are aiming. My personal conviction is that the positive trend we have experienced in recent years is largely due to our technology-oriented, decentralised organisation combined with our focused investments.

Although Assemblin's operations normally achieve a high level of cash generation, this decreased on an annual basis compared with previous years. The explanation for this is that we temporarily increased our capital tied up in inventories in 2022 to avoid delivery problems and because we experienced higher growth in more capital-intensive operations. Over time, our objective remains to maintain strong cash flow and a cash generation rate in excess of 100 per cent.

You can read more about our financial results in our *Financial statements*.

The year 2022 – a sustainability perspective

Society, business and industry are undergoing a transformation all companies actively must manage. To be relevant today, we are required not only to report the financial value we generate, but also the social and environmental value. Accordingly, Assemblin took several measures in 2022 to improve its sustainability reporting and sustainability work. Among other things, we have improved the quality of the key figures we report through measures undertaken in our reporting process and, starting this year, we have chosen to report in accordance with the international accounting standard GRI 2021. We have also performed a new materiality analysis, resulting in new material sustainability aspects, and we have worked hard to support our customers with climate declarations for the future.

The impact we have on the climate is one of our five most material sustainability aspects – and where our own operations are concerned, we can make the greatest difference by realigning our vehicle fleet. To achieve this, a more developed charging infrastructure is needed and this is an area we have been focusing on for several years. At the end of the year, we had installed charging facilities at an office in Finland, at most of the Swedish offices and at all major offices in Norway. I am happy to see that the proportion of electric cars and plug-in hybrids in our fleet is increasing. At the year-end, Assemblin had about 4,300 cars, of which 15 percent were electric cars or plug-in hybrids and many more have been ordered. The results of our efforts can be seen in our lower Scope 1 emissions (vehicle fuel), which are decreasing steadily, both per vehicle and per employee. One consequence of the increased share of electric cars is, however, is that our Scope 2 emissions (purchased energy) increased somewhat. For the first time, we now also disclose our emissions from scope 3.

Our other material sustainability aspects are safety at work, responsible purchasing, intelligent and green solutions, as well as business ethics. More details about our approach to sustainability can be found in the *Sustainability Report*.

With a future-proofed business model, tecnhnical leadership, and our strong offering in green, energy-efficient and intelligent technologies, we are well-positioned to meet current demand.

Our sights on the horizon

The ongoing climate and the energy transition, the trend towards intelligent buildings, and increased renovation and urbanisation needs are societal trends resulting in strong underlying driving forces for long-term growth in the installation markets. In the shorter term, performance is also affected by the global economy, which has slowed following the price increases and energy issues of the Ukraine crisis. Despite this, the level of activity in the installation markets was high in 2022, although the signals have been mixed. Although housing construction in the larger cities decreased, high energy prices boosted interest in green technology and energy efficiency measures. We also experienced higher demand from public customers as well as for solutions for intelligent buildings and security technology, which explains why we had strong order intake in 2022 – despite the increased uncertainty. At the end of the year, the order backlog was ample, having increased to SEK 9,535 million (9,370). This strengthens us as we progress into 2023.

With a future-proofed business model, technical leadership, and our strong offering in green, energy-efficient and intelligent technologies, we are well-positioned to meet current demand. My view, accordingly, is that the prospects for continued positive development are favourable, although we could of course be affected in the short term by a prolonged or accelerated recession. We are therefore monitoring external developments to be able to meet changing conditions and adapt our operations where necessary – but without deviating from the long-term course we have set for Assemblin – to become the industry's best and most attractive installation company, for our employees, customers, shareholders and for society in general.

Stockholm, March 2023

Mats Johansson,
President and CEO, Assemblin

Operations

About our business description

This section contains an introduction to Assemblin's operations, offering and market, but also describes the company's overall objectives and strategies. The description of operations forms part of Assemblin's 2022 Annual and Sustainability Report, and references to other parts of the Report occasionally appear.

All amounts are stated in SEK million unless otherwise specified. Due to rounding, differences in summations may occur.

CONTENTS

"The ongoing climate and the energy transition, the trend towards intelligent buildings, and increased renovation and urbanisation needs are societal trends resulting in strong underlying driving forces for long-term growth in the installation markets.

Mats Johansson, President and CEO (from the CEO statement on pages 6 - 7).

MARKET AND DRIVING FORCES

Continued strong market despite increased uncertainty

With a market share of 5.4 (4.7)[1] percent, Assemblin is one of the Nordic countries' leading installation and service companies. In 2022, the market remained strong despite signals of an economic downturn.

The Nordic installation market

Assemblin operates in the Swedish, Norwegian and Finnish installation markets, combined valued at about SEK 252 billion (239).[1]

Characteristic of the installation market is that it is strongly fragmented, with some 25,000 installation companies in operation. Most are small, local and privately owned, often niched towards a particular area of technology. At a Nordic and national level, only a few players have a multi-technical capacity, with Assemblin, Bravida, Caverion and Instalco being the largest with a combined market share of approximately 20 percent.[1]

Market segments

The installation and service market can be segmented in three ways: geographically, by area of technology and by assignment type.

Geographic segmentation

The geographic categorisation is often made according to country or region. For Assemblin, Sweden is the largest market, followed by Norway and Finland. In Sweden, local offices are maintained in approximately 70 locations. In Norway, Assemblin maintains operations in approximately 15 locations. In Finland, operations are concentrated in Helsinki, Tampere and Turku (although automation products are offered throughout the Nordic region). In the locations where Assemblin operates, the objective is to be one of the leading local players.

Segmentation by area of technology

Assemblin's largest areas of technology are electricity, heating and sanitation, ventilation and automation/BMS, although specialist expertise is also offered in the areas of sprinklers, data and telecoms, security, district heating, refrigeration technology and industrial pipes.

1) Data in this section are provided by Prognoscentret. Market value is measured as the total estimated sales for the market.

Segmentation by assignment

By assignment type, the different segments are new construction, renovation/remodelling and service/maintenance. As there are extensive renovation needs in the Nordic property portfolio, the renovation/remodelling segment is the largest. Assemblin has chosen to categorize these types of assignments into two groups: contracting assignments (which include new construction projects and major renovations) and service assignments (which include service, maintenance and minor renovation assignments).

Customers and contracts

Technical installations are to be found in all types of buildings: residential buildings, industrial facilities, offices, warehouses, hotels and restaurants, as well as buildings for public activities such as education and health care, as well as in infrastructure projects to some extent. As buildings become more technology-intensive, automated and connected, the installation density increases, increasing the strength of the installation companies' position in the value chain.

Assemblin's customer base is diversified with more than 20,000 customers in various sectors. In our *contracting assignments*, the largest customer groups are construction companies, property developers and property owners, industrial and energy companies and public institutions. Such assignments are often procured through bidding procedures. Agreements are signed at a fixed price or on current account, but sometimes also as partnering agreements where the cost is based on a jointly defined target price with incentives for all parties to fall below that target price.

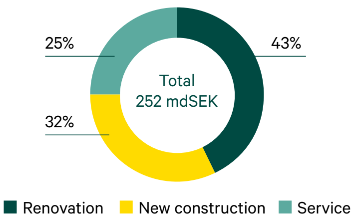
Service assignments are often signed directly with end customers, including property developers, property owners, industrial/energy companies and public institutions, although occasionally also via intermediaries, such as facility management companies. A service agreement is often formulated as a framework agreement or as a call-off agreement on a current account.

Decisive selection criteria

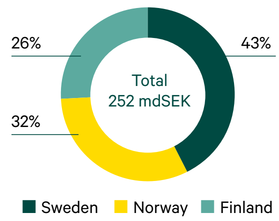
When customers choose an installation partner, lowest price is not the sole decisive factor. According to a market study conducted by Assemblin in the autumn of 2021, customers' most important selection criteria are the technicians' skills, expertise and documented experience. Other important criteria are the capacity for using digital tools, flexibility, safety focus, favourable local relations, a capacity to perform the work as scheduled and a multi-technical capacity. These are areas where Assemblin ranks high.

MARKET SEGMENTS IN 2022

SIZE BY SEGMENT



SIZE BY COUNTRY



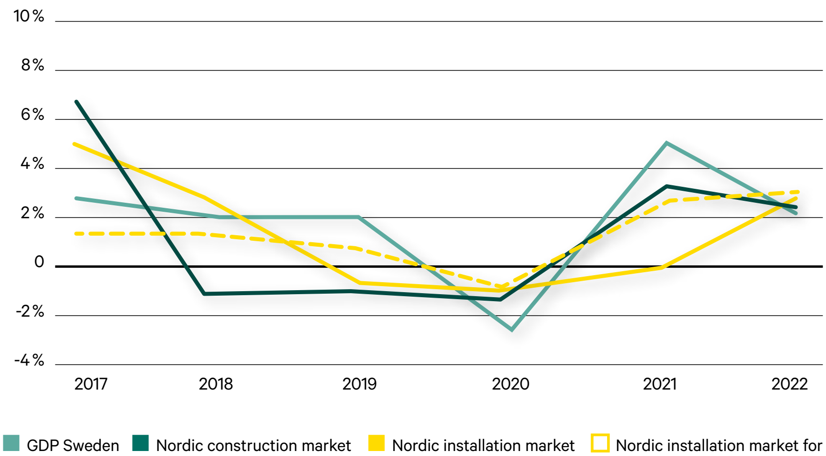
The Nordic installation market has developed relatively stably over the past five-year period, despite major challenges stemming from the Covid-19 pandemic and increased geopolitical security concerns.

Market development in 2022 and prospects for 2023

The installation market is late-cyclical and correlates extensively with the construction market, albeit with less volatility, which is mainly explained by the fact that periods with less new construction at the same time benefit from increased demand for renovation and service assignments.

Although the fiscal year 2022 had a strong start, direction shifted in the context of the Ukraine war, bringing increased concerns, price increases and inflation. This entailed a slowing of the economy and, towards the end of the year, a decline in new housing production and the postponement of certain other planned project starts. At the same time, the sharply increased energy prices meant that demand for energy optimization services and green technology increased, benefiting the installation markets. Accordingly, Assemblin therefore experienced continued favourable overall demand in 2022, and order intake was strong throughout the Nordic countries. The starting point for 2023 is therefore good, although economic forecasts are difficult to assess. A deep and/or prolonged recession will also affect the installation market, while the underlying drivers for growth are good. According to Prognoscenter[1], average annual growth rate for the installation industry is estimated to average -0.2 percent per year for the period 2022 – 2024, while GDP growth for the same period is expected to average -0.2 percent annually.

MARKET DEVELOPMENT 2017–2022



A relatively stable market[1]

Over the past five-year period, the Swedish GDP trend was stable at about 2 percent growth until the outbreak of Covid-19 when it temporarily slowed down but then picked up again into 2021, then continuing to rise until the invasion of Ukraine in 2022, which negatively impacted economic development. Over the same period, the Nordic construction economy has largely followed the same pattern, with economic downturns affecting housing construction in particular.

In the Nordic installation market, the market for new projects has shown similar tendencies, albeit with some delay and lesser fluctuations. However, the market for subsidised household renovation projects and service has been more stable and not affected by economic fluctuations to the same extent.

1) Information from Prognoscentret.

IN-DEPTH

Trends that drive development

The installation industry benefits from a number of underlying mega-trends that are driving long-term growth, the most important of which are the ongoing climate and energy transition, the upgrade to intelligent buildings, as well as urbanisation and other societal trends.

ENERGY REALIGNMENT
(climate and sustainability)

High energy prices, combined with the ongoing electrification of the transport sector, are accelerating demand for energy efficiency services, car charging infrastructure, intelligent BMS solutions and technologies associated with renewable energy sources. At the same time, existing building portfolios in the Nordic region are relatively old and in need of renovation to meet current energy requirements. In this ongoing process of climate adaptation and energy transition, installation companies are playing an important role.

INTELLIGENT BUILDINGS
(new technologies)

Intelligent, automated technical systems based on modern platforms, the Internet of things (IoT) and artificial intelligence (AI) are generating new opportunities in the installation industry. With it being possible to interconnect the technical systems in a building (such as ventilation, heating/cooling, lighting), to control them remotely and to integrated them with intelligent software, the energy and resource consumption of a building can be controlled and optimised in real time. For our customers, this means increased control and optimised energy and resource consumption, leading to lower operating costs and reduced environmental impact.

URBANISATION AND OTHER TRENDS IN SOCIETY

Existing property portfolios are ageing and in great need of renovation. At the same time, demographic changes, such as population growth and urbanisation create a need for new homes and workplaces, mainly in urban areas where limited space imposes demands on the homes and workplaces of the future. Changed behaviours and needs, resulting not least from new working methods following the Covid-19 pandemic, also sets new requirements both in the planning of new buildings and on the existing property portfolio.

VISION, STRATEGY AND TARGETS

A solid strategic platform

Assemblin's operations build on a well-established strategic platform, designed for a modern installation company with ambitious expectations and focusing on generating sustainable value.

Business concept, vision and mission

In 2018, Assemblin established a new business concept, vision and mission. *The business concept* describes what we do and what we can do: designing, installing and maintaining technical systems for different types of buildings.

Our *mission* describes the purpose of our operations and what drives us forward. Our mission is as simple as it is strong: with air, energy and water, we make buildings function and people feel comfortable. Our work can improve everyday life for millions of people while reducing the environmental impact, and that is what motivates us.

Our *vision* expresses what we seek to achieve in all of our assignments: to design intelligent and sustainable installation solutions, by people and for people.

Common values

Assemblin upholds a set of common values that guide how we behave towards one another and towards our customers: we can, we want to and we care. ”We can” expresses pride in our combined skills and experience, as well as our aspiration to always improve. ”We want to” expresses Assemblin's clear commitment to creating smart and sustainable solutions that exceed customer expectations, and “we care” expresses our commitment to on another, our external stakeholders and society, as well as to the environment in the broadest sense.

A robust business model

Through our collective expertise in various areas of technology, we are able to assume responsibility for all technical installations in a building over the entire lifetime of that building, particularly in the production phase (in which we perform installation tasks) and in the operation phase (in which we perform service tasks).

All of our assignments begin with a *marketing and sales phase* aimed at being able to sign an assignment contract. Having signed a contract, a preparatory *design and planning phase* occurs (in which we design, plan, prepare and schedule the assignment), which is followed by a *delivery phase* (in which we execute and commission an installation project or perform a service undertaking). We conclude all of our assignments by *verifying and assessing* them, which is essential to ensure problem-free operation, making sure applicable requirements are met, and for us to gain insights with which we can develop our efforts in future assignments. All business areas have structured processes in place with descriptions of well-proven methods and tools to foster efficient and professional work through all phases of our business model.

Sustainable value creation

Assemblin's overall ambition is to be the best installation company in the Nordic countries – today and in the future. Our fundamental stance is that we must assume responsibility and create value, not only for our key stakeholders, but also for the external community in general: we shall be the best for our customers, employees, investors and for society in general. We have translated this into four value-generating ambitions that also serve as the starting point for our sustainability work.

SUSTAINABLE VALUE CREATION

AMBITION	FUNDAMENTAL STANCE
BEST FOR CUSTOMERS Assemblin as a responsible and value-adding supplier.	We shall be the customer's first choice of installation partner. We will achieve this by delivering innovative, intelligent and sustainable installations that make buildings work and people feel comfortable.
BEST FOR EMPLOYEES Assemblin as a responsible and value-adding employer.	We shall be the industry's most attractive employer by being inspiring and responsible, offering exciting assignments in a beneficial, secure and non-discriminatory work environment.
BEST FOR INVESTORS Assemblin as a responsible and value-adding investment.	We must generate stable and profitable development through disciplined entrepreneurship combined with controlled risks and sound business ethics, producing strong cash flows and favourable earnings.
BEST FOR THE EXTERNAL COMMUNITY. Assemblin as a responsible and value-adding social actor.	We must conduct operations with minimal negative impact on our environment and offer energy-efficient solutions with a limited environmental impact, contributing to the well-being of citizens in healthy buildings with a beneficial indoor climate.

More about the values our operations generates is described in our value creation model on page 15.
More about the sustainability impact of our operations generates is described in the separate *Sustainability Report*.

Strategies for success

To achieve its value-generating ambitions and vision, Assemblin has established five overarching strategies.

Common strategies and areas of focus

To reach our targets and lay the foundations for value-generating operations, we have formulated comprehensive strategies within the areas of customer/market, operational activities, acquisitions, digitalisation and climate.

Within the framework of these strategies, a number of Group-wide initiatives are conducted that are currently perceived as particularly important in ensuring continued success. In 2022, Assemblin's business plan was updated, with the strategic areas of focus applied in the new three-year plan are:

- Developing the service operations
- Focus on profitable growth
- Accelerated acquisition rate
- Initiatives in expanding segments

STRATEGIES FOR SUCCESS

Assemblin's vision and long-term ambitions form the basis for five overall strategies.

Customer and marketing strategy

Assemblin shall have a complete offering and leading expertise in the foremost areas of technology. We strive to maintain strong local roots, with market-leading positions in selected locations in Sweden, Norway and Finland. With our capacity to perform both smaller installation assignments and larger, complex multi-technical assignments, we aim to maintain a broad customer base. For stability, we also strive for a balanced mix of project and service assignments. For further information regarding our market position, see the sections *Market and driving forces* and *Offering*.

Acquisition strategy

Assemblin actively seeks out companies that complement the operations geographically or technologically. The foremost selection criteria are a documented earnings capacity, as well as the organisational and cultural match with our business. The objective is to identify companies that can gradually be integrated into Assemblin's operations and that can quickly contribute positively to earnings. We follow a clearly defined acquisition and integration process. For more information about our work with acquisitions, see the *Acquisitions*.

Operational strategy

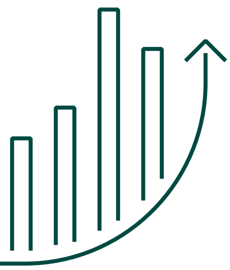
With the realisation that most installation assignments are local, and to ensure its market-leading expertise, Assemblin maintains a strong, decentralised and technology-oriented organisation. However, to take advantage of economies of scale, minimise risks and to ensure efficiency and a healthy culture, there is a clearly defined Group-wide platform based on a framework with shared values, shared policies and structured governance of business risks. For further information on our operational governance, see the sections *Organisation and employees,* as well as the separate *Corporate Governance Report.*

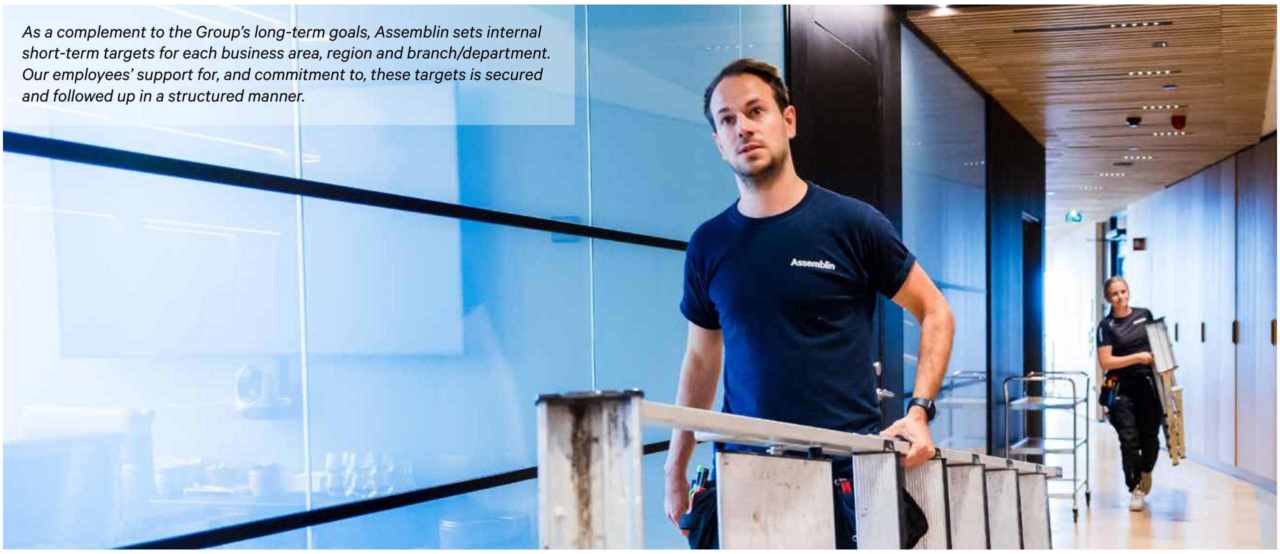
Climate strategy

Assemblin shall keep pace with the current climate transition and contribute actively to a carbon-neutral and sustainable society. Over time, we shall minimise fossil energy sources for heating our own premises, fossil fuels for our vehicle fleet and we shall minimise products that use on fossil-based materials. We shall also participate actively in the ongoing electrification of society and meet new needs that arise for climate-intelligent, resource-efficient products and solutions. For further information regarding our climate work, see the separate *Sustainability Report*.

Digitalisation strategy

Assemblin shall accelerate the possibilities offered by new technologies by continuously developing and innovating. The purpose is to contribute actively with products and solutions for resource-efficient, intelligent and connected properties and communities, but also to streamline the internal processes, as well as the construction and production process in partnership with our customers. This means that our core operations (contracting and service assignments), the everyday life of our employees and the needs of our end customers are core foundation blocks in Assemblin's digital transformation. We monitor developments closely and are open to partnering with other players in our innovation ecosystem. For further information about our digitalisation work, see the in-depth section *Efficiency aided by modern technology*.





As a complement to the Group's long-term goals, Assemblin sets internal short-term targets for each business area, region and branch/department. Our employees' support for, and commitment to, these targets is secured and followed up in a structured manner.

Targets and follow-up

Assemblin's long-term targets reflect our overall ambition to be the best installation company in the Nordic countries – operationally, financially and in terms of sustainability.

Long-term external targets

Assemblin presents three long-term financial goals (growth, profitability, cash flow) which together sum up the outcome of our operational activities. With the climate being one of today's foremost sustainability challenges, we have also expressed a long-term climate target (CO_2 emissions/employee).

The targets are set to be challenging but realistic, and reflect our ambition to be the best installation company in the Nordic countries.

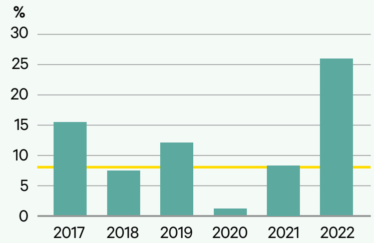
Operational objectives for internal governance

To manage the operations appropriately, a developed set of management targets is applied internally. Important tools in this work are Assemblin's three-year business plan, its annual operating plans and its budgets. The internal management targets include additional target areas and key figures, including workplace accidents, sick leave, proportion of women, employee engagement, leadership index, proportion of electric cars and customer satisfaction. These targets are followed up in a structured manner at several levels within the company, from the lowest profit unit up to the Group Management team and the Board of Directors. For more information on Assemblins' corporate governance, please see the separate *Corporate Governance Report*.

TARGET FOLLOW-UP

Growth: > 8% per year

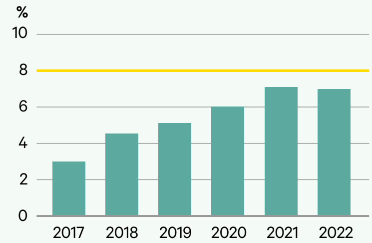
Net sales must increase by at least 8 percent annually. Growth is to be achieved both organically and through acquisitions.



Over the past five-year period, we have grown by an average 10.6 percent annually. Since 2019, we have accelerated the acquisition rate without losing focus on organic growth.

Profitability: > 8% annually

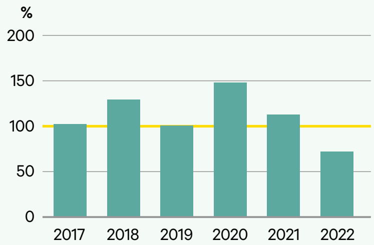
The adjusted EBITA margin must exceed 8 percent annually.



Thanks to a strong focus on profitability, we have experienced a strong profit trend in recent years.

Cash generation ratio: > 100% annually

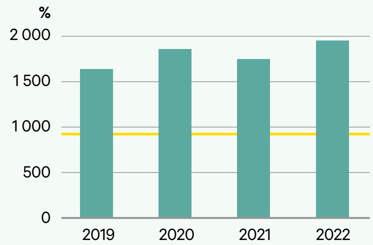
The cash generation rate must exceed 100 percent each year.



The cash generation rate has exceeded 100 percent in recent years, but a more uncertain material supply situation and growth in more capital-intensive parts of the business increased working capital in 2022.

Climate: CO_2 emissions per employee halved in 2030[1]

Climate neutrality by 2040 with a partial goal of halving emissions from Assemblin's own operations (Scopes 1 and 2, and business travel by 2030 at the latest).[1]



Assemblin has one of the largest car fleets in the Nordic countries and our efforts to mitigate our own climate impact are therefore focused on realigning our vehicle fleet.

1) With 2020 as a basis

VALUE-CREATION MODEL

Sustainable value creation

Assemblin's ambition is to be a responsible and value-generating installation company. This requires us to be cautious with the resources we need while efficiently and responsibly providing intelligent and sustainable installation solutions and demonstrating respect for people and the environment.

RESOURCE NEEDS
What we need

CUSTOMERS
A large number of small and large customers in the private and public sectors.

EMPLOYEES
Committed and competent employees in various professional groups: designers, heating, sanitation and ventilation fitters, electricians, engineers, service technicians, project managers, purchasers, administrators, etc.

FINANCIAL CAPITAL
Assemblin's operations have low capital requirements. Capital is needed primarily to finance acquisitions and vehicles.

MATERIALS AND OTHER PURCHASES
Assemblin's purchases consist mainly of direct and indirect materials, such as installation materials, service cars, tools, work clothes and premises. In addition, services are also purchased, such as subcontractors and technical consultants.

OPERATIONS
What we do

BUSINESS CONCEPT
We design, install and maintain technical systems for buildings.

MISSION
With air, energy and water, we make buildings function and people feel comfortable.

VISION
Smart and sustainable installation solutions. For people, by people.

OPERATIONS
In about 100 locations in Sweden, Norway and Finland, we offer construction companies, property shareholders, industry and public activities installations and service in new and existing buildings.

BUSINESS MODEL

Marketing and sales → Design and planning → Delivery (projects/ service) → Follow-up/ control

OUTCOME
What we deliver

DELIVERIES
Intelligent and sustainable services, installation solutions and products in various areas of technology, mainly electrical engineering, heating and sanitation, ventilation and automation.

LIMITED SUSTAINABILITY IMPACT
Assemblin's environmental, social and economic sustainability impact is limited and is descibed in the separate Sustainability Report.

VALUE CREATION
Value for stakeholders

CUSTOMERS
Innovative and sustainable installations that make buildings work and people feel comfortable.

Sales
SEK 13,521 million

EMPLOYEES
A developing and responsible employer, offering exciting assignments in a favourable, secure and non-discriminatory work environment.

Personell related costs
SEK 4,860 million

SHAREHOLDERS
A favourable return by means of a stable financial trend with controlled risks and a sound approach in terms of business ethics.

Profit after tax
SEK 390 million

SOCIETY
Prosperous citizens in buildings with a good indoor climate. Local community commitment. Limited environmental impact. Taxes, VAT and employer contributions.

Job opportunities
6,553

Contribution to the UN's global goals for sustainable development (see also page 31).

The value creation model illustrates our need for resources, how it is refined and what values we generate.
The financial value we generate and the sustainability impact we are generating are specified in the separate *Sustainability Report*.

Committed and competent employees and proven work processes are the key to efficient, safe and good delivery.

OUR OFFERING

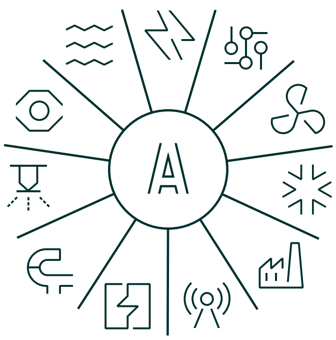
Intelligent and sustainable installation solutions for the buildings of the future

Through our multi-technical expertise and focus on green, intelligent property technology, we create reliable and environmentally friendly solutions optimised from a life cycle perspective.

Future-proof buildings

Assemblin has established itself as an experienced and reliable installation partner with superior, multi-technical expertise. We have extensive experience of different types of buildings and can contribute throughout the construction process, from concept and design to installation and commissioning, as well as during the subsequent operation and maintenance phase.

We are happy to take on the challenge of new projects, but are equally enthusiastic about solutions for the existing property portfolio. We support our customers in making difficult decisions where they must weigh up the benefits of short-term contra long-term measures. By means of professional LCA calculations, advice on initiatives in new property technology systems and through ongoing fine-tuning and adjustment of existing systems, we can extend the life of the systems and increase their environmental performance – while reducing the property owner's operating and energy costs.



Assemblin offers a complete range of technologies. In addition to electricity, heating and sanitation, ventilation and automation/BMS, the Group also offers sprinkler systems, data and telecoms, security, district heating, cooling technology, industrial pipes and instrument technology.

Our assignments are governed by our customers' wishes and needs, but the goal is, alongside with our clients, to design, install and maintain energy-efficient, stable and sustainable property-technology solutions, optimised from a life cycle perspective.

Focus on green, energy-efficient technology and modern control systems

Society is changing and the need for energy-efficient, climate-smart buildings is increasing. To meet these new demands, Assemblin has, over the past couple of years, focused heavily on technical systems and solutions associated with renewable energy sources, including solar panels, ground heat and geothermal energy. In late 2021, a proprietary electric car charging concept, Assemblin Charge, was launched, achieving a breakthrough in 2022. Towards the end of the financial year, a new product concept for installing solar panels, Assemblin Solar, was developed, and this was launched in early 2023. Specific initiatives were also taken in the area of energy efficiency by reinforcing our expertise, particularly with regard to energy efficiency measures for the existing property portfolio, including by fine-tuning heating and water settings.

Another area that Assemblin has purposefully focused on is property automation and BMS. Intelligent control systems connecting a property's technical systems to external and internal conditions, such as weather and number of people currently present in a building, help optimise energy, heating, cooling and lighting in that building. Assemblin offers several packaged products and solutions, mainly building management systems (BMS) and systems for individual metering and debiting (IMD).

A competent and committed installation partner

Assemblin's technology-oriented and decentralized organisation favours a culture characterised by entrepreneurship and local involvement, enabling us to attract highly skilled employees. At the same time, we have the size and development resources required to be able to deliver the best and most innovative solutions. We continuously monitor market developments and keep abreast of the latest technologies, methods, materials and standards.

Our assignments are governed by our customers' wishes and needs, but the goal is, alongside with our clients, to design, install and maintain energy-efficient, stable and environmentally friendly property-technology systems.

Fidelix
THE WAVE OF SMART BMS

EcoGuard
MASTERS OF MEASURING

LARMIA
ORIGINAL INNOVATOR

LANSEN
WIZARDS OF WIRELESS

Exciting product brands

Assemblin is home to several strong brands with packaged solutions. The automation companies Fidelix, EcoGuard, Larmia and Lansen are the largest and most established. Another example is Totalplåt, which precision manufactures customised rectangular ventilation drums.

Assemblin has also developed its own charging concept for electric cars, Assemblin Charge, and in early 2023 a solar panel concept, Assemblin Solar, was launched. The brand portfolio also includes a number of niche installation companies, among which energy and geothermal specialist TomAllenSenera is the largest.

Profitable energy measures

High energy prices have increased the demand for energy efficiency assignments. Assemblin has developed a systematic approach to monitoring and analysing a building's energy consumption. Our qualified energy advisers have the expertise and experience required to be able to determine which systems are best suited for different types of buildings. We are also able to perform energy inspections and propose measures for adapting to current regulations and to customers' climate targets.

Many kWh can be saved – in both newly constructed buildings, as well as in existing property portfolios. With our multi-technical expertise and life cycle perspective, we lower your energy costs and extend the life of your technical systems – while contributing to a reduced climate impact.

Examples of exciting new assignments in 2022

Illustration: Skanska

ENVIRONMENTAL PROFILE IN EXCITING DEVELOPMENT PROJECTS IN SANDVIKA

The Helgerud urban block is the first stage of a major urban development project in central Sandvika, outside Oslo. The project involves a combined use building, where the five lowest floors will comprise commercial premises, with shops and restaurants at street level. On the roof of these premises, housing will be situated in the form of six free-standing residential buildings of six to ten storeys in height.

At the end of 2021, Assemblin was assigned responsibility for heating and sanitation solutions throughout the basement level and half of the space in the initial stage, encompassing 58,000 m^2 distributed between 238 apartments, offices and commercial premises, a parking level and technical buildings.

The project has been developed by Andenæs Eiendom, with Skanska AS as the construction contractor. The project, which is scheduled for completion in 2025, has a strong environmental profile and will be environmentally certified in accordance with the BREEAM NOR Excellent standard.

Photo: Assemblin/image agency

FRAMEWORK AGREEMENT ON ELECTRIC CAR CHARGING FOR OWNERS OF SKI COTTAGES IN SÄLEN

Demand for electric car charging at Swedish ski centres has risen sharply. To meet these needs, the Stöten ski centre in Sälen has, alongside Assemblin, designed a safe and intelligent charging solution that is now offered to residents and guests at the centre, which has some 10,000 beds in total.

The assignment is designed as a framework agreement, according to which cottage owners can order installation of charging boxes at a fixed price. Through the Assemblin Charge payment service, ski-cabin owners can easily offer electric car charging for their rental guests.

In preparation for the upcoming winter season, Assemblin is tasked installing up to 150 charging points, corresponding to an estimated order volume of SEK 15–20 million, although Assemblin sees substantial potential for further collaborations of this type in the future.

Photo: Assemblin/Henrik Mill

RECORD-BREAKING SECURITY ASSIGNMENT FOR THE SWEDISH PRISON AND PROBATION SERVICE

As part of the Prison and Probation Service's investment in additional detention and prison capacity, the Berga detention centre in Helsingborg will be expanded and upgraded. Construction began in the autumn of 2022 and is expected to be completed around the turn of the end of 2023/start of 2024. The objective is to create space for an additional 48 detainees. The Berga detention centre is owned by Specialfastigheter but operated by the Swedish Prison and Probation Service.

At the new detention centre, Assemblin will be responsible for the design and installation of the electrical systems, fire alarms, burglar alarms, entry systems, CCTV and assault alarms. The security solutions in this assignment will be fully integrated, with all of the systems being connected to a higher-level control system.

The order is valued at about SEK 50 million and will be Assemblin's largest current security assignment. The client for the electrical installation contract is construction contractor Peab, while the client for the security solutions is the Prison and Probation Service.

Illustration: Krook & Tjäder

MULTI-TECHNICAL PARTNERING ASSIGNMENT IN A NEW HEALTHCARE BUILDING

On behalf of Region Kalmar Län, Skanska will construct a new specialist psychiatry building adjacent to Västervik Hospital. The new building will contain premises for forensic psychiatry, round-the-clock care and out-patient adult psychiatry, and comprises some 24,500 m^2 spread over six floors. The project is being conducted as a partnership assignment, with Assemblin having participated in the preparatory design phase (Phase 1) and now transitioning into the implementation phase (Phase 2).

The project imposes strict demands on quality, flexibility and sustainability. Assemblin will install electricity, security technology, heating and sanitation, and sprinklers. The total value of the contract is estimated at about SEK 200 million.

The construction project commenced in February and the building is to be ready for use in the second quarter of 2025.

The use of digital tools and platforms in Assemblin's deliveries is increasing, both in contracting projects and service assignments. This contributes to a more efficient construction process and better logistics flows, while control and review processes are improved, both for Assemblin and its customers.

IT SUPPORT

Efficiency aided by modern technology

A large-scale digital transformation of Assemblin's operational activities has been in progress for a few years. The objective is to use new technology to increase efficiency and raise the quality of our work.

Modern IT support

An important starting point in being able to achieve this is a stable and secure IT environment with systems that are adapted to our operations. Assemblin has a modern IT platform and uses the latest cloud technology to support the mobile organisation. Each employees has his/her own mobile device that is used as a professional tool, both in providing professional services and in internal administration for reporting hours and managing incidents, for example.

To prioritise appropriately and drive development throughout the Group, a central Group IT function is responsible for coordinating, developing and managing the shared IT infrastructure and selected systems, in close cooperation with the business units. The Group function is also responsible for IT security, which has grown increasingly relevant in recent years as risks of cyber attacks, data breaches and data losses have increased. IT units in each business area are responsible for business area-specific systems support.

In 2022, work continued to increase the degree to which selected systems and digital tools are used. Against the background of Assemblin's accelerated pace of acquisition, considerable work has also been invested in integrating previously acquired companies into Assemblin's IT environment.

More efficient production and connected properties

The use of digital tools and platforms is also increasing in Assemblin's deliveries of systems and services. In all major deliveries, digital customer platforms are offered for the planning and review of deliveries and financing. Rapid technological development also generates substantial opportunities for streamlining and improving Assemblin's deliveries, in terms of both production process and Assemblin's customer solutions.

In Assemblin's project operations, it is increasingly common to use shared information platforms, such as BIM 360 and Revit, for a more efficient exchange of information between the various parties involved in a project. Assemblin Ventilation has made considerable progress in this work, particularly through its large-scale use of a BIM-based add-on module that is used by installers to mark off the steps in an installation process so that production can be followed up in real time, providing a better overview. Another possibility is to use assembly robots for certain tasks that are heavy and stressful for fitters Although this development remains at an early stage, Assemblin has participated in several pilot projects with innovative partners.

Adapted platforms are also used in the service operations for reporting faults, and for financial reporting and review.

With regard to solutions for customers, substantial opportunities exist to optimise the consumption of energy and resources and/or to improve indoor climate using intelligent, automated control systems (BMS) and solutions for individual metering and debiting (IMD) associated with modern sensor technology (Internet of things, IoT). By adding third-party data and automatic control using artificial intelligence (AI), the ability to remotely monitor and control large property portfolios is increased, facilitating optimal operation and low energy consumption. Assemblin offers market-leading expertise and is able to offer packaged solutions for connected properties.

ORGANISATION AND EMPLOYEES

Disciplined entrepreneurship

In Assemblin, the power of a customer-oriented, technology-focused and decentralised organisation is combined with the gains in efficiency and quality derived from central support functions, as well as from shared management and follow-up.

Structure and organisation

Based on the realisation that installation transactions are often conducted locally and that responsibility breeds motivation and commitment, Assemblin's operations are decentralised. The natural starting point for all operations is the local branch/department, which is responsible for earnings, personnel, sales and customer relationships, supported by regional and central specialist functions.

In Assemblin's decentralised organisation, practices and processes vary between different business areas and areas of technology. To ensure that all operations are conducted professionally and correctly, a Group-wide framework states minimum levels in important areas, such as purchasing, HR, work environment, business ethics, risk management and internal control. The framework is communicated via the Group-wide intranet, through campaigns, training sessions and web-based introductions. A shared control and follow-up structure is also in place throughout the Group. More information about Assemblin's organization and governance can be found in the separate *Corporate Governance Report*.

Culture and values

Assemblin also embodies a shared culture that builds on uniform values, guiding principles, structured management of business risks and a sound ethical standpoint. The ethical standpoint is described in a shared Code of Conduct. To ensure that all employees have read and understood the content of the Code of Conduct, all employees must complete a mandatory e-training course. Assemblin also has additional mandatory web introductions in areas perceived as being of particular importance. An account of the degree of implementation of these courses can be found in the separate *Sustainability Report* on page 43.

Leadership and employee development

Because employee performance and commitment are critical to our success, Assemblin actively applies different development efforts and other engagement-building measures. The objective is to provide a beneficial and healthy working climate in which people enjoy themselves, work together and respect one another, dare to take the initiative and drive the operations forward. In this work, strong leadership is crucial and, accordingly, Assemblin invests heavily in leadership development initiatives. The starting point here is a common leadership model that defines what characterises a good and successful leader at Assemblin.

The satisfaction and commitment of managers and employees alike are captured in different ways, primarily through the ongoing dialogue with employees but also through various surveys.

A safe and secure work environment

To be a responsible employer, Assemblin also works actively to foster a safe, sound and inclusive work environment. Safety in the work environment is a high priority, with structured safety efforts being conducted in all business areas. In 2022, our focus on the issue of diversity and inclusion also increased. Among other things, measures were taken to highlight the issue of abusive language and exclusionary attitudes at construction sites. Further information on Assemblin's efforts to provide a safe and secure work environment is provided in the separate *Sustainability Report* on pages 37-38.

Assemblin's management model

To clarify what characterises a good manager at Assemblin, a special management leadership model has been developed. Our common values serve as the natural starting point for the model.

The management model is an important tool that is used Group-wide throughout the HR process, for example in recruitment, development and manager assessment.

COMMON VALUES

Assemblin's core values lay the foundation for the Group's culture and identity, detailing our shared approach. Our values are designed to guide the individual employee in their day-to-day tasks, while supporting our mission and vision.

With appropriate expertise, experience, and equipment, we perform our duties with pride. In this way, we all contribute to making our customers happy.

Commitment and curiosity drive us forward. By continuously developing ourselves and our operations, we create smart and sustainable buildings for our customers.

Together we conduct our work with great respect for one another and for our customers. We also take responsibility for the environment and for the external community

EMPLOYEE-RELATED KEY FIGURES, GROUP

GROUP	2022	2021	2020	2019	2018
Average number of employees, FTE	6,553	5,962	5,820	5,901	5,630
– of which, proportion women, %	6.5	5.7	5.4	5.5	5.9
– of which, proportion blue collars, %	71.2	N/A	N/A	N/A	N/A
Number of senior executives, FTE	42	49	52	51	52
– of which, proportion women, %	19.0	16.2	13.2	13.7	13.5
Sick-leave, %[1]	6.6	6.2	6.8	4.6	4.6
– of whom, on long-term sick-leave, %[1]	2.7	1.7	1.1	1.6	2.3
Personnel turnover, voluntary, %[1]	13.8	11.2	8.7	N/A	9.9
Average age, total [1]	39.5	39.9	39.9	40.3	40
– of whom, ”Boomers” (born before 1964), %	11	15	17	N/A	N/A
– of whom, ”Generation X” (born 1965–1976), %	23	22	23	N/A	N/A
– of whom, ”Millennials” (born before 1977–1997), %	50	49	49	N/A	N/A
– of whom, ”Generation 2020” (born after 1997), %	15	14	11	N/A	N/A
Employee survey, response rate	N/A	72	N/A	77	N/A
Loyalty index (eNPS)	N/A	17	N/A	18	N/A
Leadership index	N/A	74	N/A	72	N/A
Commitment index	N/A	76	N/A	76	N/A
	460	340	319	387	441

For in-depth information on certain work-related issues, see the separate Sustainability Report.
1) For 2022, 90 percent of operations were included in these key figures which slightly affects comparability between 2022 and 2021.
For definitions and distribution among business areas, see pages 46-47.

ACQUISITIONS

Clear acquisition strategy

Acquisitions are a central element in Assemblin's growth strategy. Acquired companies are integrated in a structured but flexible manner, which has proven a successful model.

Supplementary and strategic acquisitions

Assemblin participates actively in the consolidation of the Nordic installation market and is always seeking well-run, profitable companies with superior expertise and cultural similarities. According to our acquisition strategy, acquisitions may be complementary to strengthen our market position in selected locations or strategic to increase our expertise in a selected area of technology or in a new location.

In 2022, 15 acquisitions in Sweden, Norway and Finland were closed. Overall, the acquired companies added 281 competent employees and annual sales equivalent to about SEK 466 million.

A structured acquisition process

In Assemblin's decentralized organization, it is common for the initial contact with an acquisition candidate to be established locally. At the next stage, the dialogue is extended to include additional Assemblin representatives, while an in-depth analysis is performed, often supported by central resources. Following an assessment, the presentation of a tender and negotiations, the final decision on acquisitions is made by Assemblin's Board of Directors.

Successful integration process

Following the completion of an acquisition, an integration process occurs according to structured integration practices established in each business area. The purpose of all integration processes is to realise the synergies that exist between the companies, to safeguard the transfer of expertise, to benefit from "best practice" and to offer the acquired unit the support of Assemblin's specialist functions.

An important lesson is that the pace of integration must be adapted to the conditions prevalent when each acquisition occurs. The objective of each integration process is for the employees and customers of the acquired company to feel secure and to become acquainted with Assemblin gradually. A certain number of minimally required activities that must, however, be performed within a certain time, including implementing the Group's joint Code of Conduct.

This flexible approach has proven highly successful, resulting in many companies seeking a new ownership solution contacting Assemblin unsolicited.

UNIT ACQUIRED	Business area	Type of acquisition	Time	Number of employees	Estimated annual sales in SEK million
Sähköpalvelu J. Vainionpää Oy	Assemblin Finland	Assets	January	11	15
Ehlin & Larsson AB	Assemblin Ventilation	Company	January	24	40
Jonicom i Kungsbacka AB	Assemblin Electrical	Company	March	25	40
Stefan El AB	Assemblin Electrical	Company	April	11	20
Lundqvist El AB	Assemblin Electrical	Company	April	37	50
Kraft och Elpartner i Västmanland AB	Assemblin Electrical	Company	April	10	20
Ohlssons Rör i Ljungby AB	Assemblin Heating and Sanitation	Assets	June	19	30
NGL Energientreprenad AB	Assemblin Heating and Sanitation	Company	June	22	35
Telgra El AB	Assemblin Electrical	Company	June	25	49
Larmerud Rørservice AS	Assemblin Norway	Company	June	24	41
Lansen Systems AB	Assemblin Finland	Company	June	5	15
Secer AB	Assemblin Electrical	Assets	August	9	15
Sydel Industri AB	Assemblin Electrical	Company	November	15	21
MIS Värme och Kyla AB	Assemblin Ventilation	Company	November	1	5
Samsons Rör AB	Assemblin Heating and Sanitation	Company	December	43	70
				281	**466**

For further details of the acquisitions, please see Note 12 in the separate section *Financial statements*.

Business Area Electrical (Sweden)

In 2022, we strengthened our margin while delivering strong growth and noting a favourable order intake. Our focused initiatives in the growth segments of security and green technology yielded results, with our proprietary car charging concept, Assemblin Charge, performing particularly well.

Fredrik Allthin
President and Business Area Manager, Assemblin Electrical

Operations

Assemblin Electrical offers expertise in electrical engineering, automation, safety and industrial service. A particular area of initiative is green technology, which includes charging solutions for electric cars, solar panels and energy storage. These operations include qualified planning and design expertise, as well as experience of different types of buildings and complex projects. Although the head office is located in Västberga, Stockholm, operations are conducted at 66 locations around Sweden. Most of the operations have been certified in accordance with ISO 9001 (quality) and ISO 14001 (environment).

Assemblin Electrical Engineering completes numerous installation and service assignments, primarily for construction companies, property owners, the manufacturing industry, energy companies and public sector operations. Examples of major installation projects in progress are the new healthcare building at the Malmö hospital campus (on behalf of Skanska), a new command centre in the Seglet block (on behalf of Serneke), housing in blocks 7-9 of the new urban centre of Kiruna (on behalf of Nåiden Bygg AB) and Högsbo specialist hospital in Gothenburg (on behalf of Skanska).

For the full year, the proportion of services amounted to 49 percent (48). Major service customers include the Swedish Defence Materiel Administration (FMV), the Swedish Fortifications Agency, SSB, Billerud Korsnäs and Vattenfall AB nuclear power (Forsmark/Ringhals).

Developments in 2022

In 2022, sales increased by 20.7 percent to SEK 4,894 (4,054) million, driven primarily by organic growth and acquisitions. The adjusted EBITA margin strengthened to 7.1 percent (6.5).

Over the year, six new companies were acquired (Jonicom i Kungsbacka AB, Stefan El AB, Kraft och Elpartner i Västmanland AB, Lundqvist El AB, Sydel Industri AB and Telgra El AB), as well as the assets of Secer AB in Kristianstad, with a total of 132 employees and combined annual sales of an estimated SEK 215 million. Order intake for the full year amounted to SEK 4,336 million (3,864), contributing to the order backlog at the end of the year amounting to SEK 3,028 million (3,149). Major new assignments include electrical and/or security installations in the construction projects for the new psychiatric hospital in Västervik (on behalf of Skanska Sweden), the Rödjan correctional institution in Mariestad, the eye clinic at Skvadronen, Building C at Linköping Hospital (on behalf of Åhlin & Ekeroth), as well as a new soda boiler at the Spajax project in Frövi (on behalf of Billerud Korsnäs). In addition, several new service assignments were secured, particularly with the Swedish Prison and Probation Service regarding the Berga detention centre.

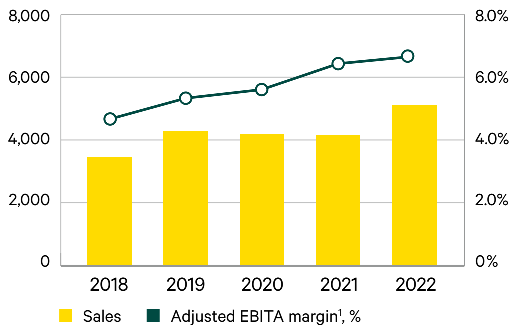
Among the development initiatives pursued in 2022, it can be worth mentioning a special safety initiative, as well as further acceleration in green technology, particularly with regard to electric car charging and solar panels. Assemblin Electrical also focused on efforts to electrify its own car fleet, to strengthen cooperation with suppliers to reduce transports, to implement a new HR system and to develop the internal training programme.

Proportion of consolidated sales **36%**

With 2,853 employees and annual sales of SEK 4,894 million in 2022, Assemblin Electrical is one of Sweden's leading electrical installers.

KEY FIGURES	2022	2021	2020
Net revenues, SEK million	4,894	4,054	4,010
Adjusted EBITA[1], SEK million	347	264	229
Adjusted EBITA margin[1], %	7.1	6.5	5.7
Order backlog, SEK million	3,028	3,149	3,131
Order intake, SEK million	4,336	3,864	4,153
Average number of employees, FTE	2,853	2,729	2,783
Share of service assignments, %	49	48	47

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability.
For definitions, refer to page 114.

Business Area Heating & Sanitation (Sweden)

I am proud that we managed to deliver continued strong earnings while dealing with major procurement-related challenges over the year. In 2023, we will continue to focus on improving our productivity and project execution.

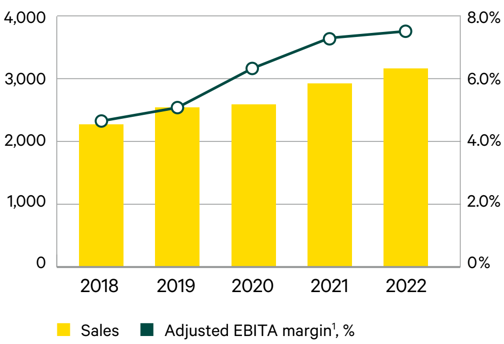
Andreas Aristiadis
President and Business Area Manager, Assemblin Heating & Sanitation

Proportion of consolidated sales **24%**

Assemblin Heating and Sanitation is Assemblin's second-largest business area with 1,455 employees and annual sales of SEK 3,266 (2,966) million.

KEY FIGURES	2022	2021	2020
Net revenues, SEK million	3,266	2,966	2,672
Adjusted EBITA[1], SEK million	256	225	170
Adjusted EBITA margin[1], %	7.8	7.6	6.4
Order backlog, SEK million	2,149	1,912	2,048
Order intake, SEK million	3,502	2,811	2,624
Average number of employees, FTE	1,455	1,438	1,406
Share of service assignments, %	41	38	36

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability.
For definitions, refer to page 114.

Operations

Assemblin Heating and Sanitation offers design, installation, service and maintenance of technical systems for heating, sanitation, industrial pipes, heat pumps, sprinkler systems and district and geothermal heating in Sweden. The operations are characterized by a flat and efficient organization with fast decision-making processes, and are situated at more than 50 locations in Sweden, with the headquarters being located in Västberga (Stockholm). Parts of the operations are certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (work environment) and, since 2021, certain operations have been certified in accordance with ISO 44001 (collaboration).

The assignment portfolio of Assemblin Heating and Sanitation predominantly comprises smaller, local assignments but also large, complex projects. The largest customer groups are small and large construction companies, property owners, public actors and, to some extent, private individuals. Among the largest projects currently in progress, it is worth mentioning installations at the new healthcare building on the Malmö hospital campus (on behalf of Skanska), new student housing facility at Campus Albano in Stockholm (on behalf of Svenska Bostäder) and housing in Kiruna's new urban centre (on behalf ofNåiden Bygg).

The share of services increased, amounting at the end of the year to 41 percent (38). Among major service assignments in progress, Telge Bostäder and Göteborg Energi are worth mentioning.

Developments in 2022

In 2022, sales increased by 10.1 percent to SEK 3,266 (2,966) million, driven by organic growth and acquisitions. Thanks to good cost control, profitability continued to rise, resulting in an adjusted EBITA margin of 7.8 (7.6) percent.

Order intake for the full year amounted to SEK 3,502 million (2,811), contributing to the order backlog at the end of the year increasing to SEK 2,149 million (1,912). Major new heating and sanitation assignments worth mentioning include the construction projects for the new psychiatric hospital in Västervik (on behalf of Skanska Sweden), the general hospital in Falun (on behalf of Bygg Dialog), the Högdalen sorting facility (on behalf of Stockholm Vatten- och Avfall) and Block 3 of Tullholmsviken (on behalf of Consto).

In 2022, three acquisitions were implemented (NGL Energientreprenad, Ohlssons Rör and Samsons Rör), which together added 84 employees and annual sales of about SEK 135 million.

Several development initiatives were conducted, including a training initiative for new branch managers and a new on-boarding process for new employees.

Business Area Ventilation (Sweden)

Over several years, we have focused particularly on improving our delivery by means of digital tools, which is appreciated by customers. This initiative continued on a larger scale in 2022, while we also delivered good growth and strengthened our profitability.

Håkan Ekvall
President and Business Area Manager, Assemblin Ventilation

Operations

Assemblin Ventilation offers superior expertise in ventilation and cooling technology in 27 locations around Sweden. Assemblin Ventilation is headquartered in Malmö in southern Sweden. All locations offer qualified planning expertise. Assemblin Ventilation is one of Sweden's largest ventilation companies and distinguishes itself through a high level of maturity, including in production follow-up in its project operations. In the service operations too, major initiatives have been undertaken in adapted systems for follow-up and control.

The assignment portfolio mainly includes medium-sized and large assignments for major construction companies and public sector operations. Among the largest contracting projects currently in progress, it is worth mentioning installations at the new healthcare building on the Malmö hospital campus (on behalf of Skanska), the Förbifart Stockholm tunnel project (on behalf of the Swedish Transport Administration) and the urban transformation in Kiruna (on behalf of Nåiden Bygg).

In 2022, the proportion of services amounted to 22 (24) percent. Major service assignments in progress include the ESS research facility in Lund and a nationwide collaboration with Hornbach.

Developments in 2022

For full year 2022, sales increased by 17.8 percent to SEK 1,617 (1,373) million, driven primarily by organic growth and acquisitions. Profitability strengthened and the adjusted EBITA margin increased to 6.5 percent (6.2).

Order intake for the full year increased to SEK 1,454 million (1,385), contributing to an order backlog that amounted to SEK 1,490 million (1,627) at year-end. Major new project assignments worth mentioning include ventilation installations in the Järfälla tunnel (on behalf of Skanska) and the new eye clinic at Skvadronen, Building C at Linköping Hospital (on behalf of Åhlin & Ekeroth Byggnads AB). Major new service assignments worth mentioning include assignments for Frigoscandia, Hornbach and Mister York.

In 2022, two acquisitions were implemented, Ehlin & Larsson and MIS in Jönköping, with a total of 25 employees and annual sales of about SEK 45 million.

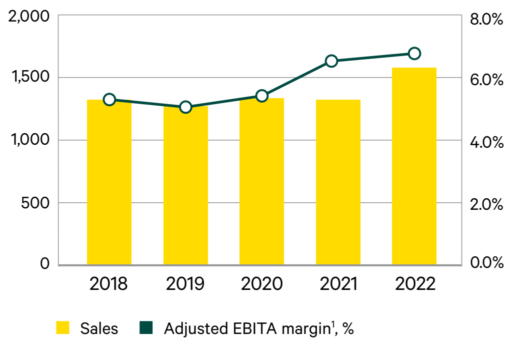
Among the development initiatives performed over the year, a special initiative in cooling technology and energy efficiency is worth mentioning. In addition, Assemblin Ventilation has continued its development of more automated information flows.

Proportion of consolidated sales **12%**

With its 554 employees and annual sales of SEK 1,617 million, Assemblin Ventilation is one of Sweden's leading ventilation installers.

KEY FIGURES	2022	2021	2020
Net revenues, SEK million	1,617	1,373	1,384
Adjusted EBITA[1], SEK million	105	85	80
Adjusted EBITA margin[1], %	6.5	6.2	5.8
Order backlog, SEK million	1,490	1,627	1,633
Order intake, SEK million	1,454	1,385	1,192
Average number of employees, FTE	554	541	553
Share of service assignments, %	22	24	22

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability. For definitions, refer to page 114.

Business Area Norway

We have enjoyed strong development for several years and even in 2022 we delivered growth while delivering strong profitability – despite external geopolitical concerns, inflation and increased purchasing prices. This would not have been possible without a stable and committed organization.

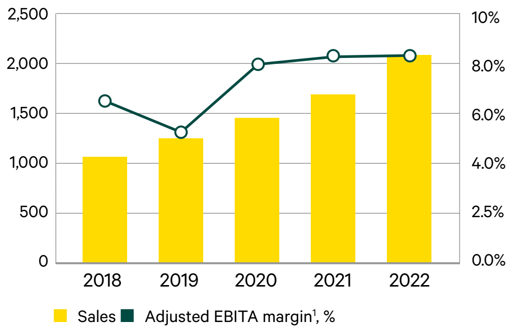
Torkil Skancke-Hansen
President and Business Area Manager, Assemblin Norway

Proportion of consolidated sales **15 %**

In 2022, Assemblin Norway had 834 employees and annual sales of SEK 2,038 million, making the company Norway's fourth-largest installation company.

KEY FIGURES	2022	2021	2020
Net revenues, SEK million	2,038	1,628	1,493
Adjusted EBITA[1], SEK million	170	135	124
Adjusted EBITA margin[1], %	8.3	8.3	8.0
Order backlog, SEK million	1,763	1,875	1,103
Order intake, SEK million	1,861	2,167	1,360
Average number of employees, FTE	834	790	735
Share of service assignments, %	55	48	45

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability. For definitions, refer to page 114.

Operations

Assemblin's Norwegian operations offer leading expertise in heating and sanitation technology, electrical engineering and ventilation. Operations are mainly conducted in and around Oslo, Innlandet, Hallingdal and Spitsbergen through 18 local offices. Assemblin Norway is headquartered in Drammen (Oslo). Most of the operations have been certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (work environment).

Assemblin's Norwegian operations are distinguished by several major and complex installation assignments and a high proportion of services. Combined with a stable management team and strong culture, this has contributed to the operations delivering the highest profitability among the large installation companies in Norway for several years.

The customer portfolio includes major construction companies, smaller local companies and public sector operations. Examples of major ongoing contracting projects include the installation of heating and sanitation at Construction City (on Construction City Bygg's behalf), the OSBL healthcare building (on Skanska's behalf), offices in Regjeringskvartalet (government quarter) (on Veidekke's behalf) and the office Helgerudkvartalet building in Oslo (on Skanska's behalf).

In 2022, the proportion of services increased to 55 percent (48). Examples of larger assignments include framework agreements with the Sykehuset Østfold hospital, Avinor Gardermoen at Oslo Airport, the Norwegian Defence Estates Agency and Oslobygg.

Developments in 2022

In 2022, sales increased by 25.1 percent to SEK 2,038 (1,628) million, driven primarily by organic growth and acquisitions. Profit increased in pace with growth, resulting in an adjusted EBITA margin of 8.3 percent (8.3).

Order intake for the full year increased to SEK 1,861 million (2,167), contributing to an order backlog of SEK 1,763 million (1,875) at the end of the year. Among major new contracting assignments, we can mention heating and sanitation installations at the construction projects at Drammen Hospital (on Veidekke's behalf), as well as at housing projects in Bekkestua Have (on Consto's behalf), Breddetunet (on AF Gruppen's behalf), Kringsjå (on Ove Skår's behalf) and Vaterland /Slemmestad brygge (on Skanska's behalf). Major new service assignments in 2022 were the framework agreements with Avinor and Oslobygg.

In 2022, the major acquisition of heating and sanitation company Larmerud AS was implemented, bringing in 24 employees and estimated annual sales of about SEK 41 million. Development initiatives over the year included implementing a new skills strategy, measures to safeguard continued growth and a focused initiative to increase the proportion of female employees.

Business Area Finland

Challenges in purchasing and project impairments affected profitability negatively, which was of course disappointing. At the same time, I feel that we have a committed organization and a strong offering providing conditions for continued growth and profit enhancement.

Tero Kosunen
President and Business Area Manager, Assemblin Finland

Operations

The Assemblin Finland business area has a strong offering, mainly in green technology and energy efficiency. Here, superior expertise in property technology systems, often associated with renewable energy, is combined with solutions and products for smart buildings, particularly BMS and IMD. The business area is divided into three separate units operating under their own brands. These units collaborate on certain common matters and are coordinated through a small management team.

• Under the Assemblin brand, installation and service assignments are offered to construction companies, property owners and public organizations in Helsinki, Tampere and Turku. The business area offers cutting-edge expertise in electricity, heating and sanitation, ventilation and cooling technology.

• Fidelix offers property automation and control of indoor conditions, not least through packaged, intelligent BMS solutions. The Fidelix Group also includes the EcoGuard, Larmia and Lansen brands and the service company Säätölaitehuolto. Operations are mainly conducted in Finland but also in Sweden and Norway. Customers mainly include property owners, construction companies and installation companies.

• Tom Allen Senera is an installation company focused on efficient energy solutions, often based on geothermal energy – it also has its own service company, Maalämpöhuoltokeskus. Operations are mainly conducted in the Helsinki area. Customers include both small and large property owners.

Developments in 2022

Total annual sales for the Assemblin Finland business area increased to SEK 1,895 (882) million, driven primarily by acquisitions. Parts of the Finnish operations were hit hard by the purchasing-related problems that arose in connection with the Ukraine war, which, combined with a number of project impairments at the end of the year, meant that the adjusted EBITA margin decreased to 1.9 (5.6) percent. In 2022, the proportion of services amounted to 22 percent (27).

Order intake increased to SEK 2,014 million (1,031) and the order backlog at the end of the year was SEK 1,105 million (803). Among major new contracts, it is worth mentioning an energy efficiency project for housing company Lähdesranta.

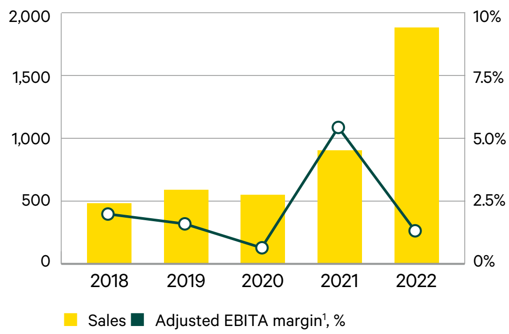
In 2022, a small acquisition was made that added 11 new employees to the operations and estimated annual sales of SEK 15 million. In addition, the remaining holding in Lansen Systems was acquired, with 5 employees and annual sales of SEK 15 million. Over the financial year, considerable energy was also invested in managing purchasing-related problems and improving profitability, but also in identifying collaborative formats and synergies.

Proportion of consolidated sales **14%**

In 2022, Assemblin Finland had 832 employees and annual sales of SEK 1,895 million.

KEY FIGURES	2022	2021	2020
Net revenues, SEK million	1,895	882	567
Adjusted EBITA[1], SEK million	37	49	3
Adjusted EBITA margin[1], %	1.9	5.6	0.6
Order backlog, SEK million	1,105	808	233
Order intake, SEK million	2,014	1,031	574
Average number of employees, FTE	832	439	319
Share of service assignments, %	22	27	33

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability. For definitions, refer to page 114.

Sustainability Report

About Assemblin's Sustainability Report

The Board of Directors of Assemblin Group AB, corporate identity number 559077-5952, hereby submits the annual, statutory Sustainability Report for the Assemblin Group for the period 1 January to 31 December 2022.

The Sustainability Report forms part of Assemblin's 2022 Annual and Sustainability Report, which is available in its entirety from the Company's website. This explains why pagination commences on page 28.

The report can be read separately, but contains occasional references to other parts of the Annual Report.

CONTENTS

Questions regarding the report may be addressed to Assemblin's Head of Communication and Sustainability Åsvor Brynnel on +46 70 600 73 21 or at asvor.brynnel@assemblin.se.

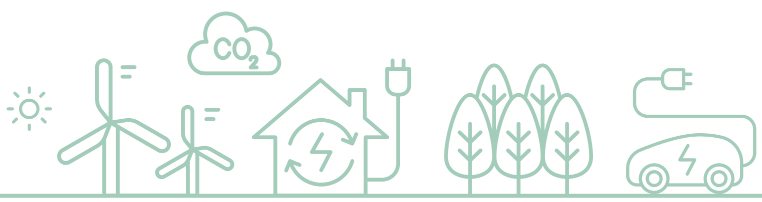
Due to rounding, differences in summations may occur.

2022 in brief

- Increased demand for energy-efficient, green and smart installation solutions.
- Breakthrough for Assemblin's complete solution for electric car charging, Assemblin Charge.
- The share of electric and electric hybrid cars in our own vehicle fleet rose to 15 percent. Although the transition of the car fleet is taking time, it is accelerating. We have now installed charging facilities at almost all of our offices.
- Measures to increase the proportion of women in production at Assemblin Norway.
- Fewer serious workplace accidents with an accident rate (IF/LTIFR) of 6.8.
- Strong increase in the number of apprentices to 460 (340).
- New reporting format by applying the GRI 2021 accounting standard and disclosure of carbon dioxide emissions in the entire value chain (scope 3).
- An updated materiality analysis, with an increased emphasis on human rights, resulted in new material sustainability aspects.
- Expansion of the data on which the reporting is based by including all operations.

Society, business and industry are undergoing a transformation all companies actively must manage. To be relevant today, we are required not only to report the financial value we generate, but also the social and environmental value. Accordingly, Assemblin took several measures in 2022 to improve its sustainability reporting and sustainability work.

Mats Johansson, President and CEO, Assemblin (from the CEO statement, pages 6–7).



UPDATED MATERIAL SUSTAINABILITY ASPECTS

In 2022, a new materiality analysis was conducted, resulting in five new material sustainability aspects:

1. CO_2 emissions
2. Health and safety
3. Responsible purchasing work
4. Smart and sustainable installation solutions
5. Sound business ethics

Read more on page 30

58%
EMPLOYEES TRAINED IN THE CODE OF CONDUCT

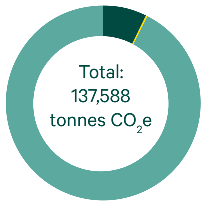
Read more on page 43

15%
SHARE OF ELECTRIC CARS AND ELECTRIC HYBRIDS

Read more on page 35–37

CO_2 EMISSIONS

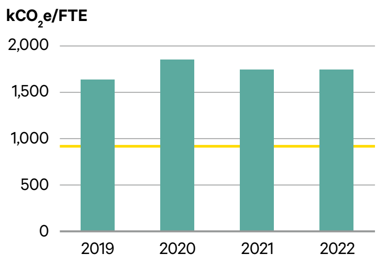
- Scope 1: 7.8%
- Scope 2: 0.3%
- Scope 3: 91.9%



Read more on pages 35–37

CLIMATE TARGET FOLLOW-UP

Climate neutrality by 2040 with a partial goal of halving emissions from Assemblin's own operations (Scopes 1 and 2, and business travel) by 2030 at the latest (with 2020 as the base year).



Assemblin has one of the largest vehicle fleets in the Nordic countries, and our efforts to mitigate our own climate impact are therefore focused on realigning the conversion to a fossil-free vehicle fleet.

CONDITIONS AND STRUCTURE

Ambitious aspirations and clear priorities

Assemblin's sustainability work is pervaded by a high degree of ambition and focused efforts in areas perceived to have the greatest impact on our environment. The natural starting point is that we seek to be a value-adding and responsible installation company, both today and in the future.

Our view on sustainability

That responsible conduct is a prerequisite for sustainable growth in value is an important precondition for Assemblin's sustainability work. Accordingly, the obvious starting point is that we must, in all contexts, take responsibility for our operations and how they affect the world around us – in both the short and long term. This means that we must strive to use the resources and materials we need to perform our tasks wisely and efficiently and that we must always strive to deliver sustainable installation solutions in a safe and professional manner with minimal negative impact on people and the environment.

Overarching ambitions

Assemblin seeks to be a responsible and value-adding installation company in relation to the Company's key stakeholders and to society in general. With this as our starting point, we have defined four overarching ambitions associated with our sustainability work:

• Best for our customers
We shall be a responsible and value-adding supplier. We will achieve this by delivering intelligent, energy-efficient and sustainable installations that make buildings work and people feel comfortable.

• Best for our employees
We shall be a responsible and value-adding employer. We will achieve this by being a stimulating and responsible employer, offering exciting assignments in a favourable, secure and non-discriminatory work environment.

• Best for our employees
We shall be a responsible and value-adding investment that generates stable and profitable development through disciplined entrepreneurship combined with controlled risks and sound business ethics.

• Best for our environment
We shall be a responsible and value-adding social actor. We must conduct operations with minimal negative impact on our environment and offer energy-efficient solutions with a limited environmental impact, contributing to the well-being of citizens in healthy buildings with a beneficial indoor climate.

Climate goals

With the climate being one of today's foremost sustainability challenges, we have also expressed a long-term climate target (CO_2 emissions/employee). Internally, the operations are steered towards several sustainability goals, including a reduced accident frequency, reduced sick leave, an increased proportion of women, increased employee commitment, an increased proportion of electric cars and an increased proportion of green technology. The internal sustainability goals are set within each business area.

Focus on the most material

Sustainability is a broad area, and to focus our efforts on the issues bringing most benefit, priorities are necessary. An important tool in the prioritisation process is the materiality analysis that is conducted regularly. In 2022, an updated analysis was made in accordance with the international accounting standard Global Reporting Initiative (GRI) 2021.

As GRI 2021 places greater emphasis on human rights, the outcome of the 2022 materiality analysis is slightly different compared with previous years, resulting in five new material sustainability aspects. Besides these, a number of other sustainability aspects remain relevant to Assemblin, although these are perceived to have less impact on our society.

Assemblin's work with, and management of, the most material sustainability aspects are reported in more detail on pages 35–43, and the work with other sustainability aspects is reported briefly under Other disclosures on pages 44–45.

MATERIAL SUSTAINABILITY ASPECTS AND OTHER SUSTAINABILITY ASPECTS

To be able to set appropriate priorities, Assemblin has listed and weighted its relevant sustainability aspects by means of a structured materiality assessment. Five sustainability aspects have been identified as particularly material based on our operations, geography and impact on the world around us.

MATERIAL SUSTAINABILITY ASPECTS	OTHER RELEVANT SUSTAINABILITY ASPECTS	LESS RELEVANT SUSTAINABILITY ASPECTS
Relevant sustainability aspects perceived to have a major impact on the world around us. • CO_2 emissions • Health and safety • Responsible purchasing • Intelligent and durable installation solutions • Sound business ethics	Relevant sustainability aspects perceived to have a limited impact on the world around us. • Employee development • Profitable growth and tax • Diversity and equality in our own operations • Community involvement • Chemical handling • Waste management and re-use in our own operations	Less relevant sustainability aspects where our impact on the world around us is very limited. • Water and emissions • Other atmospheric emissions • Biodiversity • Child labour and slave labour in our own operations
The work with these aspects is reported under the heading *Material sustainability aspects, 2022.*	The work with these aspects is reported under the heading *Other sustainability disclosures,* 2022.	The work with these aspects is reported under the heading *Other sustainability disclosures,* 2022.

For further details of the method and process applied in the materiality analysis, see Sustainability Note 2.

Risks and opportunities

From a sustainability perspective, the installation industry in the Nordic region is perceived as an industry with limited sustainability risks and with considerable future opportunities, particularly driven by climate change, high energy prices and increasingly connected buildings. As an installation company, Assemblin has a positive impact on sustainability by offering solutions that can accelerate the ongoing climate transition, but also by contributing to a healthy and fresh indoor climate inside buildings.

In accordance with Assemblin's risk management process, all risks must be mapped, assessed (based on probability and consequence) and prioritised twice annually. This also applies to sustainability risks, which are managed by Assemblin's Sustainability Committee. In the 2022 risk mapping, the most significant sustainability risk in the short to medium term was assessed to be the effects of international crises caused by pandemics, refugee flows and/or geopolitical concerns around the world. Other significant sustainability risks include workplace accidents, the risk of business ethics abuses and cyber risks. The result of the risk mapping is reported to the Groups Risk Management Officer, who consolidates all risk maps into a top risk report for adoption by the Board of Directors. You can read more about Assemblin's risk process and top risks in the separate *Corporate Governance Report*.

Climate change analysis

To prepare the business for various future scenarios, a short-, medium- and long-term climate change analysis was conducted in 2019. The assessment was inspired by the TCFD framework and included both physical and adjustment risks that could result from climate change. Because Assemblin can relatively easily phase out its direct dependence on fossil energy sources, mainly by transitioning its vehicle fleet, and since we have flexible operations with little property that can be destroyed, our climate change risks were judged to be limited. Our type of operations is perceived to have a relatively low-exposure to climate change and our ability to adapt is good. At the same time, the need for intelligent, energy-efficient and green property technology, including automated controls, reuse of greywater and rainwater, energy efficiency measures, installing charging infrastructure and investments in green technology, including solar panels and geothermal energy, is perceived to be increasing. We can also expect an increase in renovation and rebuilding needs as a result of damage caused by extreme weather, which benefits installers.

THE UN'S GLOBAL SUSTAINABILITY GOALS (SDG)

The UN's 17 global sustainability goals address today's biggest global challenges. Taken together, they express an ambition that secures freedom, prosperity and the environment for future generations. All societal actors are responsible for contributing to the achievement of the goals by 2030.

By prioritising sustainability work against five material sustainability aspects, we contribute to the UN's sustainability goals in several ways (see the table on the right).

MATERIAL SUSTAINABILITY ASPECTS	MAPPING ACCORDING TO SDG
CO_2 emissions	3 7 8 12 13
Health and safety	3 8
Responsible purchasing	8 10 12 13 16
Smart and sustainable installation solutions	3 6 7 9 11 12
Sound business ethics	8 12 16

ASSEMBLIN'S KEY CONTRIBUTION TO THE GLOBAL SUSTAINABILITY GOALS

The table above shows that Assemblin can contribute to a number of the UN´s global sustainability goals, but the goals to which we believe we can contribute most through our operations are the UN's goals 3, 7, 8 and 12.

3 GOD HÄLSA OCH VÄLBEFINNANDE

GOAL 3 Assemblin can contribute directly to UN Goal 3 by working actively with health and safety, but also indirectly by influencing working conditions in the supply chain and by designing solutions that provide a healthy indoor climate in buildings.

8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT

GOAL 8 Stable financial development is a prerequisite for our existence, but it must be achieved in a business ethical manner in a safe, non-discriminatory and stimulating work environment and with market-based wage setting. This means that we contribute to UN goal 8.

7 HÅLLBAR ENERGI FÖR ALLA

GOAL 7 Through energy-efficient heating and cooling systems, intelligent control, power optimisation, installation of solar cells, battery storage and participation in the development of the infrastructure required for an increased share of renewable energy, we can contribute to UN goal 7.

12 HÅLLBAR KONSUMTION OCH PRODUKTION

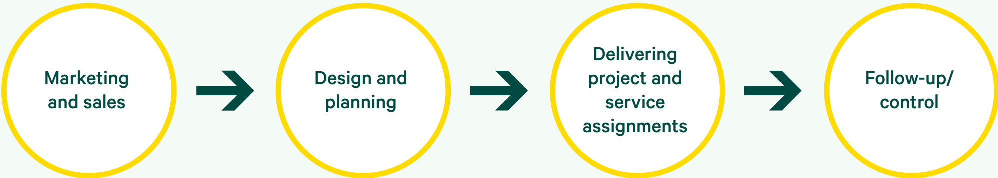
GOAL 12 By repairing and maintaining systems in existing buildings and undertaking measures that minimise waste and improve waste management in our own operations, combined with responsible purchasing, we can contribute to UN goal 12.

The analysis of our contribution to the UN's sustainability goals has been based on Assemblin's material sustainability aspects, as well as on identified risks and opportunities.

IN-DEPTH

Sustainability impact of our business model

Assemblin's operations affect the outside world from an environmental, social and economic perspective in several ways and through all of the phases of our business model.



Our business model comprises four main phases: (i) the marketing and sales phase (market/sales/tender), (ii) the design and development phase (design/planning/preparation/projection and purchasing), (iii) the delivery phase (installation assignments and service assignments) and the (iv) follow-up and control phase.

MARKETING AND SALES

The agreements we sign with our customers lay the foundation for our deliveries and have a direct economic impact on our financial results. Risks associated with bribery, corruption and restrictions on competition occur at this phase, which we actively counteract through extensive internal regulations and training. By actively marketing intelligent, energy-efficient and sustainable solutions, we can have a positive impact on our customers choice of installation solutions.

DESIGN AND PLANNING (INCLUDING PURCHASING)

Considerable social and environmental impact occurs in the design and development phase, which involves the fundamental work with the design of the project, product selection and production planning. By taking an active part in the design of a property's technical systems, preferably at the early stages, Assemblin has greater opportunities to influence the final solutions and thus its opportunities to provide a building and its users with clean water, a beneficial indoor climate and lighting in a resource- and energy-optimal manner. Through good production planning, the conditions for the financial result are also established, which has a financial impact, both on our own earnings, as well as those of our clients.

Assemblin also bears an indirect responsibility for the social and environmental impact that occurs during the manufacture, processing and transport of the purchased products. By setting requirements and following up on our suppliers, we can help mitigate negative environmental effects and improve the working environment and employment conditions for employees outside our own operations. Most of our purchases are currently made through wholesalers who also follow up with the manufacturers and, together with the wholesalers, Assemblin can accelerate transparency throughout the supply chain.

DELIVERING PROJECT AND SERVICE ASSIGNMENTS (INCLUDING COMMISSIONING)

Assemblin mainly conducts its assignments with its own workforce, although subcontractors are also sometimes hired for specific tasks and alleviate peak work periods. By placing demands on our partners, we can have an indirect positive impact on human rights, working conditions, the environment and anti-corruption, even outside of our own operations. We can also contribute to a favourable working environment outside of our own operations by serving as a role model for others at construction sites.

In our assignments, we also have a direct impact on the environment in terms of passenger transports to and from the workplace, in particular in our service assignments. By carpooling and transitioning our own vehicle fleet to fossil-free, we can reduce this impact. When it comes to transports of materials, the environmental impact can also be reduced by means of coordinated purchasing and intelligent logistics.

In the production phase, we also have an environmental impact through waste management. It is important to minimise spillage and to recycle waste as much as possible. In projects, the responsibility for waste management often rests with the construction coordinator and is carried out through shared waste fractions.

At the end of the production phase, we can have a positive impact by performing structured hand-overs, so that operation and management continue in an appropriate manner.

FOLLOW-UP AND CONTROL

Following completed production, it is important to perform final inspections, corrections and adjustments of the installations for optimal operation, which can have an indirect environmental impact. At the same time, we ensure that agreed requirements and ruels are complied with. It is also important that we benefit from our experiences and the lessons learned enabling us to continue developing our operations and future deliveries.

GOVERNANCE AND ORGANISATION

Joint efforts and structure drive the sustainability agenda

Through coordination, structured reporting, ongoing environmental monitoring and a joint sustainability plan, Assemblin pursues active sustainability work focusing on the most relevant issues.

External and internal regulations

Key starting points for Assemblin's sustainability management include external and internal regulations on sustainability, as well as the international standards with which Assemblin has voluntarily chosen to comply. Particularly important internal governance documents are Assemblin's Sustainability Policy, Code of Conduct and Core Values, which are published on our external website.

In 2022, Assemblin began to realign its sustainability work and sustainability reporting in relation to a number of new regulations that had been announced, primarily at the EU level but also at the national level.

Responsibility and organisation

In accordance with Assemblin's corporate governance structure, as described in the separate *Corporate Governance Report*, it is made clear that the Board of Directors is ultimately responsible for Assemblin's sustainability work, while the operational responsibility is delegated to the Groups Head of Communication and Sustainability by Assemblin's CEO and Group Management.

The sustainability work is coordinated through a specific Sustainability Committee, which includes those responsible for relevant functions and representatives from each business area. The Committee is tasked with monitoring legislation, proposing and following up on joint sustainability initiatives, channelling and disseminating good ideas, and producing data on which Group Management or the Board of Directors can base their decisions.

In 2022, the Sustainability Committee held two regular meetings, with three shorter meetings in between. Currently, the Committee has established two specific working groups, a working group on climate accounting in projects and a working group on the EU taxonomy.

Sustainability plan for 2022 and 2023

Each year, to coordinate efforts in the sustainability area, the Sustainability Committee proposes a joint action plan for the upcoming year of operations. The sustainability action plan is approved by Group Management and ultimately adopted by the Board of Directors. In addition to the sustainability work conducted jointly, each business area works with its own sustainability agenda and runs its own projects.

Among the joint measures prioritised in 2022, it is worth mentioning the preparations for improved climate reporting and taxonomy reporting, safety at work and the implementation of a new whistle-blower service. In 2023, Assemblin will also focus on safety at work and various reporting issues, as well as on measures for increased gender equality.

ASSEMBLIN'S SUSTAINABILITY GOVERNANCE

1 According to the Board of Directors instructions, the Group CEO bears the ultimate responsibility for sustainability work at Assemblin alongside Group Management. The responsibility is then delegated to the Groups Head of Communication and Sustainability, who is also a member of Group Management.

2 Since 2018, a Group-wide Sustainability Committee has existed, chaired by the Group's Head of Communication and Sustainability. In addition to the Group's Head of Communications and Sustainability, the Sustainability Committee also includes the Group's Chief Legal Counsel and eight representatives from the business areas, each with a different area of responsibility (HR, work environment, quality, environment, operational development).

INTERNAL REGULATIONS ON SUSTAINABILITY

- Sustainability Policy
- Code of Conduct and values
- Code of Conduct for Suppliers
- Anti-bribery and corruption Policy
- Anti-trust Policy
- HR Policy
- Procurement Policy
- Information Security Policy

INTERNATIONAL STANDARDS AND AGREEMENTS SUPPORTED BY ASSEMBLIN

- The UN's "Global Compact" (albeit with no formal affiliation)
- The UN's Universal Declaration of Human Rights
- The ILO's conventions on a good working environment
- The UN's convention against bribery
- The Paris Climate Agreement (the "Paris Agreement")
- The UN's sustainability goals (SDG)

Stakeholder dialogue and business intelligence

A structured stakeholder dialogue and active business intelligence are essential in being able to develop the operations and ensure that Assemblin is and remains an attractive installation company. The most important tools in the dialogue with our stakeholders are in-person meetings, quantitative and qualitative surveys and local "pulse" checks.

The table to the right provides general details of Assemblin's key stakeholders, focus areas and dialogue tools. Compared with previous years, we can state that the energy issue and the issue of climate declarations and taxonomy reporting have increased in importance.

Monitoring and reporting

Assemblin regularly monitors a number of important key figures in the sustainability area at various levels in the Company. Particularly significant key figures are followed up in connection with the regular monthly reporting, and more comprehensive internal sustainability reporting to Group Management and the Board of Directors takes place twice annually.

Since 2017, an annual Sustainability Report has been produced and published on Assemblin's external website. As of the 2022 financial year, Assemblin reports in accordance with the international accounting standard GRI 2021 (see Sustainability Note 1 for more). In terms of climate calculations, Assemblin has, since 2018, reported in accordance with the Greenhouse Gas Protocol (see Sustainability Note 3 for more).

Reporting in accordance with the EUs green taxonomy

As Assemblin has no securities listed in any EU market we are not required to reporting in accordance with the EU taxonomy, and therefore we have opted not to disclose the proportion of taxonomy eligible operations for 2022.

ASSEMBLIN'S KEY STAKEHOLDERS AND CURRENT ISSUES IN 2022

PRINCIPAL DIALOGUE FORMAT	ISSUES IN FOCUS IN 2022
CUSTOMERS	
• Ongoing customer dialogue • Delivery follow-up • Customer surveys • Market surveys • Relationship-promoting activities • Marketing	• Energy-efficient, intelligent and sustainable solutions • Specific customer requirements • Efficient, secure processes and digital tools • Circularity and re-use • Climate declarations • Pricing models
EMPLOYEES	
• Ongoing employee dialogue • Internal information channels (intranet, newsletter, text message, e-mail, etc.) • Employee surveys • Entertainments	• Remunerations and salary benefits • Safety and working environment • Development opportunities • Exciting projects
SHAREHOLDERS	
• Board meetings • Ongoing dialogue with shareholder representatives • Network meetings	• Profitable growth and strong cash flow • Corporate governance and risk management • The climate issue • Sustainability reporting
SUPPLIERS	
• Ongoing supplier dialogue • Local supplier meetings • Delivery follow-up • Supplier assessments	• Prices and conditions • Safety and working environment • Business ethics approaches • Environmental and climate data for products
Trade UNIONS	
• Meetings • Negotiations • Representation on the Boards of Directors of subsidiaries	• Safety and working environment • Remunerations • Labour law issues
AUTHORITIES	
• Structured monitoring • Specialist networks	• General compliance with laws, regulations and rules • Sustainability reporting • Human rights
TRADE ASSOCIATIONS, SPECIAL INTEREST ORGANISATIONS AND SPECIALIST NETWORKS[1]	
• Membership/board participation • Conferences, courses, etc. • Network meetings	• Environmental and climate data for products • Interpretations of the EU taxonomy • Safety at work • Skills supply
SOCIETY	
• Sustainability reporting • Information and contact channels on the website and in social media	• The energy and climate issue • Electrification and society's climate transition

1) To be able to influence and pursue priority issues and to actively contribute to a more sustainable society and a healthier industry, Assemblin is a member of, and participates actively in, a number of industry organisations and other special interest organisations. In Sweden, Assemblin is a member of Installatörsföretagen (association of installation companies), Plåt- och Ventföretagen (association of sheet metal and ventilation companies), the industry initiative "Håll Nollan" (Keep it at Zero) and the Construction Industry's Ethics Council. In Norway, Assemblin is a member of the Confederation of Norwegian Enterprise (NHO), Rørentreprenørerne Norge (association of plumbing contractors) and Nelfo (association of installation companies), as well as a gold sponsor in the industry network "Ingeborg". In Finland, Assemblin is a member of industry associations Teknologiateollisuus, LVI-TU and STTA, and has also signed up as a "Climate Partner" in Helsinki.

FOLLOW-UP 2022 – MATERIAL SUSTAINABILITY ASPECTS

Material sustainability aspects

1. CO_2 emissions

This is a material sustainability aspect because Assemblin has a large vehicle fleet and also buys in materials and products causing CO_2 emissions when manufactured and transported.

Clarification and demarcation

This sustainability aspect includes Assemblin's direct and indirect environmental impact through CO_2 emissions throughout the value chain. Assemblin is a geographically dispersed, service-producing player with limited needs for premises and a relatively large vehicle fleet. Accordingly, compared with other companies, our direct emissions from vehicle fuel (Scope 1) are relatively large, while indirect emissions from purchased energy (Scope 2) are small. Assemblin's installation operations also use materials and products that are purchased via wholesalers or directly from manufacturers. These purchases give rise to CO_2 emissions throughout the value chain (scope 3), and not least during extraction and manufacturing, as well as from transports to and from the point of purchase.

Goals and governance

The most important governance document in the area of climate is Assemblin's Group-wide Sustainability Policy, which includes CO_2 emissions (and other environmental impacts). The Sustainability Policy is published on the external web.

Assemblin has had a long-term climate goal and climate strategy since 2019. Since 2020, there has also been a Group-wide climate agenda with refined sub-goals and concrete activities, including restructuring the car fleet, measures for increased carpooling, reduced air travel, active logistics planning and a reduced proportion of pick-up orders.

In short, Assemblin's climate goals entail a commitment to CO_2 neutral operations (in terms of Scopes 1, 2 and business travel) by the year 2040, and a halving of CO_2 emissions by 2030 (with 2020 as the base year). As access to relevant environmental data for installation products currently is limited, accurate calculations of the emissions from Scope 3 are difficult which explains why these emissions currently are excluded from the objective.

CO_2 emissions from Scopes 1, 2 and business trips are followed up and analysed twice annually. Standard calculated CO_2 emissions from Scope 3 are followed up once annually. The results are analysed by the Sustainability Committee, Group Management and the Board of Directors.

PRINCIPLE POSITION

Assemblin's Sustainability Policy states our principle position, which clarifies Assemblin's objectives regarding CO_2 emissions in its own operations, but also one that includes CO_2 emissions (and other environmental aspects) throughout the value chain.

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Assemblin shall strive to reduce emissions and discharges by reducing our energy consumption and through good planning. In the long term, we also strive to phase out fossil fuels.

By integrating environmental, social and ethical requirements into the purchasing process, checks are made to ensure that suppliers and purchased goods meet Assemblin's requirements. In all of our assignments, we must avoid raw materials, materials, chemicals and methods that entail risks for the environment and for society. Purchases are steered towards previously-approved products through Assemblin Best Choice.

Work in 2022

CO_2 from vehicle fuel (Scope 1)

Most of the service vehicles and company cars included in Assemblin's vehicle fleet are fuelled by diesel, HVO or gas or are electrically powered. In the long term, Assemblin's objective is to phase out fossil-powered vehicles and all business areas have the stated ambition of increasing the proportion of electric cars and plug-in hybrids. However, the conversion requires local charging opportunities and a gradual phase-out as the existing car fleet becomes obsolete, meaning that the transition takes time. In Norway, charging points have been installed at all of Assemblin's offices, and as of 2022 also at most of Assemblin's Swedish offices. In Finland, charging facilities are available at one office.

Due to high demand for electric cars and delivery problems due to the Ukraine crisis, the delivery time for electric cars is considerable. In 2022, the number of electric cars and plug-in hybrids increased, and a large number of additional cars are on order.

In 2022, CO_2 emissions per vehicle and employee (FTE) decreased thanks to decreased use of fuels, more efficient vehicles and an increased proportion of electric cars and plug-in hybrids.

CO_2 emissions from purchased energy for electricity and heat (Scope 2)

Most of Assemblin's services are performed at construction sites or at our customers premises but are administrated from office premises that are often rented. For operations in rented premises, energy for heating and electricity is difficult to influence and calculate, although Assemblin has chosen renewable energy wherever possible. By co-locating local operations, the use of space in existing offices can be optimised, which also reduces the CO_2 impact from energy. In 2022, Assemblin's Scope 2 CO_2 emissions increased, which mainly was explained by more electrical cars which needed charging at our premises and more offices lacking renewable energy for heating being included in the calculation. For 2022, the share of renewable energy in scope 2 amounted to 75 (99) percent. The difference compared to previous year is mainly explained by acquired operations.

CO_2 emissions from business travel and other purchases (Scope 3)

Indirectly, Assemblin's operations also give rise to CO_2 emissions from the extraction, production and transport of materials and services used in the operations. A more detailed description of Assemblin's purchases and purchasing work is provided under the material sustainability aspect *Responsible purchasing*.

As regards the climate impact from Scope 3, Assemblin has primarily focused on measures to reduce climate emissions from transports to the production site, partly through active efforts to reduce the proportion of pick-up orders and to increase the proportion of electronic orders (EDI) and partly by imposing demands on Assemblin's wholesalers and suppliers (who often transport purchased materials to the production site). This means that the wholesalers transports can be planned and coordinated better, while Assemblin's own employees reduce their driving. This is a focus area for all business areas and the EDI share is currently in between 79 and 86 per cent.

A lack of available environmental data (EPD) for installation products means that it is currently not possible to reliably calculate and report the climate impact from Scope 3, although requests from certain customers and future legal requirements for complete climate reports in Sweden have entailed an increased focus on CO_2 emissions in Scope 3. In 2022, Assemblin therefore established a Group-wide working group that pursued the issue of climate declarations in projects together with far-sighted suppliers, and a number of pilot projects were conducted.

In the absence of precise climate calculations, Assemblin has, since 2019, made standard calculations of the climate impact from Scope 3 based on a cost-based calculation method. According to these calculations, Assemblin's CO_2 impact from scope 3 corresponds to approximately 92 percent of Assemblin's total CO_2 emissions. These standard calculations are, however, highly indicative and it is therefore difficult to draw conclusions regarding the change between years.

A Scope 3 purchase that is relatively easy to climate report on is emissions from business travel by air and rail. Assemblin's geographically dispersed operations necessitate a certain amount of business travel. Compared to 2021, business travel increased, partly explained by a larger reporting base, but also that travel increased post-Covid-19.

IN-DEPTH

"Small changes can have major climate effects"

Although calculating the climate impact of the installation systems presents certain challenges, we have come a long way with the help of standard calculations.

At the end of 2022, Assemblin Ventilation participated in a project aimed at reducing the climate impact inside buildings. The project was initiated by the City of Malmö and has been conducted in collaboration between several construction and installation actors.

Assemblin's responsibilities in the current project included ventilation and cooling systems, as well as radiator systems and pipes for cooling baffles in a 9,000 m^2 office building with 8 floors and a basement. The task was to make climate calculations for the planned installation solutions and to then propose changes to reduce the climate impact.

Making climate calculations for such installation systems is not straightforward as there is currently a lack of climate data (EPDs) for many installation products. In the project, this was resolved by means of standard calculations based on the materials and their quantities by weight, with an allowance for a margin of error.

"When we summed up the climate calculations, we could see that our initial proposal generated CO_2 emissions of approximately 285,000 kg CO_2e, corresponding to just over 31 kg CO_2e/m^2. That was equivalent to about 10 percent of the buildings total CO_2 emissions," says Daniel Barnekow, business developer at Assemblin Ventilation and a participant in the project.

The next step in the work was to propose measures for reducing the climate burden, which resulted in a surprisingly positive outcome.

In order to be able to calculate the climate impact of individual assignments, product data is required, which is not currently available. Through standard calculations, however, we can draw certain conclusions, which Daniel Barnekow, business developer at Assemblin Ventilation, has experience with.

"By making small changes to our original proposal, including switching to VVT solutions with varying flows in different cases and changing the material in the pipes for the cooling baffles, we were able to reduce the climate impact of the installations by 30-35 percent without increasing the cost of the project," Daniel says.

An important conclusion is that the selection of materials and system plays a major role in the climate impact of the installations. Daniel emphasises that there is much to be gained by performing climate calculations and, based on the results, fine-tuning the solutions.

"Assemblin's vision is to create intelligent and sustainable installation solutions, and the climate calculations give us a tool that contributes to that. Since a year ago, Assemblin has established a central working group that prepares more refined climate calculations that can be performed as soon as we gain access to machine-readable climate data – although we can make good progress even now with standard calculations of this kind. We will definitely continue this work and even include the impact on the buildings use phase. This benefits us, our customers and, not least, our environment," Daniel concludes.

KEY FIGURES	2022	2021	2020
Sales, SEK million	13,521	10,721	10,009
Average number of employees, FTE	6,553	5,962	5,820
Number of vehicles (service vehicles and company cars)[1]	4,337	3,400	3,564
– of which, electric cars or plug-in hybrids[1]	642	N/A	N/A
Total energy consumption, MWh[1]	**51,441**	**42,271**	**46,939**
– of which, for fuel (Scope 1), MWh[1]	40,351	34,867	38,741
– of which, for energy (Scope 2), MWh[1]	11,090	7,403	8,199
Total CO_2 emissions, Scopes 1, 2 and 3, tone[1,2]	**137,588**	**198,896**	**N/A**
– of which, CO_2 emissions from fuel (Scope 1), tone[1]	10,742	8,896	10,191
– of which, CO_2 emissions from energy (Scope 2), tone[1]	345	139	167
– of which, CO_2 emissions from purchases (Scope 3), standard calculation, tone[1,2]	126,501	189,861	N/A
Total CO_2 emissions, Scopes 1, 2 and 3, kg/FTE[1,2]	**21.00**	**N/A**	**N/A**
– of which, CO_2 emissions from fuel (Scope 1)/FTE, kg[1]	1.64	1.69	1.83
– of which, CO_2 emissions from energy (Scope 2)/FTE, kg[1]	0.05	0.03	0.03
– of which, CO_2 emissions from business travel/FTE, kg[1]	0.25	0.02	0.01
– of which, CO^2 emissions from purchases (Scope 3), standard calculation, kg/FTE[1,2]	19.30	N/A	N/A
Total CO_2 emissions, Scopes 1, 2 and travel, kg/FTE[1]	**1.94**	**1.74**	**1.87**
CO_2 emissions from fuel (Scope 1)/vehicle, kg[1]	2.48	2.62	2.86

1) From 2022, all operations are included in the reporting material, affecting the comparison between years somewhat.
2) In the data for calculating Scope 3, parts of the Finnish operations, corresponding to 3.7 per cent of the total operations, have been excluded.
For definitions and distribution between business areas, see pages 46 – 47.

2. Health and safety

For Assemblin, the health and safety of our employees is an important sustainability aspect. Some of our employees work in risky work environments, requiring a particular focus on the physical work environment, without neglecting the organisational and social work environment.

Clarification and demarcation

This sustainability aspect includes Assemblin's direct social impact within occupational health and safety for employees in its own operations. Assemblin also has an indirect impact on the work environment efforts of subcontractors and employees of companies that manufacture materials procured by Assemblin. Assemblin is able to address this indirect impact in connection with procurement, which is described under the material sustainability aspect *Responsible purchasing*.

Governance

The most important governance documents for work with health and safety are Assemblin's Group-wide Sustainability Policy, Code of Conduct and HR Policy. The Sustainability Policy and Code of Conduct are available on the external website. Assemblin's internal business plans also contain quantitative goals for incidents and accidents in each business area.

PRINCIPLE POSITION

Assemblin's Sustainability Policy states our principle position, which clarifies Assemblin's objectives in the work environment area:

We must work actively for prosperous employees and a safe work environment with the goal that our employees will thrive and not be injured at work. We apply a clear zero-vision with regard to workplace accidents.

Work environment efforts have, for a long time, been afforded a high priority and are conducted in a structured manner within Assemblin's business areas based on the international standard for work environment and safety, ISO 45001. Parts of the operations have also chosen to formally adhere to that standard.

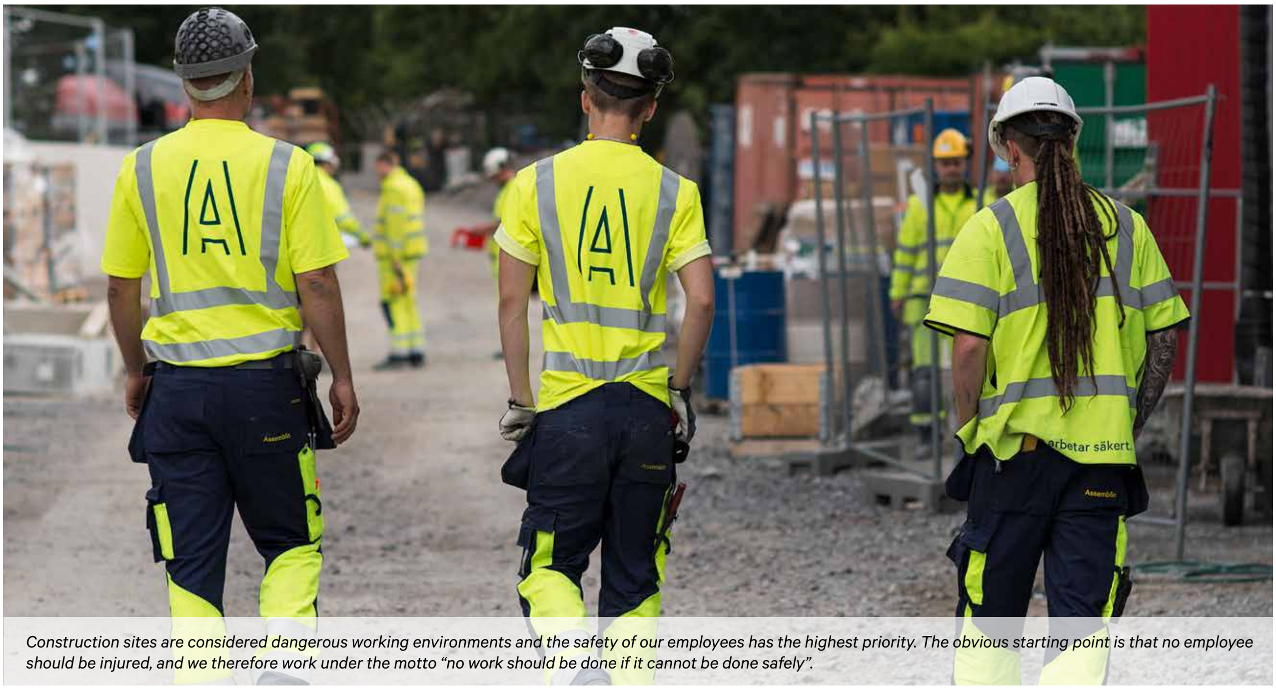
All business areas have established internal goals and developed their review processes for several key figures. Assemblin's business areas also offer a number of work environment training courses, and the organisation has dedicated resources driving the work on safety. All projects have specifically appointed work environment responsibles.

Work in 2022

In 2022, 16.0 (18.2) percent of the Groups operations were certified in accordance with ISO 45001. The decrease is due to Assemblin including all operations in its accounting from 2022 and onwards.

Health promotion work

In all business areas, active wellness efforts are conducted in the form of regular health examinations, wellness allowances, campaigns and competitions. All employees are



Construction sites are considered dangerous working environments and the safety of our employees has the highest priority. The obvious starting point is that no employee should be injured, and we therefore work under the motto "no work should be done if it cannot be done safely".

offered sickness and accident insurance and have access to preventive health services. The employees well-being is captured in the ongoing employee dialogue and in the regular employee survey (see further under *Employee development* in the section *Other sustainability disclosures*), but also through the analysis of sick leave numbers and staff turnover. Measures to reduce sick leave are taken on an ongoing basis through structured rehabilitation work, for example In 2022, sick leave rose.

Assemblin's staff turnover is perceived to be on a par with the industry average, which is characterised by relatively high mobility. After a few years of lower staff mobility during the Covid-19 pandemic, staff turnover increased.

Safety at work

Many of Assemblin's employees work on construction sites considered to be dangerous environments, and certain tasks are particularly risky. This may, for example, involve working at height, hot work, handling sharp objects, a risk of electrocution, risks when receiving goods and stress. For white-collar workers, the most common health and safety risks are work-related illness and stress-related illnesses.

All business areas offer training programmes in safety, with courses being conducted continuously. All employees (100 percent) have the skills and training required to be able to perform their work well and safely. Since 2019, Assemblin has also had a Group-wide standard for personal protective equipment.

A cornerstone of our structured work environment work are the analyses and risk assessments that are conducted for preventive purposes in connection with the start of a new assignment. Another important aspect of the safety work involves the continuous monitoring and analysis of risk observations, incidents and accidents. For several years, Assemblin's employees have had the opportunity to report observations and deviations using a straightforward digital process through specific systems on their mobile phones or tablets, although this approach has yet to be fully implemented in recently acquired companies. In 2022, the reported serious accidents decreased while minor accidents, near-misses and the number of risk observations increased, which has, after analysis, been shown to be an effect of improved reporting.

The most common types of work injuries are lacerations, strains/sprains/stretches, as well as crushing, pinching or other soft tissue injuries, mainly to the hand, ankle, finger and foot. Assemblin's injury statistics are on a par with comparable companies with a high proportion of employees in production.

At national level, annual safety campaigns are conducted, shedding light on various themes in work environment and safety. The 2022 safety campaigns took place in Finland in May, in Norway in September and in Sweden in October (in connection with the industry's "Keep it at Zero" safety drive).

KEY FIGURES	**2022**	**2021**	**2020**	**2019**
Average number of employees, FTE	6,553	5,962	5,820	5,901
Sick-leave, %	6.6	6.2	6.8	4.6
– of which long-term sick leave, %[1]	2.4	1.7	1.1	1.6
Personell turnover, voluntray, %[1]	13,8	11,2	8,7	N/A
Serious accidents, frequency of occupational injuries (IF/LTIFR)[2]	7.9	11.2	9.1	7.6
Minor accidents, number[2]	400	312	180[3]	273
Incidents and risk observations ("near misses"), number[2]	554	475	430	62
Fatal accidents, number[1]	0	0	0	0
Proportion of operations certified in accordance with ISO 14001	16	18	19	19

1) For 2022, operations corresponding to 90 per cent of the total amount of emplyees are included in the reporting material.
2) In 2020, Assemblin Electrical Engineering did not report minor accidents and incidents separately, affecting the comparison between the years.
3) In 2020, Assemblin Electrical did not separate reporting of minor accidents and incidents, affecting the comparison between years.
For definitions and distribution between business areas, see pages 46–47.

3. Responsible purchasing

Materials and products are needed in all installation assignments and Assemblin has an indirect responsibility for the impact that these purchases can cause throughout the supply chain. This means that purchasing and supplier governance is a sustainability aspect that has increased in importance when taking human rights throughout the value chain into account.

Clarification and demarcation

This essential sustainability aspect defines Assemblin's work with purchasing and supplier management, which includes social impacts throughout the supply chain. Although the materials that Assemblin uses in the first and second stages of the supply chain are often manufactured in Europe, raw material extraction and production further down the supply chain in some instances occurs in places with a higher risk of human rights violations than in Europe.

The indirect climate impact that Assemblin's purchases give rise to is described separately under the material sustainability aspect *CO_2 emissions.*

PRINCIPLE POSITION

Assemblin's Sustainability Policy includes a principled position regarding responsible purchasing:

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By integrating environmental, social and ethical requirements into the purchasing process, checks are made to ensure that suppliers and purchased goods meet Assemblin's requirements. In all of our assignments, we must avoid raw materials, materials, chemicals and methods that entail risks for the environment and for society. Purchases are steered towards previously-approved products through Assemblin Best Choice.

Governance

The most important governance documents in purchasing and supplier management are Assemblin's Purchasing Policy, Sustainability Policy and Code of Conduct for Suppliers.

Although work with purchasing and supplier management is decentralised to our business areas, coordination and shared enquiries are handled through a Nordic purchasing forum and by Group Management. To safeguard a professional approach, shared principles are adhered to that are described in a common Purchasing Policy.

Although labour legislation limits Assemblin's opportunities to take responsibility for employees outside its own organisation, by imposing requirements and cooperating actively with our suppliers and wholesalers, we can indirectly influence conditions for employees in companies that manufacture and sell the goods and services we purchase. Assemblin's Group-wide *Code of Conduct for Suppliers* is one of the key control tools in this work. Other important control mechanisms are the requirements we set for our supplier assessments and the supplier follow-up that takes place in each business area.

Work in 2022

A controlled product range

Assemblin's assignments involve the installation of property technology equipment and our broad operations mean that a large number of items are purchased.

Although purchasing is mainly conducted locally, to be able to control purchases of materials, purchasing targets a quality-assured product range, Assemblin Best Choice. The assortment is determined by the business areas purchasing departments where, among other things, there is knowledge about the product requirements of various standards, including BASTA, Byggvarubedomningen and SundaHus. To make it easier for local purchasing units to make climate-smart choices, a large part of Assemblin's operations have chosen to label these products in the product range.

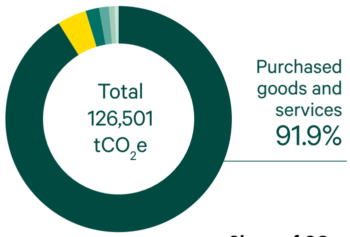
PURCHASING IN THE OPERATIONS

46 (40) percent of Assemblin's turnover is purchase-related. The increase compared to the previous year was partly driven by acquired operations with a higher proportion of purchases, but also by material price inflation. The purchases can be divided into three categories: direct materials, indirect materials and services. Most of Assemblin's purchases are *direct materials*, including ventilation drums, heating and water pipes, couplings, electrical cables and connectors, as well as composite products, including heat pumps, ventilation and cooling units, sensors, solar panels, solar collectors and charging points. The largest purchases of *indirect materials* are vehicles, fuel and workwear. *Services* commonly purchased include insulation work and consulting services.

CARBON DIOXIDE EMISSIONS FROM SUPPLIERS AND CATEGORIES IN SCOPE 3

Most of Assemblin's purchases are made from purchase points and companies in the Nordic countries. Using cost-based standard calculations (see Sustainability Note 3 for more), CO_2 emissions from Scope 3 account for 91.9 percent of Assemblin's total CO_2 emissions. Of the total purchasing-related emissions, three/retailers combined account for 77.5 percent.

CATEGORIES IN SCOPE 3 – SHARE OF OUR TOTAL CARBON DIOXIDE EMISSIONS



	Share of CO_2e
Purchased goods and services	91.3%
Capital goods	4.0%
Fuel- and Energy-Related Activities	2.1%
Business travelr	1.3%
Waste generated in operationsl	0.9%
Upstream transportation and distribution	0.4%

GEOGRAPHICAL DISTRIBUTION OF PURCHASES IN THE FIRST-TIER BASED ON CARBON DIOXIDE EMISSIONS IN 2022

Country/region	Share of CO_2e
Sweden	83.9%
Norway	9.3%
Finland	3.5%
Rest of Europe	1.7%
Australia	1.0%
Japan	0.4%
China	0.2%
USA	0.0%

Supplier governance

Each business area includes central purchasing functions responsible for, among other things, larger purchasing agreements, which are often formulated as framework agreements. Before a framework agreement with a new supplier is signed, a supplier assessment is always carried out in which delivery capacity, availability, guarantees, product responsibility, work environment work, environmental work, finances and price, among other things, are evaluated. Suppliers must also prove that their operations and those of their sub-suppliers meet the requirements of Assemblin's *Code of Conduct for Suppliers*, which is an appendix to our central purchasing agreements and is available on our external website. Among other things, this includes requirements regarding acceptable working conditions, responsibility for human rights and anti-corruption.

During the contract period, the purchasing functions also follow up significant supplier partnerships through an ongoing dialogue and perform supplier checks if necessary. At present, Assemblin mainly controls first-tier suppliers, but requires that they in turn control several levels in the supply chain.

In the event of shortcomings in the supplier's performance or suspicion of irregularities, additional comprehensive supplier assessments are performed. If one of our suppliers violates Assemblin's Code of Conduct, this may lead to the termination of the cooperation. No suppliers were rejected in 2022 due to irregularities.

As of 2022, Assemblin has expanded its whistle-blower function to also include suppliers (and other external stakeholders), which means they can report suspicions that someone at Assemblin is acting in violation of our Code of Conduct.

Increased focus on human rights in the supply chain

One of the biggest challenges in understanding the full impact of our purchases is a lack of traceability and transparency in supply chains. With an increased focus on human rights throughout the value chain, Assemblin intends to take measures to deepen its cooperation with its suppliers going forward.

In 2022, this work began by, among other things, extending our knowledge and expanding our dialogue with our wholesalers. Against the background of the Norwegian "Transparancy Act" that came into effect in 2022, a more extensive mapping process commence within Assemblin's Norwegian operations and this is described on Assemblin's Norwegian website.

KEY FIGURES	2022[1]	2021[1]	2020[1]
EDI (electronic purchasing), %	79–86	77–89	72–84
Purchases from framework agreement suppliers, %[2]	58–96	82–100	89–100
Number of major supplier follow-ups	137	3	17

1) Excluding Assemblin Finland
2) Undertaking to comply with our Code of Conduct for Suppliers

4. Smart and sustainable installation solutions

Developing and installing smart and sustainable installation solutions in an efficient and environmentally friendly way contributes to society's climate and energy transition, which is an important environmental aspect. At the same time, our solutions have a social impact because they contribute to a healthy indoor climate for those staying in a building.

Clarification and demarcation

This sustainability aspect is directly related to Assemblin's value proposition and includes Assemblin's opportunities to positively influence society environmentally and socially when installing and servicing sustainable technical property systems. The sustainability aspect also includes waste management and the re-use of materials used in our production. For information on waste management and recycling of materials used in our own operations, see the *Other sustainability disclosures* section below.

Governance

Important steering mechanisms in this area are Assemblin's vision and overarching ambitions, which apply to all operations within Assemblin.

PRINCIPLE POSITION

The most important governing document is Assemblin's Sustainability Policy, which also clarifies a principled stance in this area:

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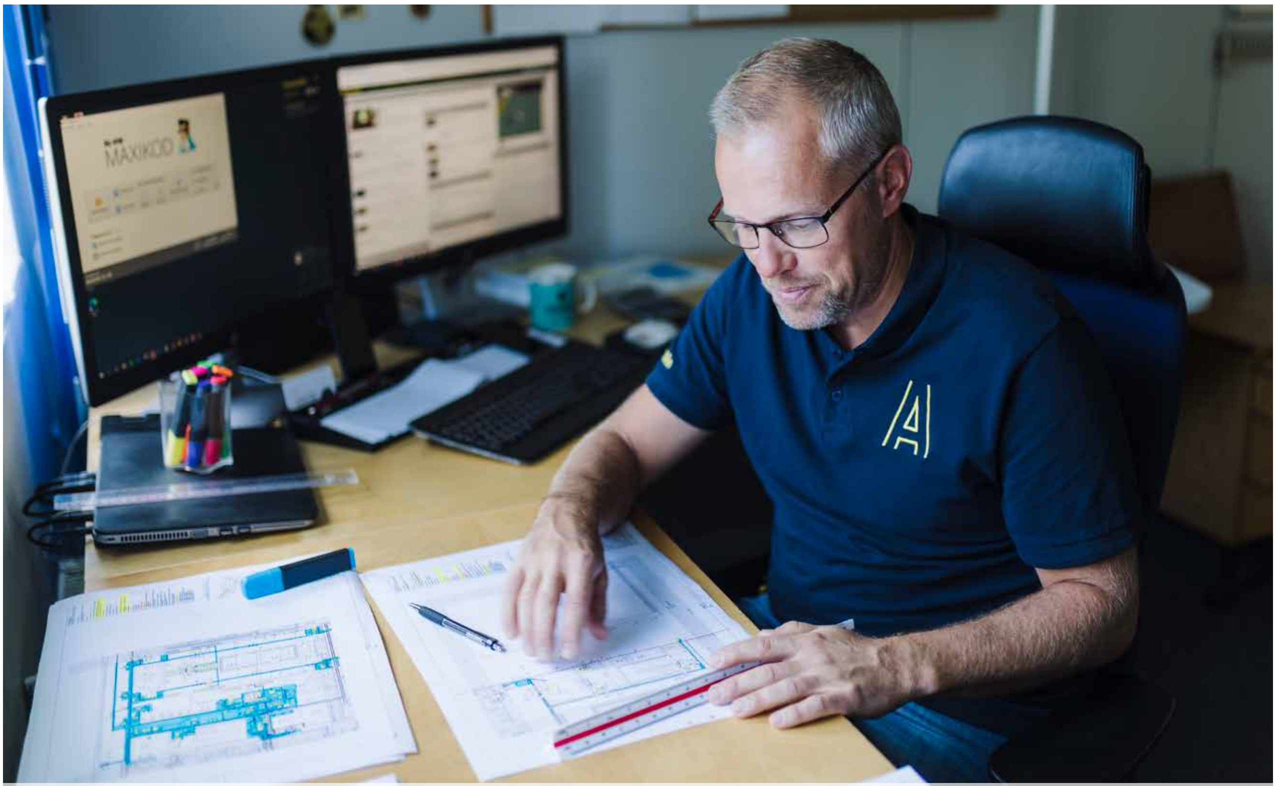
Our products and services must always be delivered in the right way at the right time, and at the quality and price agreed. At the same time, our ambition is to create value-adding and long-term sustainable installation solutions in each assignment that contribute to a cost-effective project but also minimise the buildings life cycle costs, energy use and environmental impact.

Being able to create smart and sustainable installation solutions requires knowledge and commitment, which is promoted through Assemblin's technology-focused and decentralised organisation, as well as through our employee development (see more under the section *Other sustainability disclosures*) and active monitoring of the world around us.

Assemblin's capacity to develop a competitive and value-adding offer can be followed up through analyses of the Company's organic growth and order intake, which takes place at all levels in the Company within the framework of the regular financial follow-up. More information about Assemblin's financial management and follow-up is described in the separate *Corporate Governance Report*.



By designing and delivering smart, energy-efficient and sustainable installation solutions, Assemblin makes a positive contribution to society both in contracting assignments and in service operations.

Work in 2022

A smart and sustainable offer

Assemblin's ambition is to be the markets best installation partner, which means that we must have market-leading expertise in property technology. The starting point in Assemblin's deliveries is the customers' requirements and wishes, which are specified in the customer agreements. At the same time, we can never compromise on legal requirements, industry standards and certificates, or our own principles.

Our decentralised, technology-focused organisation affords us good opportunities to recruit highly skilled employees, but to ensure leading-edge smart and sustainable solutions, we must constantly develop our operations. It is therefore important to continuously monitor developments and stay up-to-date on new materials, methods and the latest technologies. We must also have a good knowledge of what is required of the installations to be able to match the requirements set in various environmental certifications for buildings, such as Leed, Breeam, the Swan, Miljöbyggnad and EU Green Building.

For a few years now, Assemblin has deliberately increased its expertise on intelligent buildings, green property technology and energy efficiency. Green technology involves installing systems associated with renewable energy sources, charging infrastructure and resource-saving products. Intelligent buildings involve property and industrial automation solutions based on various control systems and sensors, as well as the use of artificial intelligence (AI). Assemblin is able to offer many packaged automation solutions, intelligent building automation systems (BMS) in particular, as well as systems for individual metering and debiting (IMD). In 2022, Assemblin's position in the fine-tuning of heating and water systems also increased, mainly through acquisitions.

Assemblin has also invested energy into developing its own concept for electric car charging, Assemblin Charge. The concept was launched in 2021 and achieved a breakthrough in 2022. In 2022, our own solar panel concept, Assemblin Solar, was also developed and will be launched in early 2023. More information about Assemblin's intelligent and sustainable offer can be found in the *Offering section* in the *Annual Report*.

Recycling and waste management in our production

Waste management

In our assignments, on our customers behalf, we purchase installation materials that cause a certain amount of waste during our production, albeit limited. Assemblin strives to reduce the amount of waste and residual products through recycling and wise waste management. This work is conducted locally. In major contracting assignments, the contractor often provides fractions for waste sorting at the construction site. In these cases, shared sorting bins are used, which makes it difficult to measure company-specific waste. In service assignments, waste is usually handled via external recycling companies. At most of Assemblin's own local offices, it has its own fractions for waste sorting.

In parts of its operations, Assemblin handles small quantities of hazardous waste, including batteries, fluorescent tubes and other light sources, certain degreasers and cleaning agents, mercury thermometers, paints and pesticides. All hazardous waste is handled in accordance with current regulations.

Recycling and re-use

A circular approach is about minimising unnecessary resource extraction through recycling and re-use. Although interest in re-use is increasing, in light of installation assignments requiring the installer to guarantee the work performed and the products installed, the issue of responsibility has inhibited interest in re-use. Over the past year, however, Assemblin has begun to assess opportunities to re-use certain types of materials, primarily through participation in re-use projects. Various systems are differently suited to re-use, although parts of heating and water systems, for example, have been identified as suitable for recycling.

GROWTH AND ORDER INTAKE	2022
Total net sales, SEK million	13,521
Order intake, SEK million	13,167
Order backlog, SEK million	9,535

IN-DEPTH

”Sales of Assemblin Charge have really taken off in Sweden”

The ongoing electrification of the transport sector increases the need for charging infrastructure. This has benefited Assemblin's intelligent electric car charging concepts, Assemblin Charge.

Assemblin Charge was launched in 2021 and sales increased sharply in 2022.

“With high demand right now, sales have really taken off, which is fantastic. We are receiving a lot of enquiries from tenant-owner associations and private individuals, as well as from companies with larger car fleets and more complex needs," says Mats Nyberg, business developer responsible for Assemblin Charge.

Assemblin often sells its solutions directly to end customers, but also through exclusive partnership agreements. A good example is Assemblin's partnership with the Stöten ski resort, in which a joint offering was developed for cabin owners seeking to be able to charge their cars at the resort. Interest in the solution is substantial.

Assemblin's charging concept is comprehensive and flexible, allowing it to be adapted to customers' needs. Smaller customers are primarily interested in installation and a flexible billing solution, although the solution can also be connected to an intelligent administration platform with automatic information flows between the car driver (the employee), the company and its leasing company. This simplifies payment flows and administration for Assemblin's customers and those charging their vehicles.

“We currently have agreements with several companies operating throughout Sweden. One example is Securitas, which will be transitioning its vehicle fleet in Sweden. They sought a reliable partner for the installation of charging infrastructure at their offices across Sweden, as well as a flexible payment solution that simplifies their administration of expenses," says Mats.

Assemblin's platform is also connected to an external network with coverage throughout Sweden, which is an advantage for the driver.

“Assemblin's installations with Assemblin Charge as the payment system undoubtedly represent one of the market's best solutions. We are very proud of this concept and the opportunity to assist our customers in their process of transitioning to fossil-free vehicle fleets," says Mats Nyberg.

5. Sound business ethics

This sustainability aspect includes all external and internal regulations that apply to Assemblin being able to run its operations to a high ethical standard. This is important for Assemblin to be a credible business partner and avoid personal and financial damage in the event of non-compliance.

Clarification and demarcation

This sustainability aspect includes Assemblin's work for a sound business ethics in its own operations. Assemblin also has an indirect impact on the work environment efforts of subcontractors and employees of companies that manufacture materials procured by Assemblin. Assemblin is able to address this indirect impact in connection with procurement, which is described under the material sustainability aspect *Responsible purchasing.*

Governance

In the Nordic countries, where Assemblin operates, the legislation against corruption, bribery and restrictions on competition is far-reaching, leading to these countries being ranked among the seven best in the world when it comes to combating corruption.[1]

At the same time that the far-reaching legislation constitutes a minimum level for our operations, Assemblin has chosen to clarify and further tighten the requirements through an extensive internal regulatory framework that is shared throughout the Group. The starting point is that everyone at Assemblin must, in all contexts, comply with the applicable legislation and behave professionally, but also in a way that allows us to stand straight and be honest. The most important internal governance documents in the area of business ethics are our values and our Code of Conduct. The Code of Conduct refers, in turn, to other important governance documents, including our Anti-trust Policy, Anti-bribery and Corruption Policy, Communication Policy, Sustainability Policy, IT Security Policy and Privacy Policy.

PRINCIPLE POSITION

Assemblin's Sustainability Policy includes a principled stance that clarifies Assemblin's business ethics objective:

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Our operations shall be characterised by a healthy ethical approach in accordance with our Code of Conduct and other associated policies. Our corporate communications shall be accurate and reliable, and all information handling shall be conducted in a correct and reliable way.

The work with sound business ethics is conducted at several levels in the Company. Group-wide activities include shared governance documents and mandatory training. All of Assemblin's governance documents are available in a special section on the Company's intranet, and apply to all operations. Other training efforts and activities are also conducted in each business area.

Another important control mechanism is the possibility of anonymously reporting suspicions of ethics violations which exists throughout the operations. Any reports made to the system are completely anonymous, and the system supports multiple languages. All reported cases are investigated and, if any misconduct is uncovered, it may form the basis for dismissal and/or a police report.

Work in 2022

To ensure that all employees have read and understood the content of Assemblin's Code of Conduct, a mandatory e-training course is in place that all employees must complete. Assemblin also has mandatory web introductions in several important areas, including restrictions on competition, bribery and corruption, communication and IT regulations. All Group-wide training courses are available in Swedish, Norwegian and Finnish.

Since Assemblin includes all operations in the basis for its reporting as of 2022, a comparison between years is somewhat affected which explains why the reported implementation rate regarding the mandatory web introductions decreased. The exception is the e-learning in Assemblin's Code of Conduct, which increased. Efforts to increase the implementation rate will be prioritised in 2023.

Assemblin also has an anonymous whistle-blower system for employees, which was in 2022 expanded to also be available to external stakeholders. In 2022, 3 (2) notifications were submitted via the whistle-blower service. All cases were investigated but found to be of a minor nature. No deviations regarding suspicion of corruption or bribery were identified. Assemblin has also not identified any notable conflicts of interest in the business.

Assemblin's shareholders, financiers and, to some extent, customers too, also place demands on Assemblin's corporate governance, risk management, internal control and disclosures. These processes and the financial reporting are adapted to the regulations relevant to Assemblin and that are described in the separate *Corporate Governance Report.*

1) According to Transparency International 2022.

DEGREE OF COMPLETION OF WEB TRAINING COURSES AND WEB INTRODUCTIONS	31 Dec 2022[1]	31 Dec 2021	31 Dec 2020
Code of Conduct, CoC[2]	58	56	59
IT regulations and IT security/cyber-security[2]	47	55	53
Bribery & corruption[3]	59	71	83
Restriction of competition[3]	59	77	773
Communication & Insider[3]	90	75	85

1) From 2022, all operations are included in the reporting material, affecting the comparison between years somewhat.
2) Mandatory training for all employees.
3) Mandatory training, officials and/or managers.
For definitions and distribution between business areas, see pages 46 – 47.

FOLLOW-UP 2022 – OTHER SUSTAINABILITY DISCLOSURES

Other sustainability disclosures

In addition to Assemblin's most material sustainability aspects, there are a number of other more or less relevant sustainability aspects, although our impact on the outside world from a sustainability perspective is perceived as limited here.

Relevant sustainability aspects with limited sustainability impact

Employee development and employee influence

Assemblin seeks to be the markets best employer for the markets best employees. By being a responsible and developing employer, Assemblin can contribute to increasing well-being among employees, which affects society positively. This means that employee development is a relevant sustainability aspect for Assemblin, although its sustainability impact on society is perceived as limited.

Although the work with employee development is decentralised to our business units, to ensure professional work and common principles, there is a Group-wide HR Policy that, among other things, describes the work with employee development. In addition to that, employee development is included in Assemblin's Sustainability Policy.

Educating and further developing employees and leaders is a very important area because it contributes to increased employee commitment and safeguards skills needs. Accordingly, all business areas, have well-structured introduction and training programmes, as well as mentoring and internship programmes. Some business area-specific courses are held in-person while others are and web-based.

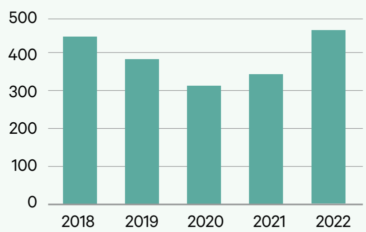
To measure and monitor employee satisfaction and commitment, annual employee interviews and a Group-wide employee survey are conducted every two years. In the survey conducted in 2021, it was found that employee engagement remained at a high level. The results are analysed by each business area, region and branch/department, and action plans are drawn up based on the local results.

In Assemblin there is also a clear career ladder, and when appointing project managers, specialists and managers, the proportion of internal recruitment is high. All managers are locally recruited. For senior executives, there is a well-documented succession plan, which is updated annually in each business area and followed up by group management.

Principles of remuneration for the Board of Directors and senior executives, as well as for the Company's employees, are described in the separate *Corporate Governance Report*. In other respects, Assemblin follows the principles regarding negotiations, wage setting, union cooperation, parental leave, notice periods and information obligations that the collective agreements and legislation in the Nordic countries specify. This means, among other things, that the notice period varies between 1 and 6 months, depending on how long you have been employed. Freedom of association is a matter of course, which includes all staff. In several of Assemblin's business areas, trade union parties are also represented on the Boards.

To meet the need for skills, Assemblin brings hundreds of young people into working life every year through a well-developed apprenticeship system, which also has a positive social impact on society.

NUMBER OF APPRENTICES



In 2022, the number of apprentices in the Group increased to 460 (340). Employee-related key figures are reported in the *Organisation and employees* section in the *Annual Report*.

Financial performance and taxation

The fact that we conduct our operations in a controlled manner is a prerequisite for a stable financial trend, which in turn means that we are able to fullfill our commitments in relation to our employees, customers, shareholders and suppliers alike. For-profit operations entail the financial generation of value for several target groups and for society through, for example, payments of salaries to employees and of compensation to suppliers and of taxes and fees to society. Financial performance and taxation are therefore perceived to be a relevant aspect of sustainability, although its sustainability impact on society is judged to be limited.

The largest tax payments are corporation tax, employer contributions and payroll tax. Assemblin's support from the public sector is negligible.

In tax matters, applicable tax law and prevailing practices are applied in the countries in which we operate. Assemblin has open relations with the tax authorities in all of the countries in which it operates.

For a period, Assemblin has enjoyed favourable growth, increased profitability and strong cash flow – a positive trend that was also strengthened in 2022. Additional comments on our financial development can be read in the section *Financial statements*.

FINANCIAL VALUE CREATION	2022	2021	2020
Directly generated financial value			
Net revenues, SEK million	13,521	10,721	10,009
Distributed financial value			
Employees (personnel-related costs), %	41	39	41
Suppliers/partners and other investments, %	54	55	54
Government (corporation tax), %[1]	1	1	1
Financiers (financing costs), %	2	2	2
Shareholders (dividends), %	0	0	0
Reinvested financial value, %	2	3	2

1) VAT and social security contribution payments are reported on other lines

Diversity and equality in our own operations

Diversity and gender equality in our own operations is perceived to be a relevant sustainability aspect with limited impact on sustainability.

Assemblin supports the principles of human rights, labour law, the environment and corruption that are expressed in the international UN framework "Global Compact", although the Group has no formal affiliation to the framework. Freedom of association is a matter of course throughout Assemblin and includes all staff. Assemblin also has a clear zero vision that applies to all forms of discrimination and violations, which is underlined in our joint Code of Conduct. Any violations are primarily captured through the ongoing employee dialogue, but also in the anonymous employee survey. Employees also have the opportunity to anonymously report suspected violations of the Code of Conduct (including discrimination) via

Assemblin's whistle-blower system, which is available both on the intranet and via the external website. No cases of suspected discrimination were registered via the system in 2022.

An issue that is particularly critical in the construction and installation industry is gender equality, as the proportion of men has historically been very high. The percentage of women is very low but increased in 2022, partly thanks to acquired businesses with a higher percentage of women (especially Fidelix, which has more white-collar workers than blue-collars), but also thanks to increased efforts to increase the percentage of women in the operations. This applies not least to Assemblin's Norwegian operations, where efforts to increase gender equality has been made including setting a goal for the proportion of women in production. In 2022, a special "girls day" was held there with the aim of identifying measures to attract more female employees. Assemblin Norway is a gold sponsor in the industry initiative "Ingeborg". In Sweden, equality work focused on drawing attention to the problem of unhealthy attitudes.

The proportion of female senior executives also increased slightly and on the Board of Directors it fell.

Other diversity parameters, including ethnic affiliation, sexual orientation, functional variations or belief systems are not followed up against the background of the GDPR legislation.

KEY FIGURES	2022	2021	2020
Proportion of women, total, %	6.5	5.4	5.7
Proportion of women, senior executives, %	19	16	13
Proportion of women, Board of Directors, %	17	29	33

For definitions and distribution between business areas, see pages 46–47.

Community involvement

Although Assemblin does not have any directly negative impact on the local areas in which it operates, we can nonetheless contribute positively to society through local community involvement. Our decentralised organisation gives us a strong local anchoring, and community involvement is important to our business operations. We therefore contribute in various ways to the local communities in which we operate through various activities and initiatives. Examples of local community involvement include our sponsorship and support of sports clubs and associations, environmental projects and mentoring programs.

Major community activities in 2022 include Assemblin Norway, which continued to support a village in rural Zimbabwe.

Against the background of our strong local roots, community involvement is perceived to be a relevant sustainability aspect for Assemblin, although one with limited sustainability impact.

Important control mechanisms for our social engagement are our Sustainability Policy, but also our Code of Conduct and Anti-bribery and Corruption Policy, in which the boundaries for sponsorship commitments, for example, are made clear.

Chemical handling

Assemblin's assessment is that the Company's handling of chemicals is a relevant sustainability aspect that has a limited impact on sustainability. Assemblin is a downstream consumer of a small amount of chemicals. The chemical health risks that occur are exposure to quartz dust, asbestos, isocyanates, solder and welding fumes. In these cases, it is important that the chemical risks are handled correctly and in accordance with current regulations. Accordingly, all of the business areas maintain registers of chemicals, which are continuously updated in specific chemical management systems.

Important control mechanisms for chemical handling are, in addition to the chemical handling systems, our Group-wide Sustainability Policy and other local control documents.

Waste management and recycling in our own operations

In addition to waste generated in Assemblin's deliveries (see more under material sustainability aspect *Intelligent and sustainable installations*) Assemblin's operations give rise to a certain amount of direct waste at the Company's own offices. This waste is primarily consumables, including paper, cardboard and plastic, which are sorted and recycled at the offices where possible. In addition, more significant IT waste occurs, including computers, screens, telephones and servers. For several years, Assemblin has been working with an intermediary who cleans and prepares discarded IT equipment for onward sale or recycling. In 2022, 553 products were handled via this intermediary, who calculated that the avoided emissions for these products through circular IT handling amounted to 54,472 kg CO_2e.

Not relevant sustainability aspects with very limited sustainability impact

Water

Assemblin does not use any water in its own operations, which means that water extraction, water discharge and water consumption are zero. However, Assemblin can influence water resources by designing intelligent, resource-efficient water and sewerage systems for buildings, which can, in turn, contribute to efficient water use. The design and installation of water and sewerage systems can also have a positive or negative impact on the health and well-being of those who live and work in a building.

On the whole, however, Assemblin's emissions and impact on water are perceived to have a very limited sustainability impact, which makes this sustainability aspect non-material for our business.

Other atmospheric emissions

Assemblin is mainly a service provider, and its own operations generate no direct atmospheric emissions, apart from emissions of CO_2, NOx and SOx from the transport of people and materials to and from our workplaces and some heating and electricity for our own premises. Of these emissions, CO_2 emissions are perceived to have the greatest negative impact on our environment, making it one of our material sustainability aspects. Other atmospheric emissions are deemed to have an insignificant impact on sustainability and are therefore perceived as non-material for our operations.

Biodiversity

This aspect of sustainability involves an impact on ecosystems. Assemblin's impact on ecosystems is assessed as insignificant which means this aspect of sustainability is not material for our business.

Child labour and forced labour in our own operations

Assemblin does not tolerate any form of child labour, slave labour or human trafficking. In the countries where Assemblin operates, these are also prohibited by law. Since legal compliance is a basic prerequisite for our business, the risks in this area are assessed as very low, which means that this aspect is insignificant aspect of sustainability in our own business. The indirect responsibility for working conditions further down the supply chain, where the risk of child labour and forced labour is higher, is described under the material sustainability aspect *Responsible purchasing.*

Assemblin is not affected by the UK's Modern Slavery Act of 2015.

Account of select key figures

Accounting policies, sustainability notes and sustainability definitions are presented on page 47. In other regards, the Report adheres to relevant reporting and consolidation principles in accordance with the principles applied in the separate financial statements.

KEY FIGURES 2022 (2021)	Group[1]	Assemblin Electrical	Assemblin H&S	Assemblin Ventilation	Assemblin Norway	Assemblin Finland
EMPLOYEE-RELATED KEY FIGURES						
Average number of employees, FTE	6,553 (5,962)	2,853 (2,729)	1,455 (1,438)	554 (541)	834 (790)	832 (439)
– of which, proportion women, %	6.5 (5.4)	5.6 (4.8)	5.6 (4.9)	8.1 (9.0)	7.3 (5.3)	9.0 (8.2)
Number of senior executives, FTE	42 (49)	13 (14)	9 (9)	4 (5)	10 (8)	5 (6)
– of which, proportion women, %	19.0 (16.2)	7.7 (7.1)	22.2 (22.2)	25.0 (40.0)	20.0 (25.0)	33.3 (0.0)
Average age, total[2]	39.5 (39.9)	40.4 (34.0)	39.4 (41.6)	41.3 (42.7)	37.2 (37.0)	37.8 (40.0)
Sick leave, %[2]	6.6 (6.2)	7.0 (5.6)	6.2 (5.5)	6.8 (5.7)	7.1 (7.0)	5.1 (6.0)
– of which, on long-term sick leave, %[2]	2.7 (1.7)	2.4 (1.5)	2.9 (1.0)	2.9 (1.2)	3.6 (3.6)	1.9 (1.9)
Personnel turnover, voluntary, %[2]	13.8 (11.2)	12.7 (11.0)	16.8 (14.0)	13.0 (12.0)	14.1 (N/A)	12.5 (13.7)
Serious accidents, frequency of occupational injuries (IF/LTIFR)[2]	7.9 (11.2)	6.8 (10.9)	3.8 (7.9)	9.0 (12.5)	13.3 (10.8)	12.7 (36.9)
Serious accidents, number	93 (109)	35 (51)	10 (17)	9 (12)	20 (13)	19 (16)
Minor accidents, number[2]	400 (312)	229 (149)	58 (73)	44 (49)	33 (26)	36 (15)
Incidents (near misses) and risk observations, number[2]	660 (475)	267 (350)	23 (48)	27 (55)	6 (7)	337 (15)
Fatal accidents, number[2]	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
FINANCIAL KEY FIGURES						
Sales, SEK million	13,521 (10,721)	4,894 (4,054)	3,266 (2,966)	1,617 (1,373)	2,038 (1,628)	1,895 (882)
Adjusted operating earnings (EBITA), SEK million	940 (758)	347 (264)	256 (225)	105 (85)	170 (135)	37 (49)
Adjusted EBITA margin, %	7.0 (7.1)	7.1 (6.5)	7.8 (7.6)	6.25 (6.2)	8.3 (8.3)	1.9 (5.6)
ENVIRONMENTAL KEY FIGURES						
Total energy consumption from fuel and electricity (Scopes 1 + 2), MWh[3]	51,441 (42,271)	23,133 (21,112)	12,220 (12,086)	3,315 (4,403)	7,349 (3,984)	5,378 (565)
– of which, vehicle fuel (Scope 1), MWh[3]	40,351 (34,867)	17,971 (16,666)	10,351 (10,999)	2,678 (3,770)	4,892 (2,865)	4,412 (490)
CO_2 impact from vehicles, (Scope 1), kg CO_2e/FT[3]	1,64 (1,69)	1,67 (1,64)	1,90 (2,35)	1,28 (1,80)	1,57 (1,09)	1,41 (0,45)
CO_2 impact from electricity and heating (Scope 2), kg CO_2e/FTE[3]	0.05 (0.03)		0.03 (0.04)		0.12 (0.03)	0.14 (0.07)
CO_2 impact from business travel (part of Scope 3), kg/FTE[3]	0.25 (0.02)	0.10 (0.01)	0.13 (0.05)	0.13 (0.01)	0.08 (0.02)	0.51 (0.00)
OTHER KEY PERFORMANCE INDICATORS						
Degree of completion, CoC training[3]	58 (56)	63 (64)	69 (57)	49 (60)	57 (17)	25 (77)
Environmentally certified operations, ISO 14001, %[3]	46 (54)	86 (94)	17 (19)	0 (0)	76 (85)	0 (0)
Quality-certified operations, ISO 9001, %[3]	46 (54)	86 (94)	17 (19)	0 (0)	76 (85)	0 (0)
Work environment-certified operations ISO 45001, %[3]	16 (18)	1 (0)	17 (19)	0 (0)	76 (85)	0 (0)
Number of apprentices	460 (340)	131 (105)	157 (127)	2 (4)	140 (101)	30 (3)

1) The Group also includes Group staff units, which are not, however, reported separately in this statement.
2) For 2022, operations corresponding to 90 per cent of the total amount of emplyees are included in the reporting material.
3) From 2022, all operations are included in the reporting material, affecting the comparison between years somewhat.

Accounting principles and sustainability notes

Note 1 Accounting principles

This is Assemblin's sixth annual Sustainability Report. The report concerns the operations in the Group where Assemblin Group AB, corporate identity number 559077-5952, is the Parent Company, and covers the financial year 1 January–31 December 2022.

The Sustainability Report has been prepared in accordance with the legal requirements set out in the Swedish Annual Accounts Act 1995:1554 and the international accounting standard Global Reporting Initiative 2021 (GRI). Where the GRI disclosures are found in the Sustainability Report is found is shown in the GRI index on pages 48 –50. In other regards, the report follows relevant reporting and consolidation principles in accordance with the accounting principles in the separate financial accounting section.

Assemblin's Sustainability Report was approved for issuance by the Board of Directors and KPMG has stated that it has been established (see page 51) on 31 March 2023.

Assessments and estimates

In the work of preparing the Sustainability Report, certain estimates, assessments and assumptions have been made affecting the reported values. Actual outcomes may deviate from the estimates and assumptions that have been made. The estimates and assumptions are reviewed on a regular basis. Changes are recognised in the period the change is made, if it only affected that period, or in the period the change is made and future periods if the change affects both the period in question and future periods.

Changes in this report compared with the preceding report

Assemblin's previous Sustainability Report was for the 2021 financial year and was published in April 2022. Since Assemblin has reported its sustainability work with reference to GRI 2021 as of 2022 and has conducted a new materiality analysis with a partially new outcome, the reporting format differs compared with the 2021 reporting. Furthermore, as of 2022, all companies are included in the reporting, which affects the reported key sustainability figures, slightly affecting comparison between years. A further change is that, as of 2021, Assemblin reports the estimated outcome of CO_2 emissions from Scope 3.

Note 2 Method and process description for the materiality analysis

To identify material sustainability aspects, Assemblin has followed recommendations and guidelines in accordance with GRI 2021. The work began with establishing Assemblin's sustainability context and identifying both positive and negative impacts as a result of Assemblin's operations, by mapping Assemblin's business areas and value chain. In this work, internal and external stakeholders were interviewed to gain a deeper understanding. The internal stakeholders were represented by experts in various business areas and the external stakeholders by third-party experts in trade associations and among wholesalers/suppliers.

After mapping and identifying activities in Assemblin's value chain, a comprehensive listing of actual and potential impacts was made. All identified impact factors were ranked based on impact (scale and scope) and probability. Potential negative impact related to human rights was prioritised, as the impact in these cases always exceeds the probability in accordance with the updated GRI standard.

The evaluation of the impact resulted in a score that was then used to prioritise the impact factors according to a descending scale. The biggest impact factors were then grouped into material areas, which were then linked to the GRI disclosures considered relevant based on the relevant material area. For the material sustainability areas identified, GRI disclosure 3-3 is applied to explain how each aspect is processed.

Note 3 CO_2 calculations

Climate calculations have been performed in accordance with the *Greenhouse Gas Protocol (GHG)* in accordance with the Corporate and Corporate Value Chain (for scope 3) standards. When calculating scope 2, a market based method is used. In climate calculations for Scope 3, a standard method has been used based on actual costs. Assemblin has chosen to apply an operational control strategy. The climate impact inventory is based on CO_2 equivalents (CO_2e) and includes all greenhouse gases. The basis for Assemblin's climate calculations is presented under Definitions of selected key sustainability figures.

Definitions of selected key sustainability figures

Personnel-related key figures

Average number of FTEs

FTE refers to the number of employees converted to full-time positions. For environmental and accident calculations, as well as climate calculations and other key figures, employees in acquired companies that do not yet report sustainability data to the Group have been excluded.

Senior executives

Members of the Group's and the business areas' management groups at the end of the year.

Sick-leave

Total sick leave (short-term absence and long-term absence).

Occupational injuries and accidents

Frequency of occupational injuries (IF/LTIFR)

A serious and sudden event during working hours, causing personal injury with more than one day of sick leave/with hours worked x 1,000,000. For the number of hours worked, a standard of 1,800 hours per average number of FTEs is used. The frequency of injuries is commented on under the heading Health and safety on page 34.

Incidents and observations ("near misses")

The sum of risk observations and incidents during working hours.

Minor accidents

The sum of minor accidents during working hours.

Fatal accidents

Total accidents during working hours with a fatal outcome.

Environmental key figures

For a description of the method for calculating CO_2, see Sustainability Note 3. The basis for the calculations is presented below.

Energy consumption and CO_2 emissions from vehicle fuel (Scope 1)

Direct reporting of fuel consumption from Assemblin's leasing company and/or driving records converted to energy and CO_2 based on fuel type has been used as a basis for calculations. See more Note 3.

Energy use and CO_2 emissions from electricity and heat (Scope 2)

Billing and/or consumption data on purchased electricity and CO_2 calculations based on the energy companies' reported key figures on the environmental impact of the energy source have been used as a basis for the calculation. See more Note 3.

CO_2 impact from business trips and other scope 3 emissions

Information from the travel companies with which Assemblin has a framework agreement and/or calendar information has been used as a basis for the calculation of business trips. It also happens that trips are booked outside the travel portal. Inflation adjusted invoicing information has been used for the calculation of other purchases. See more Note 3.

Certified operations according to ISO 9001, ISO 14001 and ISO 45001

The information reflects the certified operations' share of Assemblin's total sales.

GRI content index

Statement of use	Assemblin Group has reported in accordance with the GRI Standards for the period 2022-02-02 – 2022-12-31
GRI 1 used	GRI 1: Foundation 2021

Discosure	Location	Omission	
		Reason	Explanation
GENERAL DISCLOSURES			
GRI 2: General disclosures 2021			
2-1 Organizational details	28, 47		
2-2 Entities included in the organization's sustainability reporting	47		
2-3 Reporting period, frequency and contact point	28, 47		
2-4 Restatements of information	47		
2-5 External assurance	47, 50		
2-6 Activities, value chain and other business relationships	34, 39-40		
2-7 Employees	20-21, 44		
2-8 Workers who are not employees	39-40		
2-9 Governance structure and composition	53-56		
2-10 Nomination and selection of the highest governance body	54		
2-11 Chair of the highest governance body	54		
2-12 Role of the highest governance body in overseeing the management of impacts	33, 47		
2-13 Delegation of responsibility for managing impacts	33		
2-14 Role of the highest governance body in sustainability reporting	28, 47		
2-15 Conflicts of interest	43		
2-16 Communication of critical concerns	48		
2-17 Collective knowledge of the highest governance body	47, 50		
2-18 Evaluation of the performance of the highest governance body	44		
2-19 Remuneration policies	45, 55		
2-20 Process to determine remuneration	55		
2-21 Annual total compensation ratio	82-83		
2-22 Statement on sustainable development strategy	30		
2-23 Policy commitments	33, 43		
2-24 Embedding policy commitments	43		
2-25 Processes to remediate negative impacts	32, 35, 37, 39, 43		
2-26 Mechanisms for seeking advice and raising concerns	43		
2-27 Compliance with laws and regulations	43		
2-28 Membership associations	34		

Discosure	Location	Omission	
		Reason	Explanation
2-29 Approach to stakeholder engagement	34		
2-30 Collective bargaining agreements	44		
MATERIAL TOPICS			
Economic performance			
GRI 201: Economic performance 2016			
201-1 Direct economic value generated and distributed	44		
201-2 Financial implications and other risks and opportunities due to climate change	31, 58		
201-3 Defined benefit plan obligations and other retirement plans	83-85		
201-4 Financial assistance received from government	44		
Market presence 2016			
GRI 202: Market presence 2016			
202-2 Proportion of senior management hired from the local community	44		
Procurement practices			
GRI 3: Material topic 2021			
3-3 Management of material topics	39-40		
GRI 204: Procurement practices 2016			
204-1 Proportion of spending on local suppliers	39-40	Information incomplete	Only first-tier suppliers have been analyzed
Anti-corruption			
GRI 3: Material topic 2021			
3-3 Management of material topics	43		
GRI 205: Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	43		
205-2 Communication and training about anti-corruption policies and procedures	43		
205-3 Confirmed incidents of corruption and actions taken	43		
Anti-competitive behavior			
GRI 3: Material topic 2021			
3-3 Management of material topics	43		
GRI 206: Anti-competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	43		
Tax			
GRI 207: Tax 2019			
207-1 Approach to tax	44		

GRI contents index (cont.)

Discosure	Location	Omission	
		Reason	Explanation
207-2 Tax governance, control, and risk management	44		
Materials			
GRI 3: Material topic 2021			
3-3 Management of material topics	39-40		
GRI 301: Materials 2016			
301-1 Materials used by weight or volume	39-40		
301-2 Recycled input materials used	41		
301-3 Reclaimed products and their packaging materials	41		
Energy			
GRI 3: Material topic 2021			
3-3 Management of material topics	35		
GRI 302: Energy 2016			
302-1 Energy consumption within the organization	35-37		
302-2 Energy consumption outside of the organization	35-37		
302-3 Energy intensity	35-37		
302-4 Reduction of energy consumption	35-37		
302-5 Reductions in energy requirements of products and services	35-37		
Water and effluents			
GRI 303: Water and effluents 2018			
303-1 Interactions with water as a shared resource	45		
303-3 Water withdrawal	45		
303-4 Water discharge	45		
303-5 Water consumption	45		
Emissions			
GRI 3: Material topic 2021			
3-3 Management of material topics	35		
GRI 305: Utsläpp 2016			
305-1 Direct (Scope 1) GHG emissions	35-37		
305-2 Energy indirect (Scope 2) GHG emissions	35-37		
305-3 Other indirect (Scope 3) GHG emissions	35-37		
305-4 GHG emissions intensity	35-37		
305-5 Reduction of GHG emissions	35-37		
305-6 Emissions of ozone-depleting substances (ODS)	–	Information unavailable	Not tracked due to not material
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	–	Information unavailable	Not tracked due to not material
Waste			
GRI 3: Material topic 2021			
3-3 Management of material topics	41, 45		

Discosure	Location	Omission	
		Reason	Explanation
GRI 306: Waste 2020			
306-1 Waste generation and significant waste-related impacts	41, 45		
306-2 Management of significant waste-related impacts	–	Not applicable	
306-3 Waste generated	41, 45		
306-4 Waste diverted from disposal	41, 45		
306-5 Waste directed to disposal	41, 45		
Supplier environmental assessment			
GRI 3: Material topic 2021			
3-3 Management of material topics	39-40		
GRI 308: Supplier environmental assessment 2016			
308-1 New suppliers that were screened using environmental criteria	39-40		
308-2 Negative environmental impacts in the supply chain and actions taken	39-40		
Employement			
GRI 401: Employment 2016			
401-1 New employee hires and employee turnover	20-21, 44		
401-3 Parental leave	44		
Labor/Management Relations			
GRI 402: Labor/Management Relations 2016			
402-1 Minimum notice periods regarding operational changes	44		
Occupational Health and Safety			
GRI 3: Material topic 2021			
3-3 Management of material topics	37		
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	37-38		
403-2 Hazard identification, risk assessment, and incident investigation	37-38		
403-3 Occupational health services	37-38		
403-4 Worker participation, consultation, and communication on occupational health and safety	37-38, 44		
403-5 Worker training on occupational health and safety	37-38		
403-6 Promotion of worker health	37-38		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37-38		
403-8 Workers covered by an occupational health and safety management system	38		
403-9 Work-related injuries	38		
403-10 Work-related ill health	37-38		

GRI contents index (cont.)

Discosure	Location	Omission	
		Reason	Explanation
Training and Education			
GRI 404: Training and Education 2016			
404-3 Percentage of employees receiving regular performance and career development reviews	44		
Diversity and Equal Opportunity			
GRI 405: Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	44-45 46		
405-2 Ratio of basic salary and remuneration of women to men	44-45		
Non-discrimination			
GRI 406: Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	44		
Freedom of Association and Collective Bargaining 2016			
GRI 3: Material topic 2021			
3-3 Management of material topics	39		
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	39-40 44		

Discosure	Location	Omission	
		Reason	Explanation
Barnarbete			
GRI 3: Material topic 2021			
3-3 Management of material topics	39		
GRI 408: Barnarbete			
408-1 Operations and suppliers at significant risk for incidents of child labor	39-40 45		
Tvångsarbete			
GRI 3: Material topic 2021			
3-3 Management of material topics	39		
GRI 409: Tvångsarbete			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	39-40 45		
Supplier Social Assessment			
GRI 3: Material topic 2021			
3-3 Management of material topics	39		
GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	39-40		
414-2 Operations with significant actual and potential negative impacts on local communities	39-40		

In 2022, Assemblin updated its materiality analysis based on the methodology prescribed by GRI 2021. Method and process description for the materiality analysis is described in note 2 on page 47.

Auditor's opinion regarding the Statutory Sustainability Report

To the general meeting of the shareholders in Assemblin Group AB, corporate identity number 559077-5952

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2022 on pages 28–50 and that it is prepared in accordance with the Annual Accounts Act.

Scope of the examination

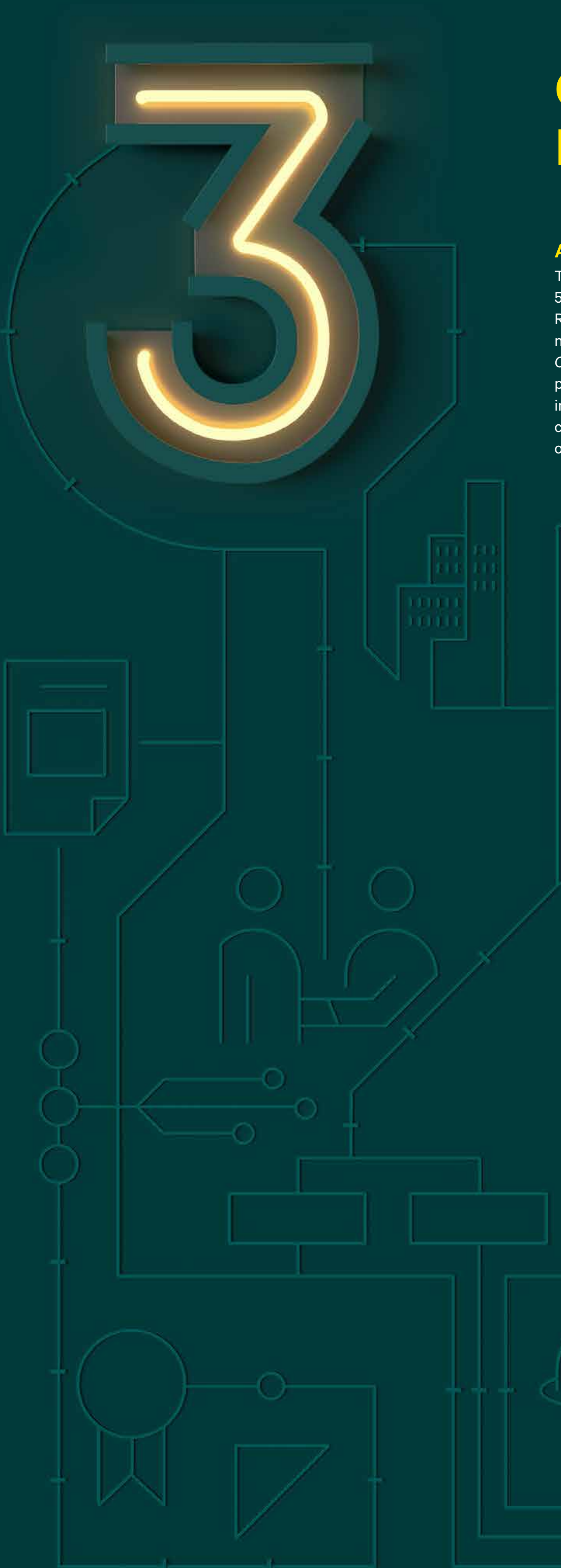
Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory Sustainability Report has been prepared.

Stockholm, 31 March 2023
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant



Corporate Governance Report

About Assemblin's Corporate Governance Report

The Board of Directors of Assemblin Group AB, corporate identity number 559077-5952, hereby submits the Assemblin Group's Corporate Governance Report for the period 1 January to 31 December 2022. The Corporate Governance Report essentially adheres to the requirements set out in the *Swedish Code of Corporate Governance*. The Corporate Governance Report forms part of Assemblin's 2022 *Annual and Sustainability Report,* which is available in its entirety from the Company's website. This explains why pagination commences on page 52. The report can be read separately but contains occasional references to other parts of the Annual Report.

INNEHÅLL

BASIC PREREQUISITES

Key fundamentals

Through well-structured operations, healthy corporate culture and active risk and control processes, sustained value creation with limited risks is ensured.

Group structure

Assemblin is a Swedish public limited company primarily owned by investment company Triton and with Eurobonds listed on The International Stock Exchange (TISE (CI)). The Parent Company in the Assemblin Group is the Swedish limited liability company Assemblin Group AB, with corporate identity number 559077-5952 and with its head office located in Stockholm (address: Västberga Allé 1, SE-126 30 Stockholm, Sweden). The Articles of Association are available at Assemblin's website.

Assemblin operates through five operational business areas in the Swedish, Norwegian and Finnish installation markets. Operations are primarily conducted within the legal units Assemblin El AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin AS, Assemblin Oy, Fidelix Oy and Tom Allen Senera Oy with their respective subsidiaries (totalling slightly more than 80 companies).

Corporate governance regulations

Assemblin's corporate governance is based in the Swedish Companies Act, Swedish accounting legislation and the rules for issuers applied by TISE (CI). Although Assemblin has additionally chosen to apply the Swedish Code of Corporate Governance (the "Code"), because it has a limited circle of shareholders, the following deviations are made: (i) no Nomination Committee has been established, (ii) the remuneration of senior executives is not reported in detail, and (iii) notices convening Annual General Meetings and subsequent documentation have not been presented in accordance with the Code's guidelines.

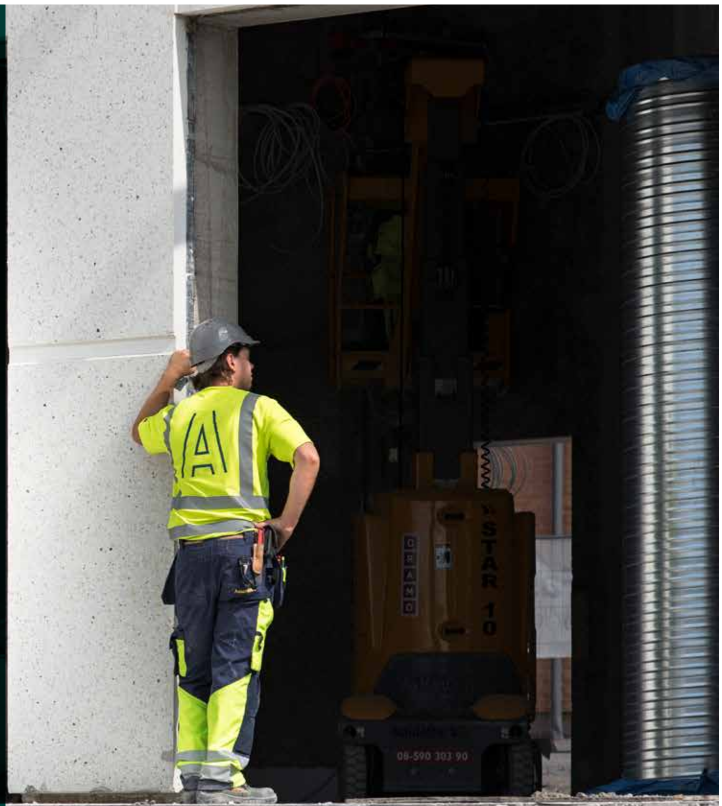
Although no formal affiliation has yet been established, Assemblin has also chosen to apply the principles of the UN "Global Compact" and certain other voluntary international regulations as detailed in the separate *Sustainability Report*.

KEY EXTERNAL REGULATIONS

- Swedish Companies Act
- Other laws, rules and regulations in Sweden, Norway and Finland
- Regulations for issuers in the international securities market TISE (CI)
- Swedish Code of Corporate Governance (the Code)
- The UN's "Global Compact" (albeit with no formal affiliation)

KEY INTERNAL REGULATIONS

- Articles of Association
- Rules of Procedure – Board of Directors
- Communications Policy, Finance Policy, Financial Handbook, Sustainability Policy
- Code of Conduct, Anti-trust Policy and Anti-bribery and -corruption Policy
- Common values
- Processes for risk management and internal control



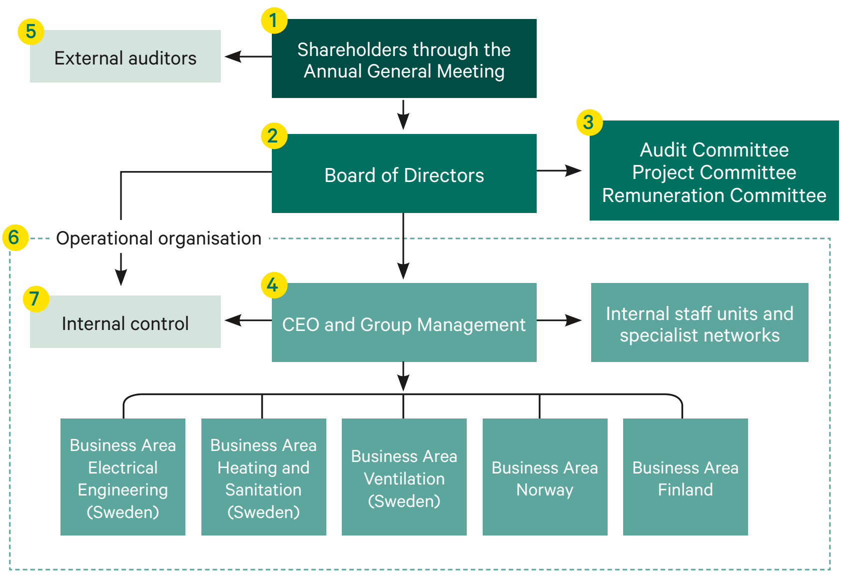
Assemblin's group-wide governing documents are available to all employees on the company's intranet. Particularly important policies are anchored through mandatory trainings.

KEY ORGANISATIONAL BODIES

Work of Assemblin's key organisational bodies

Assemblin's corporate governance is based on a clear external and internal regulatory framework, well-established goals and strategies as well as sound values and a good ethical approach.

CORPORATE GOVERNANCE STRUCTURE AND KEY ORGANISATION BODIES



1 Shareholders and Annual General Meeting

There are 159,293,714 shares outstanding in Assemblin Group AB, with each share entitling the holder to one vote. At the end of 2021, Assemblin's principal shareholder was Triton Fund IV (via Ignition MidCo S.a.r.l.). Indirectly above the structure of Ignition MidCo S.a.r.l. some shares are also held by Assemblin employees.

The Company's shareholders are entitled to exercise their influence at the Annual General Meeting, which is the highest decision-making body, in key matters regulated in the Swedish Companies Act and the Articles of Association. The Annual General Meeting must be held no later than six months after the end of the financial year. An Extraordinary General Meeting is held if the Board of Directors, Assemblin's auditors, or anyone holding at least 10 percent of the total number of shares requests this. The most recent Annual General Meeting of Assemblin Group AB was held on 3 May 2022 in Stockholm.

2 Board of Directors

The most senior executive body within Assemblin Group AB is the Board of Directors. Board Members are nominated by the principal shareholder and appointed by the Annual General Meeting for the period up until the ensuing Annual General Meeting. The Board of Directors bears an overall responsibility for Assemblin's organisation and administration. This responsibility includes establishing Assemblin's long-term targets and strategy, as well as its governance and follow-up, continuously assessing the Group's financial situation and ensuring that the Company maintains good internal control. The Board of Directors is also tasked with appointing and continuously assessing the Assemblin Group's CEO.

Each year, the Board of Directors establishes Rules of Procedure for its work, which also regulate the responsibilities and duties of the Chairman of the Board and the Board Committees. According to the Rules of Procedure, a statutory Board meeting shall be held immediately following the Annual General Meeting, at which members of the Board's committees and signatories for the Company are appointed. In accordance with Assemblin's Articles of Association, the Board of Directors may comprise three to ten members. The work of the Board of Directors is organised and headed by the Chairman of the Board, who is also responsible for ensuring that the Board of Directors completes its tasks effectively and in compliance with applicable laws and regulations. The Chairman of the Board shall also ensure that the Board of Directors meets when necessary, that its work is assessed annually and that its decisions are effectively implemented.

The composition of the Board of Directors is presented on page 57 and the individual Board Members on page 60. In addition to the Board Members, Assemblin's CEO, CFO and Chief Legal Counsel participate in the Board meetings. Eight regular Board meetings were held in 2022, as well as several extraordinary meetings. Matters addressed by the Board of Directors at these meetings included strategic issues, financial trends, financial reports, sustainability work and non-financial reporting, acquisition decisions and issues involving customers, personnel, risk management and internal control. The Board assessed its own work with the help of a digital assessment tool. Board Members assessed the Board's work individually, with the results subsequently being compiled in a report that was presented and discussed at a Board meeting.

3 Board Committees

To streamline its work, the Board of Directors has established an Audit Committee, a Project Committee and a Remuneration Committee. The Board's Rules of Procedure provides specific instructions for the work of each committee. The Audit and Remuneration Committees prepare matters to be addressed by the Board, while the Project Committee may approve bids submitted in contracting procurement processes.

Audit Committee

The Audit Committee is primarily tasked with monitoring the Company's accounting and financial reporting, internal control, risk management and any related party transactions, as well as the Group's short- and long-term cash flow development and financing opportunities. During the financial year, non-financial reporting was also added to the Audit Committee's agenda. The Committee also monitors the auditors' work and impartiality. In 2022, the Audit Committee comprised three members, with Susanne Ekblom chairing. Assemblin's CFO both presents and performs sectretarial duties at is the Committee's meetings. The Audit Committee held seven meetings over the financial year. The Company's external auditors attended on three occasions, among other things to discuss the focus of the audit during the financial year, the Annual Report and the results of the preceding financial year's audit, including an assessment of the CFO and the finance function.

Project Committee
The Project Committee is tasked with reviewing and approving bids for contracting assignments valued at more than SEK 100 million. If approval is to be granted by the full Board of Directors, the Project Committee shall prepare the information on which the Board of Directors bases its decision. In 2022, the Project Committee comprised two Board Members, with Mats Jönsson chairing the Committee. Assemblin's CEO also attended the meetings of the Committee in a reporting function, while Assemblin's Chief Legal Counsel attended to take minutes. The Project Committee held three meetings.

Remuneration Committee
The Remuneration Committee is tasked with preparing proposals regarding principles of remuneration, as well as senior executives' remunerations and other terms of employment. The Remuneration Committee shall also monitor and assess programmes of variable remuneration for senior executives and safeguard compliance with the guidelines adopted by the Annual General Meeting. In 2022, the Chairman of the Board also chaired the Remuneration Committee. The Remuneration Committee also included one additional member. The Committee held one meeting over the year.

4 CEO and Group Management team

The Board of Directors appoints the President of Assemblin Group AB, who is also the CEO of the Assemblin Group. The CEO is responsible for ensuring that the Company's day-to-day management, accounting and management of funds occurs in accordance with current legislation and the instructions and directions given by the Board of Directors. The CEO shall also ensure that the Board of Directors receives the materials needed to be able to make well-founded decisions, and convenes Board meetings on behalf of the Chairman of the Board.

Mats Johansson has been Assemblin's CEO since 2018. To lead the operational work, he has appointed a Group Management team, which comprised eight individuals in 2022 (in addition to the CEO, five Business Area Managers, the CFO and the Head of Communications and Sustainability).

The members of the Group Management team are presented on page 61. In 2022, the Group Management team held five regular meetings, as well as monthly earnings reviews. Matters addressed at these meetings included the earnings trend and forecasts, the market situation, business and acquisition opportunities, Group-wide initiatives, key recruitments, sustainability issues, as well as other important and current issues. Matters of particular focus in 2022 included monitoring supplies of materials and purchasing prices, climate accounting, work environment and safety, IT strategy, and the implementation of the new business plan.

5 External auditors

In accordance with the Articles of Association, Assemblin must have a minimum of one and a maximum of two auditors, with or without deputies, or a registered firm of auditors. Since 2016, KPMG has been Assemblin's external auditor with Helena Arvidsson Älgne as principal auditor. In addition to this audit assignment, Helena Arvidsson Älgne is also engaged by a number of other companies, including Alligo, Beijer Alma, ICA Gruppen, Knowit, LKAB, Momentum and Studsvik AB. The external auditor's assignment is to review Assemblin's annual accounts, the Annual Report and the consolidated accounts, as well as the administration of the Company by the Board of Directors and the Group Management team. The auditors also review the Company's internal control and ascertain whether the Group's Sustainability Report meets the legal requirements. The external audit of the Group's accounts is performed in accordance with the Swedish Companies Act, the International Standards on Auditing (ISA) and generally accepted auditing prac-

Remuneration of the Board of Directors and senior executives

The Board of Directors' Remuneration Committee addresses matters of remuneration, including principles for bonus systems and incentive programmes for senior executives. Remunerations and terms of employment for senior executives must be reasonable and market-based to attract skilled managers. Remuneration comprises fixed salary, variable compensation and other benefits. Variable remuneration totals a maximum of 75 percent of the fixed annual salary. The remuneration of the Group Management team and the Board of Directors is reported in Note 7 in the separate *Financial statements section.*

Remuneration of the Company's other employees

Assemblin's HR Policy describes the Group's principles for the remuneration and compensation of the Company's other employees. This builds on Assemblin being required to apply fair and market-based salaries, albeit with the individual variations based on experience and expertise offered through negotiations between the parties involved in the labour market. There must be a clear connection between remunerations and the individual's performance and personal targets, as well as the with Company's development. To prevent unfounded and unfair pay discrepancies between the sexes, annual payroll mapping are conducted and documented in all business areas. Pensions are provided in accordance with collective agreements.

The Group Management team discusses, among other things, the market situation, earnings development and group-wide matters. Issues that were in particular focus in 2022 were material supply and purchasing issues, climate reporting, work environment and safety as well as the group's IT strategy.

tices in Sweden. The auditor reports to the Audit Committee, the CEO and the company management teams within the business areas. The external auditor attends at least two Board meetings annually. The auditors also participate in a number of meetings of the Audit Committee. Audit fees paid for 2022 are reported in Note 6 in the separate *Financial statements* section. Parts of Assemblin's operations are also examined from the perspectives of sustainability, quality and work environment by independent certification agencies. The results of these reviews are reported to the management teams of each business area. Further details are available in the *Sustainability Report*.

6 Operational organisation and management

Assemblin's operational organisation is divided into five business areas based on technology and country, with these being sub-divided into geographical regions and finally branches/departments. Assemblin's operations are strongly decentralised and the natural starting point for all operations is the local branch/department, which is responsible for earnings, personnel, sales and customer relationships, supported by regional and central specialist functions. At the Group level, specialist staff units for Financial, Legal, IT and Communications/Sustainability are in place.

In Assemblin's decentralised organisation, practices and processes vary between different business areas and areas of technology. However, to ensure that all operations are conducted in a controlled, professional and correct manner, a Group-wide framework details the unifying characteristics of all Assemblin operations and determines minimum levels in key areas, such as purchasing, HR, working environment, business ethics, risk management and internal control. Assemblin also embodies a shared culture that builds on uniform values, guiding principles, structured management of business risks and a sound ethical standpoint. The ethical standpoint is described in the Group-wide Code of Conduct. To ensure that all employees have read and understood the contents of the Code of Conduct, shared mandatory courses are provided for all Assemblin employees. For further details and updates on the degree of implementation, see the separate *Sustainability Report*.

Of particular importance for the operational governance of Assemblin's decentralised operations is a shared business plan and a clear delegation of responsibilities, both adopted by the Board of Directors. The business plan is updated every three years and is divided into three areas: employees, market and efficiency. The business plan is complemented by annual budgets and specified action plans, both for the Group and its individual business areas. These are, in turn, specified in greater detail in local action plans for each region and branch/department. Budgets and activity plans are followed up on a monthly basis and updated forecasts are made twice annually.

A specific set of regulations sets out how responsibilities are delegated and who may make or approve decisions on various matters. In addition to strategic and operational matters, these set investments and divestment ceilings, determine who may sign rental and leasing agreements, financing agreements, guarantees and contractual commitments. Bids for contracting assignments exceeding SEK 20 million must be approved by the relevant Business Area Manager, bids exceeding SEK 50 million must be approved by the CEO and bids exceeding SEK 100 million require the approval of the Board of Directors. A well-established acquisitions process is applied, with all equity acquisitions requiring approval by the Board of Directors.

7 Internal control and risk management

The Group Board of Directors determines the Company's risk level and bears the overall responsibility for ensuring that the Company's internal control and risk management work is conducted in accordance with current regulations and Assemblin's internal control and risk management policies. Internal control work builds on the international framework COSO* and is conducted in accordance with an annual self-assessment process, monitored by the Group's CFO together with Assemblin's CRO. Results and any deviations are reported to the Board of Directors, the Audit Committee and Group Management.

Risks are managed in accordance with a special risk management process that is described on page 58 alongside Assemblin's top risks as of December 2022.

The internal control and risk assessment work with regard to financial reporting is described in more detail on page 59.

BOARD STRUCTURE AND MEETINGS

Board structure and meetings in 2022

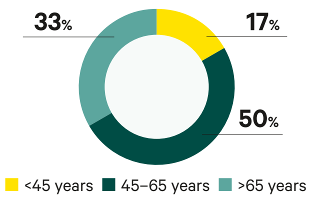
COMPOSITION OF THE BOARD OF DIRECTORS

The objective is for the composition of the Board of Directors to be appropriate with regard to Assemblin's operations, stage of development and ownership, and for the members' overall expertise, experience and background to be diverse and broad. Mats Wäppling stepped down as a Board Member and as Chairman of the Board at the Annual General Meeting in May 2022. The remaining six ordinary members were re-elected and Hans Petter Hjellestad from Triton was elected as the seventh Board Member. Fredrik Wirdenius was appointed as the new Chairman of the Board. In September 2022, Young Kim resigned as a Board Member, meaning that, at the end of 2022, the Board of Directors comprised six members, of whom 17 percent (29) were women, 100 percent (100) were considered independent in relation to the Company and 67 percent (57) were considered independent in relation to the principal shareholders. The Board Members are presented in greater detail on page 60.

PROPORTION OF WOMEN

17%

AGE DISTRUBUTION



Average attendance at regular Board meetings 100%

MEETINGS
- Annual General Meeting
- Board Meeting
- Audit Committee Meeting
- Project Committee Meeting
- Remuneration Committee Meeting

ORDINARY BOARD MEETINGS

February
Adoption of the year-end report. The external auditor reports on the annual audit. Decision on plan for self-assessment and internal control.

March
Adoption of the Annual and Sustainability Report.

May
Adoption of the interim report for the first quarter. Review of the risk report and internal control report.

Statutory Board meeting, adoption the Board's Rules of Procedure, the instructions to the CEO and the instructions to the Board's committees. Review and adoption of policies.

July
Adoption of the interim report for the second quarter.

September
Strategy meeting. Guidelines for budget work.

November
Adoption of the interim report for the third quarter.

December
Adoption of budget and internal targets for 2023.

ATTENDANCE, DEPENDENCE AND REMUNERATION OF BOARD MEMBERS

	Elected, year	*Attendance at meetings*				*Position of dependence*	
		Board of Directors	Audit Committee	Project Committee	Remuneration Committee	Independent of the Company	Independent of major shareholders
Total numbers of regular meetings		**8**	**7**	**3**	**1**		
Fredrik Wirdenius Chairman of the Board	2021 (member) 2022 (Chairman)	8		2	1	Yes	Yes
Susanne Ekblom	2019	8	7			Yes	Yes
Hans Petter Hjellerstad	2022 May	5	4		1	Yes	No
Mats Jönsson	2017	8	7	3		Yes	Yes
Per Ingemar Persson	2021	8				Yes	Yes
Anders Thulin	2017	8				Yes	No

To streamline the board's work, the board has established three committees. Attendance at this year's board meetings and meetings of the board's committees has been high. At the annual general meeting in May, Mats Wäppling resigned as Chairman of the Board, and at an extraordinary general meeting in September, Young Kim resigned as board member. Fredrik Wirdenius has participated in the project committee since he took over as Chairman.

RISKS AND RISK MANAGEMENT

Assemblin's top risk report 2022

Assemblin's principal risks can be divided into four main categories:

1) Market and business risks
For example, risks of economic fluctuations, calculation risks and customer risks (see more under Note 17 in the *Financial statements section*).

2) Operational risks
For example, working environment risks and risks involving safety, skills supply and quality deficiencies.

3) Financial risks
For example, interest rate, financing, currency and credit risks (see more under Note 17 in the *Financial statements section*).

4) Other risks
For example, legal risks, risks of impaired trust, IT and cyber risks, pandemics and other sustainability-related risks (see more in the *Sustainability Report*).

Assemblin conducts a structured risk management process aimed at securing the values that exist in the Company and fostering a long-term earnings trend. The work takes place in accordance with a well-defined risk management process as described in the Company's risk management policy. In accordance with the risk management process, each business area and staff function shall perform an annual survey, analysis and assessment of the identified risks, and then report on these to the Group. The risks that, based on probability and assessed impact, are perceived to be the largest are summed up in a Top Risk Report that is reported to the Audit Committee and the Board together with a description of measures to control these risks.

ASSEMBLIN'S TOP RISK REPORT

RISK	CATEGORY	COMMENTS	MAIN CONTROLS
Significant shift in the economic trend	1. Market and business risks	Decline due to reduced new construction, reduced public investment or other socio-economic disruptions.	Continuous market monitoring, structured follow up on relevant key indicators and rapid adaptation in the event of early signs of concern.
Selection of tenders for major projects	1. Market and business risks	Wrong type of customer, wrong conditions for implementation, excessive project risks.	Clear decision matrix for tenders, mandatory risk reviews of tenders.
Poor project execution (time, cost, quality)	1. Market and business risks 2. Operational risks	Incorrect calculations, lack of planning/ review, lack of resources and other delivery disturbances.	Clear processes. Structured forecasts and project reviews, structured follow-up of operational key figures.
Serious workplace injuries/workplace accidents	2. Operational risks	Lack of safety culture and inappropriate working methods in our own operations, or in our customers' or suppliers' operations.	Active safety work and good safety training. Appropriate equipment and clothing for all employees. Follow-up through accident statistics. Work environment audits. Safety campaigns.
Unethical behaviour among employees or suppliers	2. Operational risks	Unethical conduct by individuals in violation of Assemblin's regulations, e.g. regarding bribes or illegal price collusion.	Clear and well-communicated principles, as well as tailored training events and active cultural work. A structured on-boarding process for new employees and suppliers, as well as continuous review.
Lack of skills and expertise (attract and retain key individuals)	2. Operational risks	Loss of key individuals, lack of succession planning, poor reputation as an employer.	Leadership development and succession planning. Active work with a pleasant environment and a healthy and safe culture. Follow-up through employee interviews and employee surveys.
Challenges related to acquisitions	2. Operational risks	Acquisition of companies with poor cultural match or profit-earning capacity.	Clear acquisition and decision-making process, as well as external financial "due diligence".
New players with new business models/ "disruption"	1. Market and business risks	New methods and working methods that challenge the industry's traditional working methods.	Active external monitoring and continuous development of our own operations, as well as partnerships with innovative actors.
Cyber/IT security threats (cyber attacks, unauthorised access, information leakage etc.)	4. Other risks	Insufficient IT security protection and/or poor knowledge. External changes, vulnerability in the cloud and numerous mobile devices.	Virus protection, spam protection, etc. Increased protection for key individuals, well-communicated IT security policy and clear guidelines for mobile devices that are communicated via a mandatory web introduction. Cyber insurance.
Epidemic/pandemic	4. Other risks	Spread of infection that causes high sickness absence or shutdown of work in progress.	Environmental monitoring and cooperation with trade associations. Prevention of the spread of infection through continuous risk analyses.
Rapidly and sharply changing material prices	1. Market and business risks	Global challenges such as pandemics and geopolitical uncertainty can affect energy and material prices in a short time.	Continuous market surveillance and operational control. Good planning. Customer agreements with variable pricing.

INTERNAL CONTROL

Internal control of financial reporting

In financial reporting, an efficient reporting process that results in reliable reports in line with laws and regulations is sought. The Board has overall responsibility for the company's internal control.

The objective of the internal control regarding financial reporting is for the reporting to be relevant and effective, that it results in reliable reports and ensures compliance with relevant laws and regulations.

Control environment

The purpose of Assemblin's control environment is to foster a sound risk culture through a shared ethical approach and sound values, relevant expertise, an effective organisational structure with well-defined authorisations and division of responsibilities, as well as appurtenant guidelines and instructions. Particularly important governance documents with regard to financial reporting are the Board's Rules of Procedure, the instructions to the CEO, the instructions to the Board's committees, the instructions for financial reporting and the Finance Policy. Other fundamental documents include Assemblin's Group-wide financial handbook, with principles, guidelines and outlines of key financial processes, the financial accounting and reporting, and the Group's delegation of authority. Based on the policies, procedures and instructions established by the Board of Directors, the CEO is responsible for formulating internal processes and supplementing them with other governing documents deemed necessary. The Group's CFO is responsible for the work on financial reporting and ensures that this is prepared in accordance with current accounting standards and relevant legal and listing requirements. The CEO and CFO report regularly to the Audit Committee and the Board of Directors in accordance with established procedures. The Board's Audit Committee bears a special responsibility for assuring the quality of the financial reporting and for monitoring Group Management's work with internal control.

Risk assessment

In accordance with the Group's risk management work, as described in the Board of Directors' Report, all risks must be mapped and assessed annually. Risk assessments are also performed for major items in the consolidated balance sheet and income statement and for major ongoing projects, and these are presented to the Audit Committee and the Board of Directors. The risks in financial reporting are discussed with the Company's auditors on an ongoing basis.

Control activities

To limit and control the risks identified, various control activities are formulated. Assemblin has controls built into all key processes, mainly through documented and well-integrated manual routines and automatic system solutions. The responsibility for the control activities in the financial reporting lies with the Group's finance function. The financial reporting process and the need for control activities are assessed on an ongoing basis. The process is documented in Assemblin's Finance Handbook.

Information and communications

To ensure that financial information is handled and published correctly, the Board of Directors has adopted a Communications Policy and an Insider Policy. Compliance is facilitated by the fact that Assemblin has centralised communication and finance functions and that the authority to communicate about the Group's financial information and consolidated earnings is restricted to a small number of people. According to Assemblin's procedures, interim financial reports must be approved by the Audit Committee and the Board of Directors before being distributed. To safeguard an understanding of the handling of consolidated financial information (and other insider information), a special web introduction has been developed that all salaried employees are required to undergo. Significant guidelines and instructions of importance for financial reporting are continuously updated and communicated directly to the employees concerned, and are also available to all employees on the

Group-wide intranet alongside other Group-wide governing documents.

Monitoring and supervision

The Audit Committee continuously monitors the internal controls to safeguard the quality of Assemblin's key financial processes. In accordance with Assemblin's internal control policy, the Group's CFO and CRO monitor the internal control of financial reporting twice annually by means of a self-assessment process and centralised random assessment. The results and any deviations are reported to the Board of Directors, the Audit Committee and Group Management. Assemblin's external auditors also report regularly the results of their audit to the CFO and the Audit Committee. Both the internal reporting and the auditors' reporting enable continuous improvement, increased compliance and the adaptation of the Group's control environment to a changing reality. Assemblin also maintains a whistle-blower system that can be used by Company employees and that customers, suppliers and other external stakeholders can also use to report suspected irregularities or criminal behaviour. Having assessed the need for a specific internal audit function, the Board of Directors has found the existing internal control efforts to be sufficient.

The financial reporting process and the need for control activities are assessed on an ongoing basis. The process is documented in Assemblin's Finance Handbook.

Presentation of the Board of Directors

Fredrik Wirdenius

Born 1961. Board Member since 2021 and Chairman of the Board since 2022. Member of the Renumeration Committee.

Education and work experience: CM.Sc. Engineering from Royal Institute of Technology (KTH), Stockholm. Previous positions include President and CEO of Vasakronan, as well as several positions within Skanska
Other current assignments: Chairman of the Board of HållBo AB and Wilhelm AB (publ). Owner, Board Member and consultant of Fredrik Wirdenius AB. Board Member of AxFast AB (publ), Stiftelsen Nobel Center and Scandic Hotels Group AB (publ).

Independent in relation to the Company and Group Management, and independent in relation to major shareholders.

Susanne Ekblom

Born 1966. Board Member since 2019. Chairman of the Audit Committee.

Education and work experience: BSc in Business Administration from Stockholm University. Previous positions include President and CEO of Vectura Fastigheter, CFO of Investor, CFO of SVT, several positions within Scania and an interim assignment as CFO of Inera.
Other current assignments: Board Member of Norstat AB and Sjunde AP-fonden. Owner, Board Member and consultant at Susanne Ekblom AB.

Independent in relation to the Company and Group Management, and independent in relation to major shareholders.

Hans Petter Hjellestad

Born 1991. Board Member since 2022. Member of the Audit Committee and Renumeration Committee.

Education and work experience: B.Sc. in Economics and Business Administration from the Norwegian School of Economics (NHH). Previous experience from investment banking at Morgan Stanley.
Other current assignments: Investment Professional at Triton.

Independent in relation to the Company and Group Management, not independent in relation to major shareholders.

Mats Jönsson

Born 1957. Board Member since 2017. Chairman of the Project Committee and member of the Audit Committee.

Education and work experience: CM.Sc. Engineering from Royal Institute of Technology (KTH), Stockholm. Previous positions include President and CEO of Coor Service Management, as well as several positions within Skanska, including as President and CEO of Skanska Services.
Other current assignments: Chairman of the Board of Bonava AB (publ), Played Top Holding AB (part of the Lekolar Group) and Tengbomgruppen Holding AB. Board Member of Coor Service Management Holding AB, Mats Jönsson i Stockholm AB and NCC Aktiebolag. Board Member of the Totten 2:60 tenant-owner housing association.

Independent in relation to the Company and Group Management, not independent in relation to major shareholders.

Per Ingemar Persson

Born 1956. Board Member since 2021.

Education and work experience: MSc Engineering from Lund University. Previous positions include CEO of Skanska Sweden, NVS (now part of the Assemblin Group) and Veidekke Sweden.
Other current assignments: Board Member of Bonava AB (publ), Veidekke ASA (publ), SKT AB and Alunda Polyten AB. Board Member and partner at PEKE Konsult AB. Board Member of the S:t Nikolaus tenant-owner housing association.

Independent in relation to the Company and Group Management, and independent in relation to major shareholders.

Anders Thulin

Born 1963. Board Member since 2017.

Education and work experience: MBA from the Stockholm School of Economics, including MBA studies at Western University, Ivey Business School. Previous positions include Senior Vice President and CIO at Ericsson and Senior Partner at McKinsey.
Other current assignments: Head of Digital Practice at West Park (Triton). Chairman of the Board of Cayenne Refico I AB, Cayenne Refico II AB, Ramudden HoldCo AB, Trisall AB, Trisall Financing 1 AB, Trisall Financing 2 AB and Trisall Holding AB. Board Member of Astilla Invest AB and Sunscreen Bidco BV. Board Member of the Görveln 1 tenant-owner housing association.

Independent in relation to the Company and Group Management, not independent in relation to major shareholders.

Presentation of Group Management

Mats Johansson

Born 1967. President and CEO since 2018.

Education and work experience: MSc in Engineering from the Royal Institute of Technology (KTH), Stockholm and SEP from the Stanford University Graduate School of Business. Previous positions include COO of Skanska USA Building and several other positions within Skanska.
Other current assignments: Chairman of the Board and CEO of companies within the Assemblin Group.

Fredrik Allthin

Born 1970. President of Assemblin Electrical since 2016.

Education and work experience: Graduate Engineer and Graduate Economist from Växjö University and courses in management (International Senior Management Program 5) and contract law. Previous positions include as CEO, Deputy CEO and Regional Manager for Imtech Elteknik, as well as several positions within NEA.
Other current assignments: Chairman of the Board and CEO of companies within the Assemblin Group, EA Installations Aktiebolag, Electrotec Energy AB, TIS Tervell installation och service AB and Åby Eltjänst Aktiebolag. Board Member of Elteknikbranschens utveckling i Sverige AB and Installationsföretagen Service i Sverige AB.

Andreas Aristiadis

Born 1978. President of Assemblin H&S since 2017.

Education and work experience: Advanced vocational training in installation from IUC Katrineholm. Previous positions include Regional Manager and Deputy President of Assemblin Heating and Sanitation and several positions within NVS and Imtech VS-teknik.
Other current assignments: Chairman of the Board of companies within the Assemblin Group and Board Member of Installatörsföretagen.

Åsvor Brynnel

Born 1966. Head of Communications and Sustainability since 2017.

Education and work experience: MSc in Economics from Mitthögskolan. Previous positions include Director of Communications and Sustainability at Coor Service Management, Head of Communications at Drott/Fabege and Communications Consultant at Askus.
Other current assignments: Chairman of the Board of the Rosendal Större nr 3 tenant-owner housing association.

Philip Carlsson

Born 1978. CFO since 2017.

Education and work experience: MBA from Uppsala University and studies in finance at École de Management de Lyon. Previous positions include CFO of Coromatic, Director at EY Transaction Services in Stockholm and London and Auditor at Previsor Revisionsbyrå.
Other current assignments: Board Member of companies within the Assemblin Group. Owner and Board Member of Caranos Invest AB.

Håkan Ekvall

Born 1966. President of Assemblin Ventilation since 2013.

Education and work experience: Heating and Sanitation Engineer from Pauli Tekniska Läroverk and internal training in control and regulation technology, fire protection and contract law at Sydtotal and Imtech. Previous positions include CEO of Imtech Ventilation, co-founder of Sydtotal and Head of Business Development at Imtech.
Other current assignments: Chairman of the Board of companies within the Assemblin Group. Board Member of Familjen Ekvall AB and Skanör-Falsterbo Tennisklubb.

Tero Kosunen

Born 1978. President Fidelix since 2017 and President of Assemblin Finland.

Education and work experience: Advanced Management Program at IESE Business School, Masters of Science in Industrial Economics & Engineering (with honors) at Tampere University of Technology. Previous positions include general and business management roles at IT company Enfo and global building technology company Danfoss.
Other ongoing assignments: Boards member and chairman of various Fidelix group companies. Board Member of Gebwell Oy. Member of growth collective Finland.

Torkil Skancke Hansen

Born 1969. President of Assemblin Norway since 2009.

Education and work experience: Graduate Engineer, Machine/Heating and Sanitation from NTNU Norwegian University of Science and Technology. BSc in economics from NTNU Business School. Trained plumber (Trade Certification). Previous positions include several within the Assemblin Group (previously within Drammens rør, NVS and Imtech).
Other current assignments: Chairman of the Board and Board Member of companies within the Assemblin Group.

Auditor's report on the Corporate Governance Report

KPMG

To the general meeting of the shareholders in Assemblin Group AB, corporate identity number 559077-5952

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 52–61 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 31 March 2023
KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Financial statements

The Board of Directors of Assemblin Group AB (publ), corporate identity number 559077-5952, hereby submits its annual and consolidated accounts for the period 1 January to 31 December 2022. As of 2018, the Board of Directors also submits a separate Sustainability Report (see page 28) and, as of 2019, a separate Corporate Governance Report (see page 52).

The financial statements form part of Assemblin's *2022 Annual and Sustainability Report,* which is available in its entirety from the Company's website. This explains why pagination commences on page XX. The accounts can be read separately, but contains occasional references to other parts of the Annual Report.

All amounts are stated in SEK million unless otherwise specified. Due to rounding, differences in summations may occur.

CONTENTS

BOARD OF DIRECTORS' REPORT

Strong organic growth and stable profitability

In 2022, Assemblin delivered strong growth and stable profitability despite increased global concerns associated with the effects of the Ukraine crisis. The market remained strong, and demand for energy efficiency services and green technology increased.

Assemblin in brief

Assemblin is an end-to-end installation and service partner with operations in Sweden, Norway and Finland. The company's business concept entails installing and maintaining technical systems in different types of buildings. The operations are conducted with a strong focus on quality, efficiency and sustainability in approximately 100 locations in the Nordic region with headquarters in Hägersten, Stockholm. The Group was formed in November 2015 and was divided into five operating business areas that also constitute the Group's primary segments. The Parent Company in the Group is Assemblin Group AB, which is a wholly owned subsidiary of Ignition MidCo S.a.r.l, and the ultimate principal owner is Triton Fund IV. Since January 2020, the company has EUR-denominated bonds listed on the international exchange TISE (CI).

Significant events during the year

- Heightened geopolitical concerns had a negative impact on the economy. Nonetheless, the installation markets in the Nordic region remained strong. High electricity prices increased the demand for energy efficiency services and green technology.
- Net sales increased by 26.1 percent to SEK 13,521 million (10,721). Order intake increased to SEK 13,167 million, contributing to the order backlog at the end of the year amounting to SEK 9,535 million (9,370).
- Profitability remained favourable and the adjusted EBITA margin amounted to 7.0 percent (7.1).
- During the financial year, 15 acquisitions were implemented, bringing a further 281 employees into the Group, as well as annual sales equivalent to about SEK 470 million.
- In preparation for future accounting requirements, a number of measures were implemented in the area of sustainability. Assemblin is reporting for the first time in accordance with the international sustainability standard GRI.
- Tero Kosunen was appointed as the new Business Area Manager for Finland.
- At the regular Annual General Meeting in May, Mats Wäppling resigned as Chairman of the Board, while Hans Petter Hjellestad was elected as a new Board member. Fredrik Wirdenius was appointed as the new Chairman of the Board. At an Extraordinary General Meeting in September, Young Kim stepped down as a Board member.

Market, sales and order intake

Despite the economy slowing in 2022, the installation market in the Nordic region remained strong. The signals were mixed however. Although housing construction in the larger cities decreased, high energy prices boosted interest in green technology and energy efficiency measures. We also experienced high demand from public sector customers, as well as for intelligent building and security technology solutions.

Net sales for the full year increased to SEK 13,521 million (10,721), entailing growth of 26.1 percent, of which 12.6 percentage points were organic growth, 12.2 percentage points were acquisition-driven and 1.3 percentage points were currency-driven. All of the business areas contributed to the increase in sales. The proportion of services increased to 42 percent (41) of consolidated sales.

Order intake increased to SEK 13,167 million (11,258), contributing to the order backlog at the end of the year amounting to SEK 9,535 million (9,370).

Earnings and profitability

For the full year, the group's EBITA increased to SEK 960 million (728) and the adjusted EBITA to SEK 940 million (758). Accordingly, the EBITA margin amounted to 7.1 percent (6.8) and the adjusted EBITA margin to 7.0 percent (7.1). Items affecting comparability mainly comprised costs incurred in connection with acquisitions, integration costs and income attributable to the revaluation of purchase considerations and a non-recurring repayment of pension premiums.

Over 2022, profitability improved in all business areas except Assemblin Finland, which experienced both a weak start and a weak end to the year. Measures to enhance profitability have been initiated to reverse the trend.

Net financial items and financial position

Net financial items for 2022 were negative in the amount of SEK 367 million (254). The change compared with the previous year was mainly caused by unrealised exchange rate losses on the portion of the bond loan that is not currency hedged.

Tax for the full year amounted to SEK 132 million (82), corresponding to 25 percent (20) of the profit before tax. Profit after tax for the period amounted to SEK 390 million (322).

Cash flow from operating activities decreased to SEK 487 million (619), mainly driven by changes in working capital and tax paid. At the end of the year, net debt amounted to SEK 3,987 million (3,736). The change is attributable to acquisitions and an increase in the portion of the bond liability in EUR that is not currency hedged. Cash and cash equivalents amounted to SEK 556 million (655). Unutilised available credit facilities at the end of the year totalled SEK 636 million (636).

Acquisitions and divestments in 2021

During the year, 15 acquisitions were completed in Sweden, Norway and Finland. The acquired companies brought a total of 281 employees into Assemblin and annual sales corresponding to SEK 466 million. For more information on the acquired companies, see Note 12.

Employees and organisation

In January, Tero Kosunen was appointed as the new Business Area Manager for Finland.

The average number of employees (recalculated as full-time equivalents, FTE) rose to 6,553 (5,962), which was mainly attributable to the acquired operations and organic growth. The acquired companies were incorporated into Assemblin's existing organisational structure.

Risks and risk management

Assemblin conducts a structured risk management process aimed at securing the values that exist in the Company and fostering a long-term sustainable earnings trend. The work takes place in accordance with a well-defined risk management process as described in the company's risk management policy. In accordance with the risk management process, each business area and staff function shall perform an annual survey, analysis and assessment of the identified risks, and report on these to the

Group. The risks that, based on probability and assessed impact, are perceived to be the largest are summed up in a Top Risk Report that is reported to the Audit Committee and the Board together with a description of measures to control these risks.

Assemblin's principal risks can be divided into four main categories:

1. Market and business risks
This includes risks such as cyclical changes, calculation risks and customer risks (see more in Note 17).

2. Business risks
This includes, for example, risks involving the work environment and safety, skills supply and quality deficiencies.

3. Financial risks
Different types of financial risks, such as interest rate, financing, currency and credit risks (see more in Note 17).

4. Other risks
This includes, for example, legal risks, risks of decreased trust, IT risks and cyber risks, pandemics and environmental and climate risks (see more in the separate *Sustainability Report*).

An account of Assemblin's foremost risks and risk controls is presented in the separate *Corporate Governance Report*.

Sustainability

Assemblin has prepared a special Sustainability Report for 2022, detailing, among other things, Assemblin's work with the environment, quality and the working environment, as well as the Company's stance on human rights and the fight against corruption. This report also includes information about the Group's material sustainability aspects, sustainability risks and how sustainability work is managed. The report also presents key sustainability indicators of relevance for the operations.

For 2022, Assemblin is, for the first time, reporting in accordance with the international framework Global Reporting Initiative (GRI) 2021. A new materiality analysis was performed, resulting in five new material sustainability aspects being identified:

1) CO_2 emissions
2) Health and safety
3) Responsible purchasing
4) Intelligent and durable installation solutions
5) Sound business ethics

As of 2022, Assemblin is also reporting its Scope 3 emissions.

The report encompasses the entire Group and is presented as a separate sustainability section in Assemblins' integrated Annual and Sustainability Report for 2022. The report will be published on Assemblin's external website.

Parent Company

The Parent Company's profit after tax totalled SEK 18 million (loss 94). As of 31 December 2022, its total assets amounted to SEK 8,204 million (8,111). In 2022, the Parent Company received Group contributions of SEK 197 million (107) from subsidiaries, with the full sales of SEK 16 million (38) being generated internally within the Group. Equity in the Parent Company amounted to SEK 4,204 million (4,186).

Significant events after the end of the end of the financial year

- In early January, Assemblin Heating and Sanitation acquired energy efficiency expert Enexergi AB (Enex), which has operations in Greater Stockholm. Enex has 6 employees and annual sales of about SEK 70 million.
- In January, Assemblin Norway acquired the assets of ventilation company Drammen Ventilasjon AS, which has operations in the Drammen area. The company has sales of about NOK 7 million and eight employees.
- In January, Assemblin's new solar cell installation initiative under the Assemblin Solar brand was announced. The concept was developed during 2022 and will be launched gradually during the spring.
- At the end of January, Assemblin Norway completed its acquisition of staffing company Ariemi AS, with 130 employees and annual sales of about NOK 100 million.
- In early March 2023, Assemblin El acquired the company RA Vision AB with 4 subsidiaries, annual sales of about SEK 150 million and some 90 employees based in Västerås, west of Stockholm.
- In late March 2023, Assemblin Norway acquired the the operations of the staffing company MV Elektro AS with 20 employees and annual sales of approximately 20 MNOK.

Outlook

For some time, Assemblin has had a strong earnings trend and good growth. Despite uncertainty and increased prices dampening the economic trend, demand remained strong in the installation market, not least for energy efficiency services and green, intelligent technologies – areas in which Assemblin is well positioned.

Although the underlying drivers for continued market growth are favourable, a prolonged or accelerated recession would also impact the installation industry negatively. Assemblin therefore monitors external developments to be able to meet changing conditions and adapt the operations where necessary. On the whole, we take the view that the prospects for continued growth, good profitability and stable cash flows are favourable.

Proposal for appropriation of profits

The following amount, in SEK, is at the disposal of the Annual General Meeting:

Retained earnings	4,185,682,574
Profit for the year	18,070,959
Total	4,203,753,533

The Board of Directors proposes that the retained earnings be treated as follows:

To be carried forward	4,203,753,533
Total	4,203,753,533

Regarding the company's earnings and position in general, reference is made to subsequent financial reports with accompanying year-end comments.

KEY FIGURES, SEGMENTS	Net revenues, SEK million		Adjusted EBITA[1], SEK million		Adjusted EBITA margin[1], %		Average number of employees, FTE		Share of service, %	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assemblin Electrical	4,894	4,054	347	264	7.1	6.5	2,853	2,729	49%	48%
Assemblin Heating and Sanitation	3,266	2,966	256	225	7.8	7.6	1,455	1,438	41%	38%
Assemblin Ventilation	1,617	1,373	105	85	6.5	6.2	554	541	22%	24%
Assemblin Norway	2,038	1,628	170	135	8.3	8.3	834	790	55%	48%
Assemblin Finland	1,895	882	37	49	1.9	5.6	832	439	22%	27%
Group-wide functions and eliminations	-190	-183	26	0			25	24		
Total	13,521	10,721	940	758	7.0	7.1	6,553	5,962	42%	41%

1) Adjusted for expenses affecting comparability. For definitions of key figures, refer to page 114.

Consolidated statement of earnings (SEK million)

	Note	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021
Net sales	2, 3	13,521	10,721
Cost of production		-10,794	-8,526
Gross profit		2,728	2,195
Sales and administrative expenses		-1,893	-1,623
Other operating income		54	87
Operating profit	4, 5, 6, 7, 8	889	659
Financial income		303	39
Financial expenses		-670	-293
Net financial items	9	-367	-254
Profit before tax		522	405
Tax	10	-132	-82
Profit for the year		390	322
Profit for the year attributable to:			
Parent Company shareholders		390	322
Non-controlling interests		–	–
Profit for the year		390	322
Earnings per share before dilution, SEK	33	2.45	2.02
Earnings per share after dilution, SEK	33	2.45	2.02

Consolidated statement of comprehensive income (SEK million)

	Note	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021
Profit for the year		390	322
Other comprehensive income			
Items that have been or that may be reclassified to profit/loss for the year			
Translation differences for the year on translation of foreign operations		150	59
Changes in fair value of hedge reserve		8	15
Tax attributable to items that have or can be transferred to profit/loss for the year		-4	-9
Items that may not be reclassified to profit/loss for the year			
Revaluations of defined-benefit pension plans	8	257	-12
Tax attributable to items that cannot be transferred to profit/loss for the year		-53	3
Other comprehensive income for the year	11	359	55
Comprehensive income for the year		748	377
Comprehensive income for the year attributable to:			
Parent Company shareholders		748	377
Non-controlling interests		–	–
Comprehensive income for the year		748	377

Consolidated statement of financial position (SEK million)

	Note	31 Dec 2022	31 Dec 2021
Assets	12, 13, 19		
Goodwill	14	5,373	4,774
Other intangible assets	14	153	174
Property, plant and equipment	15	93	90
Right-of-use assets	5	757	695
Financial investments	16, 17	49	78
Non-current receivables	18	2	4
Deferred tax assets	10	81	157
Total fixed assets		6,508	5,972
Inventories		211	127
Contract assets	20	704	450
Current tax assets	10	38	18
Trade receivables	21	1,914	1,643
Prepaid expenses and accrued income	22	195	168
Other receivables	18	198	154
Cash and cash equivalents		556	655
Total current assets		3,816	3,214
Total assets		10,324	9,186
Equity	11		
Share capital		1	1
Other capital contributions		366	366
Acquisition reserve		-992	-992
Provisions		153	-1
Profit brought forward, incl. profit for the year		1,199	605
Equity attributable to Parent Company shareholders		726	-22
Non-controlling interests		–	0
Total equity		726	-22
Liabilities	12, 13, 19		
Non-current interest-bearing liabilities	5, 17, 23	3,728	3,627
Lease liabilities	5, 17	553	513
Provisions for pensions	8	548	788
Other provisions	24	115	113
Deferred tax liability	10	46	54
Other non-current liabilities		353	238
Total non-current liabilities		5,343	5,333
Short-term interest-bearing liabilities	17, 23	3	4
Lease liabilities	5, 17	258	247
Trade payables	17	1,261	1,081
Current tax liability	10	204	190
Contract liabilities	20	1,060	946
Other liabilities	25	199	256
Accrued expenses and deferred income	26	1,225	1,076
Current provisions	24	43	76
Total current liabilities		4,254	3,876
Total liabilities		9,598	9,208
Total equity and liabilities		10,324	9,186

Information on the Group's pledged collateral and contingent liabilities, see Note 13.

Consolidated statement of changes in equity (SEK million)

	Share capital	Other capital contributions	Acquisition reserve	Other reserves	Profit brought forward, incl. profit for the year	Non-controlling interests	Total equity
Opening equity, 1 Jan 2021	1	366	-992	-66	31	–	-661
Comprehensive income for the year							
Profit for the year					322	0	322
Other comprehensive income				65	-10		55
Total comprehensive income for the year				65	312	0	377
Bonus issue	0				0		–
Transactions with the Group's shareholders:							
Shareholder contributions					262		262
Closing equity, 31 Dec 2021	1	366	-992	-1	605	0	-22
Opening equity, 1 Jan 2022	1	366	-992	-1	605	0	-22
Comprehensive income for the year							
Profit for the year					390	–	390
Other comprehensive income				154	204		359
Total comprehensive income for the year				154	594	–	748
Closing equity, 31 Dec 2022	1	366	-992	153	1,199	–	726

Consolidated statement of cash flow (SEK million)

	Note	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021
Operating activities			
Profit before tax		522	405
Adjustments for non-cash items, etc.	27	428	336
Tax paid		-149	-106
Cash flow from operating activities before changes in working capital		800	634
Changes in working capital			
Increase/decrease in inventories		-67	-8
Increase/decrease in operating receivables		-237	-193
Increase/decrease in operating liabilities		-10	185
Cash flow from operating activities		487	619
Investing activities			
Acquisitions of subsidiaries	12	-367	-1,626
Sale of business		0	81
Acquisitions of intangible assets		-15	-3
Acquisitions of tangible assets		-29	-18
Sale of tangible assets		13	7
Dividends received		31	22
Increase in financial assets		-3	-3
Decrease in financial assets		2	1
Cash flow from investing activities		-369	-1,538
Financing activities			
Shareholder contributions		–	252
Proceeds from borrowings	27	5	1,328
Set-up fee, bond		–	-25
Amortisation of loans	27	-4	-514
Amortisation of lease liabilities	27	-221	-202
Cash flow from financing activities		-220	839
Cash flow for the period		-102	-81
Cash and cash equivalents at start of year		655	721
Exchange rate difference in cash and cash equivalents		4	15
Cash and cash equivalents at end of year		556	655

Parent Company income statement (SEK million)

	Note	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021
Net sales		16	38
Gross profit		16	38
Administrative expenses		-44	-116
EBITA	4, 6, 7	-29	-78
Financial income		315	163
Financial expenses		-441	-282
Net financial items	9	-125	-118
Profit/loss after financial items		-154	-197
Appropriations	28	197	107
Profit before tax		43	-90
Tax	10	-25	-4
Profit for the year	29	18	-94

Profit for the year corresponds to comprehensive income for the year.

Parent Company balance sheet (SEK million)

	Note	31 Dec 2022	31 Dec 2021
Assets	13, 19		
Participations in Group companies	30	5,206	5,206
Receivables in Group companies	31	1,607	1,607
Deferred tax asset		1	0
Total fixed assets		6,814	6,814
Receivables in Group companies		1,389	1,292
Other receivables	18	0	4
Prepaid expenses and accrued income	22	1	1
Cash and bank balances		1	1
Total current assets		1,390	1,297
Total assets		8,204	8,111
Equity	11		
Restricted equity			
Share capital		1	1
Unrestricted equity			
Profit brought forward		4,186	4,279
Profit for the year		18	-94
Total equity		4,204	4,186
Liabilities	13, 19		
Non-current interest-bearing liabilities	17, 23	3,728	3,627
Provisions for pensions	8	1	0
Total non-current liabilities		3,728	3,627
Trade payables	17	2	17
Liabilities to Group companies		202	210
Current tax liability	10	29	4
Other liabilities	25	1	1
Accrued expenses and deferred income	26	38	65
Total current liabilities		272	297
Total liabilities		4,000	3,924
Total equity and liabilities		8,204	8,111

For information on the Parent Company's pledged collateral and contingent liabilities, see Note 13.

Parent Company statement of changes in equity (SEK million)

	Share capital	Profit brought forward, incl. profit for the year	Total equity
Opening equity, 1 Jan 2021	1	4,017	4,018
Profit for the year*		-94	-94
Bonus issue	0	0	–
Shareholder contributions		262	262
Closing equity, 31 Dec 2021	1	4,186	4,186
Opening equity, 1 Jan 2022	1	4,186	4,186
Profit for the year*		18	18
Closing equity, 31 Dec 2022	1	4,204	4,204

1) Profit for the year corresponds to comprehensive income for the year.
For further information on equity, see Note 11.

Parent Company statement of cash flow (SEK m)

	Note	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021
Operating activities			
Profit/loss before tax		43	-90
Adjustment for non-cash items, etc.	27	-94	-85
Cash flow from operating activities before changes in working capital		-51	-175
Changes in working capital			
Increase/decrease in operating receivables		-21	-1,156
Increase/decrease in operating liabilities		-34	75
Cash flow from operating activities		-107	-1,257
Financing activities			
Proceeds from borrowings	27	–	1,327
Set-up fee, bond		–	-25
Amortisation of loans	27	–	-318
Shareholder contributions		–	252
Group contributions received		127	21
Group contributions made		-20	–
Cash flow from financing activities		107	1,257
Cash flow for the period		0	0
Cash and cash equivalents at start of year		1	1
Cash and cash equivalents at end of year		1	1

Notes

Note 1 Significant accounting policies

Basis for preparation of the reports
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU, and RFR 1 *Supplementary accounting rules for groups.*

For the Group, the same accounting principles and calculation bases have been applied as in the most recent annual report.

The Annual Report and consolidated financial statements were approved for issue by the Board of Directors on 31 March 2023.

Valuation criteria
Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of unlisted shares and participations, contingent purchase considerations, as well as derivatives.

Functional currency and reporting currency
The Parent Company's functional currency is the Swedish krona, which also constitutes the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish kronor (SEK). Unless otherwise indicated, all amounts in the Annual Report are rounded to the nearest million Swedish kronor (SEK million), which can result in a rounding difference.

Assessments and estimates
Preparing the financial statements in accordance with IFRS requires company management to make estimates, assessments and assumptions affecting the application of the accounting policies and the carrying amounts for assets, liabilities, revenues and costs. Actual outcomes may deviate from the estimates and assumptions that have been made.

The estimates and assumptions are reviewed on a regular basis. Changes are recognised in the period the change is made, if it only affected that period, or in the period the change is made and future periods if the change affects both the period in question and future periods.

Assessments made by Group Management when applying IFRS and that have significant effect on the financial statements, and estimates made that could entail significant adjustments in the financial statements for the subsequent year, are described in greater detail in Note 32.

Amended accounting policies attributable to new or amended IFRS
Amendments with regard to IAS 37 Provisions, Contingent Liabilities and Contingent Assets are applied as of 1 January 2022. With regard to provisions, the costs to be included when reporting onerous contracts are clarified, which is not expected to have any significant impact on Assemblin's financial statements, as Assemblin already includes certain indirect costs attributable to individual projects in its provisions for onerous contracts.

Standards or interpretations applied as of 1 January 2022 are not deemed to have had a significant impact on the Group's financial statements.

New or amended accounting policies yet to be applied by the Group
A number of new standards and interpretations will enter into force for financial years commencing after 1 January 2023 and have yet to be applied in the preparation of this financial report. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures of accounting policies, Amendment of IAS 1 Presentation of Financial Statements regarding "Non-current liabilities with Covenants" and the separation between current and non-current may have an impact on the Group's accounting principles, presentation and disclosures. Other new standards and interpretations issued by the IASB are not expected to have any significant effect on the Group's financial statements.

Classification
Fixed assets comprise amounts expected to be recovered more than 12 months after the balance sheet date. Non-current liabilities essentially comprise amounts expected to be paid more than 12 months after the balance sheet date, as well as payments that the Company has an unconditional right to defer until a point in time 12 months after the balance sheet date. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or settled within 12 months of the balance sheet date.

Operating segments
Operating segments are reported in accordance with the internal reporting to Group Management (the highest executive decision-maker). Group management is responsible for allocating resources to the operating segments and evaluating their financial performance and is also the body that makes strategic decisions. The Group's operating segments are Electricity, Heating & sanitation, Ventilation, Norway and Finland. Refer to Note 3 for additional descriptions of the divisions, and the presentation of the operating segments.

Consolidation principles and business combinations
Subsidiaries are companies over which the Group exerts a controlling interest. A controlling influence exists when the Group is exposed to or is entitled to variable returns from its holdings in the company and can affect the return through its controlling influence over the Company.

Acquisitions are recognised applying the acquisition method. The Assemblin Group recognises acquired identifiable assets and liabilities at fair value. The acquisition analysis establishes the fair value, on the acquisition date, of identifiable assets acquired and liabilities assumed, as well as any holdings with a non-controlling interest. All acquisition-related expenses are expensed.

The amount by which purchase considerations and any holdings without a controlling interest (plus the fair value of previously held participations, in conjunction with staggered acquisitions) exceed the fair value of the acquired net assets is recognised as goodwill. When the difference is negative (bargain purchase), this is recognised directly in profit or loss for the year.

Purchase considerations do not include payments pertaining to the settlement of former business relationships. These types of settlement are usually recognised in earnings.

Contingent considerations are measured at fair value at the acquisition date. In cases where the contingent consideration is classified as an equity instrument, no restatement is performed and settlement is made within equity. Other contingent considerations recognised as liabilities are restated as per each reporting date, with the change being recognised in profit for the year.

Transactions eliminated in consolidation
Intra-Group receivables and liabilities, revenue or costs and unrealised profit or loss that arise from intra-Group transactions are eliminated entirely when preparing the consolidated financial statements. Unrealised profits arising from transactions with joint ventures are eliminated to the extent corresponding to the Group's ownership share in the company. Unrealised losses are eliminated in the same manner as unrealised profits, but only to the extent there is no impairment requirement.

Joint ventures
In the accounts, joint ventures are those companies for which the Group, through partnership agreements with one or more parties, has a joint controlling interest in which the Group has the right to net assets instead of a direct right to assets and commitments in liabilities. Holdings in joint ventures are consolidated in the consolidated financial statements in accordance with the equity method.

Equity method
The equity method means that in the Group, the carrying amount of the shares in joint ventures corresponds to the Group's share of equity in joint ventures. The Group's participation in the earnings of joint ventures is recognised in profit for the year. These shares of profits constitute the primary change in the carrying amount of shares in joint ventures.

Acquisition-related expenses that arise are included in the cost. The equity method is applied from the date on which the joint controlling influence is obtained until the time when the joint controlling influence ceases.

Foreign currency translation

Transactions in foreign currency

Transactions in foreign currency are restated in the functional currency at the exchange rate in effect on the transaction date. Functional currency is the currency in which the primary financial environments where the companies conduct their operations. Monetary assets and liabilities in foreign currency are restated in the functional currency at the exchange rate in effect on the balance sheet date. Exchange rate differences arising in the translations are recognised in profit or loss. Non-monetary assets and liabilities recognised at historical cost are restated at the exchange rate on the transaction date. Non-monetary assets and liabilities measured at fair value are restated in the functional currency at the exchange rate in effect on the date of measurement at fair value.

Financial statements from operations abroad

Assets and liabilities in the Group's foreign operations, including goodwill and other Group-related surpluses and deficits, are restated from the functional currency of the foreign operations to the Group's reporting currency at the exchange rate in effect on the balance sheet date. Non-current loans to subsidiaries designated, by the parent, as part of its net investment in the foreign operation are treated as equity for translational purposes with the differences being recognised in comprehensive income. Revenue and expenses in operations abroad are restated in Swedish kronor at an average rate that constituted an approximation of the exchange rates that were in effect on the respective transaction dates. Translation differences arising in connection with currency translations are recognised in Other comprehensive income, and are accumulated in a separate component in equity, designated as translation reserves. When a controlling influence or joint controlling influence in foreign operations ceases, the accumulated translation differences are realised through a transfer from the translation reserve in equity to profit for the year. In the event a sale occurs but controlling interest remains, a proportional share of accumulated translation differences from the translation reserve is transferred to holdings with a non-controlling interest. In the event of a sale of portions of joint ventures where a joint controlling interest remains, a proportional share of the translation differences are reclassified to profit or loss.

Revenue

The Group's revenue consists primarily of revenue from construction and service assignments. Revenue recognition for construction and service assignments takes place as control is transferred to the customer. The construction agreements mean that the Group designs and installs technical systems for electricity, heating, sanitation and ventilation in customers' offices, arenas, shopping centres, homes and industrial premises. The Group creates an asset over which the customer gains control in pace with the asset being completed. This means that revenue from contract assignments is reported over time. For service assignments such as maintenance and operational work, the customer benefits in pace with the services being performed, meaning that these revenues are also reported over time.

Installation assignments

For fixed-price agreements, revenues are recognised based on the assignment expenditures incurred in relation to the total estimated assignment expenditures. Since there is a direct relationship between the expenses incurred by the Group for its assignments and the transfer to customers of the benefits, this method is considered to accurately measure the degree to which the performance commitment is fulfilled. Costs attributable to contracting assignments are recognised in profit or loss when incurred. Most of the Group's contracting is subject to fixed-price agreements, with variable compensation in only a few exceptional cases. Changes to agreements related to remodelling or supplementary work are recognised to the extent they have been agreed with the customer. Claims and incentive compensation are included in the project revenue only to the extent that it is highly unlikely that a significant reversal of accumulated reported revenue will occur.

Payment is usually received in stages during the completion of a contracting agreement and payment is usually received before the relevant stage commences. In some contracting assignments, however, payment is received following the relevant stage. If the services provided by the Group exceed invoiced amounts (after deductions for any reported losses), a contractual asset is reported. Partially invoiced amounts that have not yet been settled by the customer, and amounts held by the client are included in Trade receivables. If invoicing exceeds the services delivered (after deduction of any reported losses), a contractual liability is reported.

A fundamental condition for reporting revenue over time is that the outcome can reasonably be measured against completion of the performance obligation. If it is not reasonably possible to measure the outcome of a project reliably, the income is reported at the corresponding amount as the accrued expense, that is, no earnings are recognised while awaiting the determination of the earnings. Reporting revenue in pace with completion contains a component of uncertainty. Unforeseen events sometimes occur resulting in earnings that are higher or lower than originally expected. If circumstances change, estimates regarding revenue, expenses or the degree of completion are revised. Increases or decreases in estimated revenue or expenses attributable to revised estimates are reported in profit or loss for the period in which the circumstances that gave rise to the audit became known to management.

If likely that the estimated project expenses in a contracting agreement will exceed the estimated project revenues, the expected loss is immediately reported in its entirety as a cost. The Group's commitment to rectify errors and deficiencies in completed projects in accordance with normal guarantee rules is reported as a provision in the statement of financial position and as an expense in profit or loss.

Service assignments

As regards service assignments, revenue and the appurtenant costs are recognised over time (that is, in pace with Assemblin performing the service). For agreements at a fixed price, revenue is reported based on the proportion of the total agreed service delivered during the period. This is determined based on the assignment expenditures incurred in relation to the total estimated assignment expenditures. Since there is a direct relationship between the expenses incurred by the Group for its assignments and the transfer to customers of the benefits, this method is considered to accurately measure the degree to which the performance commitment is fulfilled. For contracts on a current account where the Group is entitled to compensation in relation to the value of fulfilled commitments, revenue is reported to the extent that the Group is entitled to invoice. In cases where invoicing takes place in arrears, a contractual asset is reported. In cases where payment is made in advance regarding service contracts, a contractual liability is reported.

Significant financing components

The Group has no agreements according to which the time between the handover of services or contracts to the customer and the payment from the customer exceeds one year. As a result, the Group does not adjust the transaction price for the effects of significant financing components.

Financial income and expenses

Financial income consists of interest income on invested funds, dividend income, gains on changes in value of financial assets measured at fair value through profit or loss, and exchange rate gains.

Dividend income is recognised when the right to receive dividends has been established.
Financial expenses consist of interest charged on loans, the effect of unwinding the present value of provisions, and exchange rate losses.
Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the interest rate that makes the present value of all estimated future inflows and outflows during the expected term equal to the carrying amount of the receivable or liability. Foreign exchange gains and losses are recognised net. Exchange rate changes regarding operating receivables and liabilities are reported in operating profit, while exchange rate changes regarding financial receivables and liabilities are reported in net financial items.

Tax

Income tax consists of current tax and deferred tax. Income tax is recognised in profit or loss, except when underlying transactions were recognised in other comprehensive income or in equity, whereupon the appurtenant tax effect is recognised in other comprehensive income or in equity respectively.

Current tax is tax that is to be paid or received as regards the current year, with application of the tax rates determined in fact or in practice on the balance sheet date. Adjustment of current tax attributable to earlier periods also belongs to current tax.

Deferred tax is recognised on temporary differences between the recognised and taxable values of assets and liabilities, as well as on tax deficits. Deferred tax liabilities attributable to temporary differences regarding participations in subsidiaries are not reported in cases where the Assemblin Group can control the timing of the reversal of the temporary differences and it is unlikely that they will be reversed within the foreseeable future. Measurement of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated applying tax rates and tax regulations determined, or essentially determined, as of the balance sheet date and that are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are reported if it is likely that these will be utilised against future taxable surpluses. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised.
Any future income tax that arises in connection with a dividend is reported on the same date as when the dividend is recognised as a liability.

Financial assets and financial liabilities: Financial instruments

Accounting and initial measurement
Accounts receivable are reported when issued. Other financial assets and liabilities are reported when the Group becomes a party to the contractual terms of the instrument.

Financial instruments are initially measured at fair value with additions and deductions for transaction expenses except those regarding instruments continuously measured at fair value through profit or loss. For these instruments, transaction expenses are instead expensed as they are incurred. Accounts receivable are initially valued at the transaction price determined in accordance with the revenue recognition principles (see above).

Classification of financial assets
The Group classifies its financial assets in the following categories:
- financial assets reported at amortised cost, and
- financial assets reported at fair value either via the income statement or via other comprehensive income.

The classification is attributable to the Group's business model for managing financial assets and the contractual terms of the assets' cash flows. Financial assets are only reclassified in cases where the Group's business model for the instruments changes. A summary of the classifications of the Group's financial instruments is presented in Note 19.

Subsequent measurement of financial assets
Subsequent measurement is determined by the Group's business model for the management of the asset and the type of cash flows to which the asset gives.

Amortised cost
Assets held with the purpose of collecting contractual cash flows where such cash flows solely comprise principal and interest, are reported at amortised cost, applying the effective interest rate method. Impairment losses are reported on the Cost of production line in the income statement. All of the Group's financial assets, except for holdings of unlisted shares and participations and derivatives, are measured at amortised cost.

Fair value via other comprehensive income
The Group measures holdings of unlisted shares and participations at fair value through other comprehensive income. No subsequent reclassification of fair value changes is made in profit or loss when the instrument is removed from the statement of financial position. Impairment losses (and reversals of impairment losses) are not reported separately from other changes in fair value. Dividends are reported in profit or loss as financial income when the Group's right to receive payment has been determined.

Derivatives with a positive fair value are recognised as derivative assets; for further information, see the section "Hedge accounting".

Derivatives and hedge accounting
The Group holds financial derivatives to hedge transactions foreign currency. Derivatives are recognised in the statement of financial position as per the transaction date and measured at fair value, both initially and on subsequent remeasurement at the end of each reporting period. The method of recognising the gain or loss arising on remeasurement depends on whether the derivative is recognised as a hedging instrument, and if so, the nature of the item being hedged.

The Group identifies derivatives as hedges of certain risks attributable to the cash flow from a recognised asset, liability or highly likely projected transaction (cash flow hedging).

On entering into the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's risk management objectives and risk management strategy regarding the hedging. The Group also documents its assessment, both on entering into the hedge and thereafter, of whether the derivative instruments used in hedging transactions have been, and will continue to be, effective in counteracting changes in fair value or cash flows attributable to the hedged items.

Information on the fair value of derivative instruments used for hedging purposes can be found in Note 19. The fair value of a derivative that is a hedging instrument is classified as a non-current asset or non-current liability when the remaining term of the hedged item exceeds 12 months, and as a current asset or current liability when the outstanding term of the hedged item is less than 12 months.

Derivatives that do not meet the requirements for hedge accounting
All of the Group's derivatives meet the requirements for hedge accounting.

Cash flow hedges
When a derivative is identified as a cash flow hedging instrument, the effective portion of the changes in fair value in the derivative is recognised in other comprehensive income and accumulates in the hedge reserve in equity. The effective portion of the changes in fair value in the derivative recognised in other comprehensive income is limited to the cumulative change in fair value in the hedged item, determined on a percentage basis, from the start of the hedge. Ineffective portions of changes in fair value in the derivative are recognised immediately in earnings.

For the hedged forecast transactions, the accumulated amount in the hedge reserve is reclassified to earnings in the same period(s) that the hedged anticipated cash flow impacts earnings.

If the hedged cash flow is no longer expected to arise, the amount that has accumulated in the hedge reserve is immediately reclassified to earnings.

Classification and subsequent measurement of financial liabilities
All financial liabilities except derivatives, except derivatives and contingent purchase considerations, are recognised at amortised cost. Any difference between the amount received (net after transaction costs) and the repayment amount allocated over the period of the loan using the effective interest-rate method. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months following the end of the reporting period.

Derivatives with a positive fair value are recognised as derivative liabilities, see further under the section "Derivatives and hedge accounting".

Derecognition of financial assets and financial liabilities
A financial asset is derecognised from the statement of financial position when the contractual rights to the cash flow from the financial asset expire, or if the Assemblin Group transfers the right to receive the contractual cash flows through a transaction in which essentially all risks and benefits are transferred to the counterparty.

The Group derecognises a financial liability from the statement of financial position when the commitments indicated in the agreement have been extinguished or annulled, or expire. The Group also derecognises a financial liability when the terms of the contract are modified and the cash flows from the modified liability are materially different. In this case, a new financial liability is measured at fair value based on the modified conditions.

Offsetting
A financial asset and a financial liability are offset and recognised with a net amount in the statement of financial position only when the Group has a legal right to offset the amount, and intends to settle the items with a net amount or to simultaneously realise the asset and settle the liability.

Impairment of financial assets
Financial assets reported at amortised cost and subject to impairment relate mainly to accounts receivable and contractual assets. The Group applies the simplified method when calculating expected credit losses.

The simplification means that reserves are set aside for an amount corresponding to expected credit losses during the entire term of the receivable. The reserve is taken into account on initial recognition and is then revalued during the term of the receivable.

Contractual assets are attributable to work that has not yet been invoiced and bear essentially the same risk characteristics as work invoiced for the same type of contract. The Group therefore considers that the loss levels for accounts receivable are a reasonable estimate of the loss levels for contractual assets.

Calculation of expected credit losses is primarily based on information about historical losses for similar receivables and counterparties. Historical losses are then adjusted to take into account current and forward-looking information that may affect customers' ability to pay the claim.

Property, plant and equipment
Property, plant and equipment
Property, plant and equipment are recognised in the Group at cost less accumulated depreciation and any impairment. The cost includes the purchase price and expenditures directly attributable to the asset for bringing it on site and in usable condition in accordance with the purpose for which it was procured.

Additional expenses
Subsequent expenditures are added to the cost only if it is likely that the future economic benefits associated with the asset will flow to the company and if the cost can be reliably calculated. All other subsequent expenditures are recognised as costs in the period they arise. A subsequent expenditure is added to the cost if the expenditure relates to the replacement of identified components or parts thereof. Even in cases where new components are created, the expenditure is added to the cost. Any unimpaired carrying amounts on replaced components or parts of components are disposed of and expensed in conjunction with replacement. Repairs are expensed on a running basis.

Depreciation policies
Depreciation occurs on a straight-line basis over the estimated useful life of the asset; land is not impaired.

Estimated useful life:
- machinery and other plant 5–12 years
- equipment, tools, fixtures and fittings 5–10 years
- Expenses for improvements to the property of others are depreciated across the term of the contract

The depreciation methods applied, residual values and useful lives are reassessed at the end of each year.

Leased assets
When an agreement is signed, the Group judges whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group mainly leases premises and vehicles. Leases are recognised as rights of use and a corresponding liability as of the date the leased asset is available for use by the Group. The lease liability is initially reported at the present value of the remaining lease fees during the term of the lease, amounts expected to be paid out in accordance with any residual value guarantees, the price of call options if the Group expects these to be exercised and any penalties for terminating an agreement if the Group deems it reasonable that the agreement will be terminated. Lease expenses include fixed expenses and variable lease payments that depend on an index or a rate. Agreements can contain both lease and non-lease components. Payments for non-lease components have been excluded from the calculation of the lease liability. The right-of-use asset is initially measured at cost, which consists of the initial value of the lease liability plus lease expenses paid on or before the commencement date and any initial direct expenses. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset and the end of the lease term, which, for the Group, is normally the end of the leasing period. In the rarer cases, in which the cost of the right-of-use asset reflects the Group exercising an option to purchase the underlying asset, the asset is depreciated until the end of its useful life.

The term of the lease comprises the agreement's non-cancellable period, with the addition of further periods in the contract if, on the commencement date, it is deemed reasonably certain that these will be exercised. When the lease's length is determined, all available information is taken into account that provides a financial incentive to use an extension option, or to not use an option to terminate an agreement. Opportunities to extend an agreement are only included in the length of the leasing agreement if it is reasonably certain that the agreement will be extended (or not terminated). Most of the extension options relating to the leasing of premises and vehicles have not been included in the lease liability as the Group can replace the assets without significant expenses or interruptions in operations and does not consider that it is reasonably certain that the options will be exercised.

The values of the liability and the asset are adjusted in conjunction with a reassessment of the lease term. This occurs in conjunction with the passing of the final cancellation date in a previously assessed lease term, or alternately when significant events take place or when circumstances have changed significantly within the control of the Group and impact the existing assessment of the lease term.
Lease payments have been discounted by the incremental borrowing rate as regards leased premises, and by the implicit interest rate as regards vehicles. To determine the marginal lending rate, if possible, financing recently received by an outside party is used as a starting point. If no loans from third parties exist in the near future, a method is used that is based on a risk-free interest rate that is adjusted for credit risk. Adjustments are made for the specific terms of the agreement, e.g. term of the lease, country and currency.

The Group is exposed to any future increases of variable lease payments that depend on an index or a rate that are not included in the lease liability before they enter force. When adjustments of lease payments that depend on an index or a rate enter force, the lease liability is restated against the right-of-use asset.

Lease payments are divided between amortisation of the liability and interest. Interest is recognised in the statement of earnings and the statement of comprehensive income over the term of the lease. Rights of use are normally depreciated on a straight-line basis over the shorter of the useful life and the lease term. Payments for agreements of less than one year and low-value leases are expensed on a straight-line basis in the statement of earnings and the statement of comprehensive income.

Intangible assets

Goodwill
Goodwill is measured at cost less any accumulated impairment. Goodwill arising on business combinations is allocated to cash-generating units or groups of units that are expected to benefit from the business combination. Goodwill is tested for impairment annually or more frequently if events or altered circumstances indicate possible impairment. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored in the internal control, which, for the Group, is the operating segment level.

Other intangible assets
Other intangible assets include the order backlog, brands and capitalised development expenses. Other intangible assets, with the exception of brands, are recognised at cost less accumulated amortisation (see below) and any impairment. Brands are judged to have an indefinite useful life.

Brands are tested for impairment annually and as soon as there are any indications of the asset in question having decreased in value.

Amortisation policies
Amortisation is recognised on a straight-line basis over the estimated useful lives of the intangible assets, provided that such useful lives are not indeterminate. The useful lives are reviewed at least yearly. Goodwill and intangible assets not yet ready for use, are reviewed for impairment requirements on a yearly basis and additionally as soon as indications arise showing that the asset in question has decreased in value. Intangible assets with determinate useful lives are amortised from the date they are available for use.

The estimated useful lives are:
- order backlog 1–2 years
- capitalised development expenditure 3–5 years

Impairment of non-financial assets
The Group's recognised assets are assessed on every balance sheet date to determine if there are indicators of impairment requirements.

If there is an indicator of impairment requirements, the recoverable amount of the asset is calculated (see below). For goodwill and brands with indeterminate useful lives and intangible assets not yet ready for use, the recoverable amount is calculated annually. If materially independent cash flows cannot be determined for an individual asset, and its fair value less the cost to sell cannot be used, the assets are grouped when testing the for impairment requirements at the lowest level where it is possible to identify materially independent cash flows; this is known as a cash-generating unit.

An impairment is recognised when the carrying amount of an asset or cash-generating unit (group of units) exceeds the recoverable amount. An

impairment is recognised as a cost in profit or loss for the year. When an impairment requirement is identified for a cash-generating unit (group of units), the impairment amount is allocated first of all to goodwill. Subsequently, a proportional impairment is made of other assets included in the unit (group of units).
The recoverable amount is the higher of fair value less the cost to sell and value-in-use. In calculating value-in-use, future cash flows are discounted by a discount factor that takes into account the risk-free interest rate and the risk associated with the specific asset.

Reversal of impairment losses
An impairment of assets is reversed if there is both an indication that impairment requirements no longer exist and a change has occurred in the assumptions that formed the basis for calculating the recoverable amount. Goodwill impairment, however, is never reversed. A reversal only occurs to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less amortisation where appropriate, if no impairment had occurred.

Payment of capital to the owners

Dividends
Dividends are recognised as a liability after the Annual General Meeting has approved the dividend.

Earnings per share
The calculation of earnings per share is based on the Group's profit for the period attributable to the Parent Company's shareholders and on the weighted average number of shares outstanding during the period.

Employee benefits

Short-term benefits
Short-term benefits for employees are calculated without discount and recognised as an expense when the related services are received.

A provision is recognised for the anticipated cost of bonus payments when the Group has a valid legal or informal obligation to make such payments as a result of services being received from employees and the obligation can be reliably calculated.

Post-employment benefits
In defined-contribution plans, the company pays fixed fees to a separate legal entity, and has no obligation to pay additional fees. The Group's earnings are expensed for costs in pace with the benefits being vested.
Defined-benefit plans are other plans for post-employment benefits than defined-contribution plans. The Group's net obligation regarding defined-benefit plans is calculated separated for each plan through an estimate of the future benefits the employee has earned through their employment in both current and previous periods. The Group bears the risk for the plan providing the benefits offered.

In the statement of financial position, the estimated present value of the liabilities is reported as a provision as the Group only has unfunded pension plans.

The pension cost and pension obligation for defined-benefit pension plans are calculated annually by independent actuaries. The discount rate corresponds to the interest rate as per the balance sheet date on mortgage bonds, with a tenor corresponding to the Group's pension obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Net interest expenses on the defined-benefit obligation are recognised in profit or loss under net financial items. The interest rate is the interest rate that arises when discounting the obligation. Other components are recognised in operating profit. Remeasurement effects consist of actuarial gains and losses. The effects of remeasurement are recognised in other comprehensive income.

Changes to or reductions in a defined-benefit plan are recognised at the earliest of the following:
a) when the change or reduction in the plan occurs; or
b) when the company recognises related restructuring costs and termination benefits.
The changes and reductions are recognised directly in profit or loss for the year.

The special employer's contributions constitute a part of the actuarial assumptions and are therefore recognised as part of the obligation. For reasons of simplification, that part of the special employer's contribution in a legal entity that is calculated based on the Pension Obligations Vesting Act is recognised as an accrued cost instead of as a part of the net obligation.

Tax on returns is recognised on an ongoing basis in the income statement for the period the tax relates to, and is therefore not included in the liability calculation.

Termination benefits
A cost for benefits in connection with termination of personnel is recognised when the company can no longer withdraw the offer to the employee or when the company recognises costs for restructuring, whichever is earlier. The benefits that are expected to be settled after 12 months are recognised at their present value. Benefits that are not expected to be fully settled within 12 months are recognised under non-current benefits.

Inventories
Inventories are stated at cost or net realisable value, whichever is lower. Cost is calculated according to the first-in-first-out principle.

Provisions
A provision is distinguished from other liabilities in that there is uncertainty around the payment date or the amount to settle the provision. A provision is recognised where there is a legal or informal obligation, as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are made with the amount that is the best estimation of what will be required to settle the obligation on the balance sheet date. Where the effect of the timing of the payment is substantial, provisions are calculated through discounting the anticipated future cash flow at an interest rate before tax that reflects the current market assessments of the time value of the money and, if appropriate, the risks associated with the liability.

Warranties
Warranty provisions are reported for warranty commitments under which the Assemblin Group is obliged to remedy any deficiencies in work performed or materials used within a certain time frame following the completion of the work. The provision is based on historical warranty data and a comparison of potential outcomes in relation to the likelihoods associated with each outcome.

Restructuring
A provision for restructuring is recognised when there is an established, detailed and formal restructuring plan and the restructuring has either begun or been publicly announced. No provision is made for future operating costs.

Onerous contracts
A provision for onerous contracts is recognised when the benefits that the Group expects to receive from a contract are lower than the inevitable costs for fulfilling the obligations under the contract.

When assessing whether a feared loss exists, estimated project revenues are compared with the estimated project expenditures.

Estimated project expenses include:
- Expenditure directly related to the individual assignment,
- Indirect expenditure that can be allocated to the individual assignment, and
- Other expenses that, in accordance with the agreement, can be charged to the customer.

Expenses that cannot be attributed to individual assignments are not included in project expenses. Such expenses include:
- General administrative expenses, except in cases where compensation for these is to be paid in accordance with the agreement
- Sales expenses
- Research and development expenses, except in cases where compensation for these is to be paid in accordance with the agreement
- Depreciation of machinery and equipment not used on the project.

Contingent liabilities
Information on a contingent liability is submitted when there is a possible obligation, attributable to past events, whose existence is confirmed only by one or more uncertain future events outside the Group's control or when there is a obligation that is not recognised as a liability or provision

owing to the fact that it is not likely an outflow of resources will be required or cannot be calculated with sufficient reliability.

Fulfilment warranties in the form of Parent Company warranties normally comprise 10 percent of the contract sum until the contract has been handed over to the customer. The handover normally takes place in connection with a final inspection, on approval. If the warranty covers all or most of the contract sum, the amount of the contingency is calculated as the contract sum less the value of the completed portion. In cases where the warranty covers only a smaller part of the contract sum, the amount of the guarantee contract is carried as an unchanged amount up until the contract is surrendered to the client. These contingent liabilities are disclosed by the Parent Company.

In cases where a bank or insurance institution issues a completion guarantee to a customer in connection with a contract, these normally receive, in turn, a counter-commitment from the contracting company or another Group company. Such counter obligations relating to own contracts are not recognised as contingencies, since they contain no increased responsibility compared with the contract commitment.

Parent Company's accounting policies

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (SFS 1995:1554) and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for legal entities. The statements issued by the Swedish Financial Reporting Board relating to listed companies have also been applied. RFR 2 means that the Parent Company, in its Annual Report for the legal entity, is to apply all IFRS and statements as adopted by the EU as much as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, and taking into account the connection between accounting and taxation. The recommendation indicates which exceptions and additions to the IFRS are to be made.

No changes to RFR 2 have been announced applicable to financial years commencing on or after 1 January 2022.

Differences between the Group's and the Parent Company's accounting policies

The principal differences between the Group's and the Parent Company's accounting policies are described below. The Parent Company's accounting policies indicated below have been consistently applied to all periods presented in the Parent Company's financial reports.

Financial instruments

The Parent Company has chosen not to apply IFRS 9 for financial instruments. Portions of the policies in IFRS 9 — such as those regarding impairment, recognition and derecognition, and the effective rate method for interest income and interest expenses — are, however, still applicable. Financial fixed assets in the Parent Company are measured at cost less any impairment, and current financial assets are measured under the principle of lowest value. The impairment rules in IFRS 9 are applied to financial assets recognised at amortised cost.

Classification and presentation

The Parent Company uses the designations "Balance sheet", "Income statement" and "Change in equity" for reports that for the Group are titled "Statement of profit and loss", Statement of financial position" and "Statement of changes in equity".

The income statement and balance sheet for the Parent Company have been prepared in accordance with the Annual Accounts Act, while the statements of comprehensive income, changes in equity and cash flow analysis are based on IAS 1, Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively.

Subsidiaries

Participations in subsidiaries are reported in the Parent Company in accordance with the cost method. This means that transaction expenses are included in the carrying amount for holdings in subsidiaries. In the consolidated accounts, transaction expenses attributable to subsidiaries are reported directly in the income statement when they arise.

Group contributions

Group contributions are recognised as appropriations.

Note 2 Revenue allocation

Revenue per principal income type (SEK m)

Group	2022	2021
Net sales		
Installation assignments with associated services	7,905	6,326
Service assignments	5,616	4,394
	13,521	10,721

Note 3 Operating segments

The Group's operating segments are based primarily on the principal operational orientation of each segment. Each operating segment conducts independent operations in terms of its technological discipline or geographic market and has its own management team and finance function. Where the geographic market constitutes an operating segment, the segment includes all of the technological disciplines. The following five operating segments have been identified

- Electricity — offers comprehensive solutions for planning, installation, service and maintenance in electricity and automation. The operations also cover services in security and industrial servicing. A portion of production takes place in the company's proprietary electrical repair shops.
- Heating & sanitation — designs, installs and maintains technical systems for heating, sanitation, sprinklers, industry, energy and cooling in all types of buildings.
- Ventilation — specialists in construction, installation, service and maintenance of energy-smart ventilation facilities.
- Norway — possesses a high degree of expertise, primarily in electrical engineering, heating and sanitation, and ventilation technology.
- Finland — operations offer services in electricity, ventilation, heating and sanitation, and in automation and energy efficiency as well.

This division into segments is the primary division that the company's highest executive decision makers (Group Management) observe in terms of earnings, capital requirements and cash flows.

Each operating segment has a director who drives operating activities and reports the outcome from the segment to Group management, which they are also a part of.

The earnings, assets and liabilities of the operating segments have included directly attributable items, as well as items that can reasonably and reliably be allocated to the segments. The internal price among the Group's various segments is set under the "arm's length" principle (i.e. between parties that are independent of each other, well-informed and with a shared interest in performing the transactions).

The operating segments' earnings include a complete income statement of our participations in joint ventures and are adjusted for items affecting comparability. Eliminations and other shows the elimination of intra-group transactions and income from joint ventures, as well as adjustments for amortisation of certain intangible operating assets which are reported as amortisation on the operating costs line in each segment.

Group operating segments (SEK m)

1 Jan 2022 – 31 Dec 2022	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Group-wide	Eliminations and other	Total
Revenue								
External net sales[1]	4,846	3,226	1,663	2,038	1,890	0	-142	13,521
Internal net sales	49	40	-46	0	5	-	-48	0
Net sales	4,894	3,266	1,617	2,038	1,895	0	-190	13,521
Of which, servicing	49%	41%	22%	55%	22%			42%
Operating costs[2]	-4,548	-3,010	-1,512	-1,868	-1,858	14	201	-12,581
Adjusted EBITA	347	256	105	170	37	14	12	940
Adjusted EBITA margin, %	7.1%	7.8%	6.5%	8.3%	1.9%			7.0%
Amortisation and impairment of intangible assets								-71
Items affecting comparability[3]								20
Operating profit								889
Financial income								303
Financial expenses								-670
Net financial items								-367
Profit before tax								522
Tax								-132
Profit after tax								390

1) Sales in the Electrical Engineering, Heating & Sanitation, and Ventilation segments add up to net sales in Sweden.
2) Operating costs, excluding amortisation and impairment of intangible assets and items affecting comparability
3) Items affecting comparability are included in sales and administration expenses in the Consolidated statement of financial position. The items are attributable to acquisitions, integration and restructuring expenses, as well as to other non-recurring items.

Other disclosures	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Group-wide	Eliminations and other	Total
Trade receivables	740	454	220	288	227	0	-15	1,914
Trade payables	498	285	172	225	162	59	-140	1,261
Contract assets	196	104	78	141	189	-	-4	704
Contract liabilities	444	293	142	108	81	-	-8	1,060
Net contract liabilities	-249	-189	-65	33	108	-	5	-356

1) The assets in Electricity, Heating & Sanitation, and Ventilation relate to operations in Sweden.

Note 3 Operating segments *cont.*

Group operating segments (SEK m)

1 Jan 2021 – 31 Dec 2021	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Group-wide	Eliminations and other	Total
Revenue								
External net sales[1]	4,000	2,932	1,392	1,628	881	0	-112	10,721
Internal net sales	54	35	-19	0	1	–	-70	0
Net sales	4,054	2,966	1,373	1,628	882	0	-183	10,721
Of which, servicing	48%	38%	24%	48%	27%			41%
Operating costs[2]	-3,789	-2,741	-1,288	-1,494	-833	-3	186	-9,962
Adjusted EBITA	264	225	85	135	49	-3	3	758
Adjusted EBITA margin, %	6.5%	7.6%	6.2%	8.3%	5.6%			7.1%
Amortisation and impairment of intangible assets								-69
Items affecting comparability[3]								-31
Operating profit								659
Financial income								39
Financial expenses								-293
Net financial items								-254
Profit before tax								405
Tax								-82
Profit after tax								322

1) Sales in the Electrical Engineering, Heating & Sanitation, and Ventilation segments add up to net sales in Sweden. One customer represents 10 percent of net sales.
2) Operating costs, excluding amortisation and impairment of intangible assets and items affecting comparability
3) Items affecting comparability are included in sales and administration expenses in the Consolidated statement of financial position. The items are attributable to acquisitions, integration and restructuring expenses, as well as to other non-recurring items.

Other disclosures	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Group-wide	Eliminations and other	Total
Trade receivables	584	411	230	275	159	–	-15	1,643
Trade payables	384	256	170	205	94	48	-76	1,081
Contract assets	145	70	68	86	82	–	-2	450
Contract liabilities	391	267	144	98	54	–	-8	946
Net contract liabilities	-246	-196	-76	-12	28	–	6	-496

1) The assets in Electricity, Heating & Sanitation, and Ventilation relate to operations in Sweden.

Note 4 Operating costs by nature

Operating expenses	Group (SEK m)		Parent Company (SEK m)	
	2022	2021	2022	2021
Capitalised work on the company's own behalf	6	–	–	–
Materials	-4,678	-3,512	–	–
Subcontractors and services purchased in production	-2,116	-1,460	–	–
Other external expenses	-729	-663	-23	-96
Personnel expenses	-4,858	-4,218	-21	-21
Depreciation, amortisation and impairment	-312	-295	–	–
Total	-12,686	-10,148	-44	-116

Other operating income	Group (SEK m)		Parent Company (SEK m)	
	2022	2021	2022	2021
Capital gain on divestment of operations	–	40	–	–
Reassessment of contingent purchase considerations	48	47	–	–
Profit on revaluation of holdings that are now recognized as subsidiaries	6	–	–	–
Total	54	87	–	–

Note 5 Leases

Group (SEK m)	2022			2021		
Expenses relating to right-of-use assets and lease liabilities	Premises	Vehicles	Total	Premises	Vehicles	Total
Depreciation	-101	-114	-215	-90	-106	-196
Impairment	–	–	–	-4	–	-4
Reversal of impairment	3	–	3	–	–	–
Interest expenses	-18	-10	-28	-17	-7	-24
Total expenses for the year	-115	-124	-239	-112	-113	-224

Total cash flow for leases is SEK 249 million (226).

Group (SEK m)	2022	2021
Lease expenses relating to contracts not classified as right-of-use assets		
Lease expense regarding short-term leasing	-19	-8
Lease expenses, low-value assets	-4	-4
Costs regarding variable lease expenses	-5	-3
Revenue from subletting of right of use	1	1
Total expenses for the year	-27	-14

Interest-bearing liabilities for leasing are stated in Note 23 and maturity analysis is stated in Note 17.

Group (SEK m)	2022			2021		
Changes in reported values of right-of-use assets	Premises	Vehicles	Total	Premises	Vehicles	Total
At start of year	314	381	695	339	361	699
Supplementary contracts	59	194	252	40	158	198
Index-linked and other adjustments	50	-4	45	26	0	26
Concluded contracts	0	-29	-29	0	-33	-33
Depreciation, amortisation and impairment	-97	-114	-212	-95	-106	-201
Exchange differences	2	2	5	4	2	6
At year end	328	430	757	314	381	695

Note 6 Fees and reimbursements to auditors

	Group (SEK m)		Parent Company (SEK m)	
	2022	2021	2022	2021
KPMG				
Audit assignments	9	7	1	1
Audit activities in addition to audit assignments	0	1	–	1
Tax advice	1	0	0	–
Other assignments	1	8	0	7
Total	11	16	1	9

Audit assignments refer to the statutory audit of the annual report, consolidated financial statements and accounting, as well as of the administration by the Board of Directors and the CEO, and audits and other reviews performed under agreement or other contract. This includes other work tasks incumbent upon the company's auditor to perform, and advice or other assistance brought about by observations in conjunction with such review or performance of such other work tasks. Other assignments primarily include fees in connection with the issuance of bonds and the strategic review.

Note 7 Employees, personnel costs and remuneration to senior executives

Average number of employees	2022	of whom, men	2021	of whom, men
Parent Company				
Sweden	2		2	
Total Parent Company	2	100%	2	100%
Subsidiaries				
Sweden	4,885	94%	4,731	95%
Norway	834	93%	790	95%
Finland	832	91%	439	92%
Total in subsidiaries	6,551	93%	5,960	95%
Group total	6,553	93%	5,962	94%

Gender distribution in Group management	2022 Proportion of women	2022 Proportion of women
Parent Company		
Board of Directors	17%	29%
Group		
Board of Directors	17%	29%
Other senior executives	13%	13%

Salaries, other remuneration and social security expenses (SEK m)	2022 Salaries and remuneration	2022 Social security expenses	2021 Salaries and remuneration	2021 Social security expenses
Parent Company	13	5	13	4
(of which pension costs)	2	1	2	0
Subsidiaries	3,767	1,024	3,128	869
(of which pension costs)	413	120	261	64
Group total	3,780	1,029	3,141	872
(of which pension costs)	415	120	263	65

Note 7 Employees, personnel costs and remuneration to senior executives *cont.*

Salaries and other remuneration allocated by country and among senior executives and other employees, and Parent Company social security expenses (SEK m)	2022 Senior executives	2022 Other employees	2021 Senior executives	2021 Other employees
Parent Company				
Sweden	13	–	13	–
(of which bonuses and similar payments)	(4)	–	(4)	–
(of which pension costs)	(2)	–	(2)	–
Subsidiaries				
Sweden	15	2,640	15	2,332
(of which bonuses and similar payments)	(4)	(69)	(3)	(65)
(of which pension costs)	(3)	(281)	(3)	(205)
Norway	4	598	4	527
(of which bonuses and similar payments)	(2)	(14)	(2)	(17)
(of which pension costs)	(0)	(38)	(0)	(30)
Finland	3	506	3	247
(of which bonuses and similar payments)	(0)	(13)	(0)	(4)
(of which pension costs)	(1)	(90)	(0)	(23)
Subsidiaries, total	23	3,744	22	3,106
(of which bonuses and similar payments)	(6)	(96)	(5)	(86)
(of which pension costs)	(3)	(409)	(3)	(258)
Group total	36	3,744	35	3,106
(of which bonuses and similar payments)	(10)	(96)	(9)	(86)
(of which pension costs)	(6)	(409)	(5)	(258)

Remuneration, Group Management
Remuneration and conditions of employment to senior executives are to be at market rates to attract capable leadership. Remuneration comprises fixed salary, variable compensation and other benefits. Variable remuneration can total a maximum of 75 percent of the fixed annual salary. The notice period for termination by the company is six months, with benefits retained. Pension benefits relate to both defined-benefit and defined-contribution plans. Other benefits relate to service vehicles, extra health care insurance, or alternately company health insurance, and has a limited value as regards fixed salary.

CEO
Remuneration to the CEO consists of fixed salary, variable remuneration and other benefits. Variable remuneration totals a maximum of 75 percent of the fixed annual salary. The notice period for termination by the company is 12 months, with benefits retained. The period of notice on the part of the CEO is six months. Pension benefits relate to both defined-benefit and defined-contribution plans. Other benefits relate to service vehicles, extra health care insurance, or alternately company health insurance, and has a limited value as regards fixed salary.

Parent Company
Board fees of SEK 3.2 million (3.3) including social security expenses were paid from Assemblin Group AB. The senior executive group pertains to 8 (7) persons in Group Management.

Note 8 Pensions

Group
Of the total number of employees in the Assemblin Group, approximately 29 percent (31) have pensions recognised as defined-benefit. Other employees have pensions that are recognised as defined-contribution. The Swedish plan is unfunded and based on final salary, which provides employees with benefits in the form of a guaranteed level of pension disbursements over their lifetimes.

	Group (SEK m)		**Parent Company (SEK m)**	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Obligations in the statement of financial position for:				
Pension benefits, defined-benefit	548	788	0	0
Other pension obligations, insured	–	–	–	–
Total pension obligations	548	788	0	0
Recognition in the income statement regarding:				
Costs for defined-benefit pension plans	137	30	–	–
Costs for defined-contribution pension plans	278	233	2	2
Total pension expenses	415	263	2	2
Costs are allocated among the following income statement items:				
Cost of production	136	131	–	–
Sales and administrative expenses	280	137	2	2
Financial expenses	-1	-5	–	–
Total profit	415	263	2	2

Note 8 Pensions *cont.*

Number of persons covered by IAS 19 calculations	Parent Company	Rest of Sweden	Norway	Finland	Total
2022 Active	–	345	–	–	345
Paid-up policy holders	–	1,011	–	–	1,011
Pensioners	–	511	–	–	511
Total	–	1,867	–	–	1,867
2021 Active	–	355	–	–	355
Paid-up policy holders	–	1,022	–	–	1,022
Pensioners	–	465	–	–	465
Total	–	1,842	–	–	1,842

Defined-benefit pensions (SEK m)	2022	2021
Present value of unfunded obligations	527	702
Total present value of defined-benefit obligations	527	702
Special payroll taxes	21	86
Net present value of the liabilities	548	788
Net carrying amounts for defined-benefit plans	548	788

Change in present value of obligations for defined-benefit plans (SEK m)	2022	2021
Obligations for defined-benefit plans as at 1 January	702	664
Cost of vested benefits during the period	35	34
Interest expense	13	8
Pension disbursements	-16	-14
Actuarial (gain)/loss, financial commitments	-207	10
Obligations for defined-benefit plans as at 31 December	527	702

Overview of defined-benefit plans

The Group has a defined-benefit plan that provides remuneration to employees when they retire. The plan relates only to Sweden. The defined-benefit plan is exposed to actuarial risks such as life expectancy, currency, interest rate and investment risks. Disbursements to plans are expected to total SEK 18.7 million (16.0) over the next few years. The defined-benefit plan is primarily attributable to men.

Assumptions for defined-benefit obligations	2022	2021
Discount rate as at 31 December	4.00%	1.80%
Future salary growth	2.60%	2.70%
Inflation	2.10%	2.20%

The life expectancy assumption is based on published statistics and mortality rates. The current life expectancy on which the obligation is calculated is based on DUS21. The remaining life expectancy for a 65-year-old woman with this life expectancy assumption is 23.9 years (24) and 21.8 years (22) for a man. The total duration of the obligation is 16 years (19) to establish a discount rate of 4.00 percent (1.80).

Sensitivity analysis

The table below presents possible changes to actuarial assumptions as at the period end, other assumptions unchanged, and how these would affect the defined-benefit obligation.

Change in the assumptions regarding 2022	Increase	Decrease
Discount rate (0.5% change)	-7.3%	8.1%
Expected mortality (1 year change)	3.3%	-3.4%
Future salary growth (0.5% change)	4.5%	-3.9%
Increase/decrease in inflation (0.5% change)	6.0%	-5.5%

Change in the assumptions regarding 2021	Increase	Decrease
Discount rate (0.5% change)	-8.8%	10.0%
Expected mortality (1 year change)	4.3%	-4.2%
Future salary growth (0.5% change)	5.7%	-4.9%
Increase/decrease in inflation (0.5% change)	7.1%	-6.5%

Note 8 Pensions *cont.*

Alecta
For salaried employees in Sweden, the defined-benefit pension obligations in the ITP-2 plan for retirement and family pensions are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, this is a defined-benefit plan that covers several employees. For the financial year, the company did not have access to such information as would make it possible to recognise this plan as a defined-benefit plan. The pension plan under ITP secured through insurance with Alecta is thus recognised as a defined-contribution plan.

The premium at Alecta is calculated individually and is based on such factors as salary, previously vested pension and expected remaining length of service. Anticipated ITP 2 fees for Alecta over the coming year total SEK 20.1 million (19.7). The Group's share of the total fees for the pension system are 0.07 percent (0.05), while its share of the total number of active members in the system is 0.05 percent (0.05).

Annual fees for pension insurance contracted with Alecta totals SEK 74.2 million (68.6). The consolidation level shall normally be permitted to vary between 125 and 175 percent. In the event Alecta's consolidated funding level is less than 125 percent or exceeds 175 percent, measures are to be taken to return to the normal range. In the event of low consolidation levels, one measure could be raising the contracted price for new policies and expanding existing benefits. In the event of high consolidation levels, one measure could be a premium reduction. The premiums paid to Alecta are calculated applying assumptions regarding interest rates, life expectancy, operating costs and tax on returns from pension funds, so that the payment of a consistent premium amount until the day when the pension is sufficient to ensure that the entire targeted benefit, based on the insured current pensionable salary, is actually earned. The collective consolidation level consists of the market value of Alecta's actuarial calculations, which do not correspond with IAS 19. At year-end, Alecta's surplus in the form of the collective consolidation level totalled 172 percent (172).

Note 9 Net financial items

Group (SEK m)	2022	2021
Interest income	3	1
Dividend	10	19
Exchange differences	290	15
Other financial income	1	4
Financial income	303	39
Interest expenses	-271	-241
Exchange differences	-366	-26
Impairment	–	0
Other financial expenses	-33	-25
Financial expenses	-670	-293
Net financial items	-367	-254

The net loss on interest rate swaps is included in the amount of SEK 215 million, as is the revaluation of bond loans by a corresponding positive amount. The net of these two amounts is zero.

Parent Company (SEK m)	2022	2021
Interest income, Group Companies	111	97
Exchange differences	203	12
Financial income	315	110
Interest expenses	-231	-207
Interest expenses to Group companies	-2	-1
Exchange differences	-196	-14
Other financial expenses	-11	-6
Financial expenses	-441	-228
Net financial items	-125	-118

Interest income and interest expenses originate from financial assets and financial liabilities measured at amortised cost.

Not 10 Tax

Recognised in the statement of profit or loss and other comprehensive income/statement of profit or loss

Group (SEK m)	2022	2021
Current tax expense		
Tax expense for the year	-123	-95
Adjustment of tax attributable to previous years	-4	-10
	-127	-106
Deferred tax		
Deferred tax relating to temporary differences	-5	12
Deferred tax relating to tax loss carryforwards	0	18
Adjustment of deferred tax attributable to previous years	1	-6
	-4	23
Total reported tax expense (+) tax asset (-) tax expense	-132	-82

Reconciliation of effective tax

Group (SEK m)	2022	2021
Loss before tax	522	405
Tax under applicable tax rate for Parent Company	-107	-85
Effect of foreign operations with tax rates other than 20.6 percent (20.6)	-2	1
Expenses not deductible for tax purposes	-53	-42
Income not subject to tax	35	31
Capitalisation of previously uncapitalised tax loss carryforwards	0	18
Utilisation of previously unutilised tax loss carryforwards	0	0
Adjustment of tax attributable to previous years	-4	-4
Other	0	0
Total effective tax	-132	-82

Parent Company (SEK m)	2022	2021
Loss before tax	43	-90
Tax under applicable tax rate for Parent Company	-9	18
Expenses not deductible for tax purposes	-17	-22
Income not subject to tax	1	0
Total effective tax	-25	-4

Note 10 Tax *cont.*

Deferred tax on temporary differences and tax loss carryforwards

Group (SEK m)	31 Dec 2022 Deferred tax asset	31 Dec 2022 Deferred tax liability	31 Dec 2022 Net deferred tax	31 Dec 2021 Deferred tax asset	31 Dec 2021 Deferred tax liability	31 Dec 2021 Net deferred tax
Intangible assets	–	-21	-21	–	-26	-26
Property, plant and equipment	12	-2	11	12	-3	10
Inventory	1	0	1	0	–	0
Trade receivables	2	0	2	2	-1	1
Ongoing projects	–	-13	-13	3	-9	-7
Current liabilities	0	-1	-1	1	–	1
Pension provisions	27	–	27	92	–	92
Warranty provisions	7	–	7	5	–	5
Untaxed reserves	–	-6	-6	–	-12	-12
Other	4	-1	3	9	-1	8
Capitalised tax loss carryforwards	26		26	30	–	30
Netting	3	-3	0	3	-3	0
Net deferred tax assets (+)/liabilities (-)	81	-46	35	157	-54	103

Sweden has a corporate tax rate of 20.6 percent (20.6), Norway has a corporate tax rate of 22 percent (22) and Finland has a corporate tax rate of 20 percent (20). Deferred tax assets in the Parent Company refer to a temporary difference in endowment insurance and amount to 1 (0).

Unrecognised deferred tax assets
At the end of the year, total deficits in the Group amounted to SEK 127 million (149), of which SEK 122 million (149) has been capitalised and will mature as shown in the table.

(SEK m)	2022
2022	4
2023	42
2024	54
After 2024	25
No due date	2
Total tax loss	127
Of which capitalised	122

Net changes in deferred tax in temporary differences and tax loss carryforwards, 2022

Group (SEK m)	Opening balance	Recognised in profit for the year	Recognised in other comprehensive income	Translation differences and other	Acquisitions/Disposals of businesses	Balance as of 31 Dec 2022
Intangible assets	-26	10	–	0	-5	-21
Property, plant and equipment	10	1	–	0	–	11
Inventory	0	0	–	–	–	1
Trade receivables	1	1	–	0	–	2
Ongoing projects	-7	-7	–	0	–	-13
Current liabilities	1	-1	–	0	–	-1
Pension provisions	92	-12	-53	0	–	27
Warranty provisions	5	2	–	–	–	7
Untaxed reserves	-12	7	–	–	-2	-6
Other	8	-1	-4	–	–	3
Capitalisation of tax loss carryforwards	30	-4	–	0	–	26
Total	103	-4	-57	0	-7	35

Note 10 Tax *cont.*

Net changes in deferred tax in temporary differences and tax loss carryforwards, 2021

Group (SEK m)	Opening balance	Recognised in profit for the year	Recognised in other comprehensive income	Translation differences and other	Acquisitions/Disposals of businesses	Balance as of 31 Dec 2021
Intangible assets	-5	15	–	0	-36	-26
Property, plant and equipment	13	-4	–	0	–	10
Inventory	0	0	–	–	0	0
Trade receivables	1	0	–	–	–	1
Ongoing projects	0	-7	–	–	–	-7
Current liabilities	4	-3	–	–	–	1
Pension provisions	87	3	3	0	–	92
Warranty provisions	5	0	–	–	–	5
Untaxed reserves	-11	4	–	–	-5	-12
Other	19	-3	-9	0	2	8
Capitalisation of tax loss carryforwards	12	18	–	0	–	30
Total	125	23	-6	0	-39	103

Note 11 Equity

Parent Company	2022	2021
Shares outstanding		
Opening number of shares	159,293,714	500,000
Split	–	158,793,714
Number of shares at end of year	159,293,714	159,293,714

Share capital in Assemblin Group AB totals about SEK 509,740 (509,740) with a quotient value per share of SEK 0.0032 (0.0032). All shares outstanding own an equal participation in the Parent Company's assets and gains, and are paid in full. Each share carries the right to one vote.

No dividend was paid in 2022 (0).

Group ***Reserves for accumulated other comprehensive income (SEK m)***	Translation reserve	Hedge reserve	Retained earnings and profit/loss for the year	Total other comprehensive income
Opening carrying amount, 1 Jan 2021	-46	-20	-189	-255
Translation differences in translation of foreign subsidiaries	59			59
Hedge reserve		15		15
Tax attributable to items that can be transferred to profit/loss for the year	-6	-3		-9
Revaluations of defined-benefit pension plans			-10	-10
Employer's contribution, defined-benefit pension plans			-2	-2
Tax attributable to items that cannot be transferred to profit/loss for the year			3	3
Closing carrying amount 31 Dec 2021	7	-8	-199	-200
Opening carrying amount, 1 Jan 2022	7	-8	-199	-200
Translation differences in translation of foreign subsidiaries	150			150
Hedge reserve		8		8
Tax attributable to items that can be transferred to profit/loss for the year	-3	-2		-4
Revaluations of defined-benefit pension plans			207	207
Employer's contribution, defined-benefit pension plans			50	50
Tax attributable to items that cannot be transferred to profit/loss for the year			-53	-53
Closing carrying amount 31 Dec 2022	155	-2	6	159

Translation reserve
The translation reserve includes all exchange differences that arise in translating the financial reports from operations abroad that have prepared their own financial statements in a currency other than the one that the Group's financial reports are presented in. The Parent Company and the Group present their financial reports in Swedish kronor.

Hedge reserve
Assemblin applies hedge accounting for financial derivatives that have been raised for the purpose of hedging loans in foreign currency. Changes to the market value of hedging instruments are recognised in other comprehensive income and accumulate in the hedging reserve until the hedged transaction is completed, when the earnings are recognised in profit or loss.

Capital management
The Group strives for a long-term healthy capital structure that promotes financial stability and supports the Group's possibilities for expansion via acquisitions and creating the foundation for solid performance for the Group's stakeholders – employees, suppliers and customers as well as owners and creditors. Capital is defined as the Parent Company's equity attributable to holders of shares in the Parent Company.

Note 12 Acquisitions of businesses

The following acquisitions were completed in 2022

Unit acquired	Division	Type	Participation	Acquisition date	Number of employees	Estimated annual sales
Sähköpalvelu J. Vainionpää Oy	Finland	Assets	–	January	11	15
Ehlin & Larsson AB	Ventilation	Company	100%	January	24	40
Jonicom i Kungsbacka AB	Electricity	Company	100%	March	25	40
Stefan El AB	Electricity	Company	100%	April	11	20
Lundqvist El AB	Electricity	Company	100%	April	37	50
Kraft och Elpartner i Västmanland AB	Electricity	Company	100%	April	10	20
Ohlssons Rör i Ljungby AB	Heating & sanitation	Assets	–	June	19	30
NGL Energientreprenad AB	Heating & sanitation	Company	100%	June	22	35
Telgra El AB	Electricity	Company	100%	June	25	49
Larmerud Rørservice AS	Norway	Company	100%	June	24	41
Lansen Systems AB	Finland	Company	100%	June	5	15
Secer AB	Electricity	Assets	–	August	9	15
Sydel Industri AB	Electricity	Company	100%	November	15	21
MIS Värme och Kyla AB	Ventilation	Company	100%	November	1	5
Samsons Rör AB	Heating & sanitation	Company	100%	December	43	70
					281	466

The acquisitions are deemed immaterial on an individual basis, which is why the information is presented at an aggregate level. The acquisition analyses regarding companies acquired in 2022 are preliminary. If the acquisitions had occurred on 1 January 2022, the Group's sales would have increased by about SEK 210 million (850) and the companies acquired would together have brought in an operating profit of approximately SEK 20 million (70) compared with if the acquisitions had not occurred at all.

In January 2023, Assemblin VS AB acquired all of the shares in Enexergi AB, which has its headquarters in Vaxholm, outside Stockholm, has six employees and annual sales of about SEK 70 million. In the same month, Assemblin Ventilasjon AS in Norway signed an agreement to acquire the assets of Drammen Ventilation AS, with eight employees and annual sales of about NOK 7 million. On 31 January, Assemblin AS acquired all of the shares in Ariemi AS, with 130 employees and sales of approximately NOK 100 million and, on 1 March 2023, Assemblin El AB acquired RA Vision AB with its headquarters in Västerås, outside Stockholm, with four subsidiaries, some 90 employees and annual sales of about SEK 150 million. On 20 March 2023, Assemblin AS AS acquired the operations of the staffing company MV Elektro AS with 20 employees and annual sales of approximately 20 MNOK.

Acquisitions and divestments in 2022
In first quarter of 2022, Assemblin Oy acquired electrical contractor Sähköpalvelu J. Vainionpää through a transfer of assets. The Company generates annual sales of approximately SEK 15 million with 11 employees in Turku. In addition, Assemblin Ventilation AB also acquired all of the shares in ventilation and automation company Ehlin & Larsson in Västerås, with annual sales of about SEK 40 million and 24 employees.In March, Assemblin El AB acquired the automation company Jonicom i Kungsbacka AB with annual sales of about SEK 40 million and 25 employees.

In the second quarter of 2022, Assemblin El AB acquired three companies: Stefan El AB in Eskilstuna with about SEK 20 million in annual sales and 11 employees, Lundqvist El AB in Uppsala with annual sales of about SEK 50 million and 37 employees and Kraft och Elpartner i Västmanland AB with annual sales of about SEK 20 million and ten employees. In early June, Assemblin VS AB acquired the assets of Ohlssons Rör i Ljungby AB, with operations in the County of Kronoberg in southern Sweden, with annual sales of about SEK 30 million and 19 employees. In early June, Assemblin El AB acquired all of the shares in Telgra El AB with annual sales of about SEK 49 million and 25 employees. In mid-June, Assemblin AS in Norway acquired all of the shares in Larmerud Rørservice AS, with annual sales of about SEK 41 million and 24 employees. In mid-June, Fidelix Holding Oy acquired the remaining 60 percent of the Halmstad-based technology company Lansen System AB with annual sales of about SEK 15 million and five employees. The quarter ended with Assemblin VS AB acquiring all of the shares in NGL Energientreprenad AB with annual sales of about SEK 35 million and 22 employees.

In the third quarter, Assemblin El AB acquired the operations of Secer AB through a transfer of assets. The operations generate annual sales of about SEK 15 million and employ nine people.

In the fourth quarter of 2022, Assemblin El AB acquired Sydel Industri AB with annual sales of slightly more than SEK 21 million and 15 employees. In November, Assemblin Ventilation AB acquired all of the shares in MIS Värme & Kyla AB with annual sales of about SEK 5 million and one employee. In early December, Assemblin VS AB acquired Samsons Rör AB with annual sales of about SEK 70 million and 43 employees.

Note 12 Acquisitions of businesses

The following acquisitions were completed in 2021

Unit acquired	Division	Type	Participation	Acquisition date	Number of employees	Estimated annual sales
Åby Eltjänst AB	Electricity	Company	100%	January	34	50
EA Installationer AB	Electricity	Company	100%	January	43	49
TIS Tervell Installation och Service AB	Electricity	Company	100%	January	23	30
Vantec System AB	Heating & sanitation	Company	100%	January	16	50
Assemblin Ventilasjon AS	Norway	Company	100%	January	3	30
J. Wretvall Rörservice AB	Heating & sanitation	Company	100%	April	31	96
Hemsedal VVS AS	Norway	Company	100%	April	12	35
Electrotec Energy AB	Electricity	Company	100%	June	10	24
Hallingdal Värme & Sanitaer AS	Norway	Company	100%	July	24	45
Soumen Teollisuuskylmä Oy	Finland	Company	100%	August	25	90
Norrköpings Låsverkstad AB	Electricity	Company	100%	September	4	9
Senera Oy (TomAllenSenera)	Finland	Company	100%	September	92	340
Fidelix Holding Oy	Finland	Company	100%	September	330	547
Säkra Fastigheter i Sverige AB	Electricity	Company	100%	September	15	28
Roslagens Värmemontage AB	Heating & sanitation	Company	100%	September	48	85
Grillby & F100 Rör AB	Heating & sanitation	Company	100%	October	20	46
Eltex Sähkö ja Automaatio Oy	Finland	Company	100%	October	25	20
					755	1,574

The acquisitions are deemed immaterial on an individual basis, which is why the information is presented at an aggregate level. The acquisition analyses regarding companies acquired in 2021 are preliminary. If the acquisitions had occurred on 1 January 2021, the Group's sales would have increased by about SEK 850 million (327) and the companies acquired would together have brought in an operating profit of approximately SEK 70 million (48).

In January 2022, Assemblin Oy acquired electrical contractor Sähköpalvelu J. Vainionpää through a transfer of assets. The Company generates annual sales of approximately SEK 15 million with 11 employees in Turku. In January, Assemblin Ventilation AB also acquired all of the shares in ventilation and automation company Ehlin & Larsson in Västerås, with some 24 employees and annual sales of approximately SEK 40 million. In early March 2022, Assemblin El AB acquired all of the shares in the property automation company Jonicom i Kungsbacka AB with annual sales of about SEK 40 million and 25 employees.

Acquisitions and divestments in 2021
In the first quarter, Assemblin Electrical Engineering made three additional acquisitions (TIS Tervell Installation and Service AB in Karlstad; Åby Eltjänst AB in Norrköping and EA Installationer AB in Trelleborg) with combined annual sales of approximately SEK 129 million and 100 employees. In the same quarter, Assemblin Heating and Sanitation acquired, under VS Vantec System AB based in Götene with sales of SEK 50 million and 16 employees, and Assemblin Norway acquired the ventilation company Nor-Klima T. Svendsen AS (which has changed name to Assemblin Ventilation AS) with operations in Drammen and annual sales of approximately SEK 30 million.

At the beginning of February, Assemblin El AB signed an agreement to sell, through a transfer of assets, three electromechanical workshops with sales of approximately SEK 90 million and 45 employees. Assemblin took possession of the acquired companies on 1 April 2021.

In the second quarter, J. Wretvall Rörservice AB, with 31 employees in Stockholm and annual sales of SEK 96 million, was acquired by Assemblin VS AB, and Hemsedal VVS AS with annual sales of NOK 35 million and 12 employees and with offices in Hemsedal north-west of Oslo, was acquired by Assemblin Norway. In addition, Assemblin Electrical Engineering acquired Electrotec Energy AB with sales of SEK 24 million and 10 employees. Electrotec Energy offers solar cell installations from its base in Varberg.

In May, an agreement was signed for the acquisition of Senera Oy, Finland's leading systems supplier of energy solutions for properties. The acquisition requires the approval of the Finnish Competition and Consumer Authority. On 10 September 2021, Assemblin took possession of 100 percent of the shares in Senera Oy following approval by the Finnish Competition Authority. The acquisition includes the Tom Allen Senera brand. The Senera Group has annual sales of approximately SEK 340 million, 92 employees and has its headquarters in Vantaa. The Group includes subsidiaries Tom Allen Senera Oy, Maalämpöhuoltokeskus Oy and Suomen Lämpöpumppuverkkokauppa Oy. Senera was consolidated as of 1 September 2021.

On 23 September 2021, Assemblin took possession of 100 percent of the shares in the Finnish installation and service company Fidelix following a competition review initiated in December 2020. To approve the transaction, the Finnish competition authority required that part of the Finnish automation operations be divested. The acquisition includes the Fidelix, EcoGuard, Lansen System and Larmia brands. The Fidelix Group has annual sales of approximately SEK 547 million, 330 employees and has its headquarters in Vantaa. The Group includes the companies Säätölaitehuolto Oy, SLH-Kiinteistötekniikka Oy, EcoGuard AB, Fidelix Oy, Fidelix Sverige AB, Larmia Control AB and Zynergi AS (which has changed name to EcoGuard AS). The Fidelix Group will be consolidated as of 30 September 2021.

In the third quarter, Hallingdal Varme og Sanitaer AS with 24 employees and annual sales of SEK 45 million was acquired by Assemblin Norway, and Suomen Teollisuuskylmä Oy ("STK") was acquired by Assemblin Finland, a Finnish cooling technology company with a strong environmental profile. STK has annual sales of SEK 90 million and 25 employees and has its head office in Tampere, Finland.. In addition, Assemblin Electrical Engineering acquired Norrköpings Låsverkstad AB with annual sales of SEK 9 million and Säkra Fastigheter AB with annual sales of SEK 28 million and 15 employees. Säkra Fastigheter designs customised total security solutions in Stockholm. Assemblin Heating & Sanitation also acquired Roslagens Värmemontage AB, with 48 employees and annual sales of approximately SEK 85 million and working with district heating in the Mälardalen valley.

In the fourth quarter, Grillby & F100 Rör AB with 20 employees and annual sales of approximately SEK 46 million was acquired by Assemblin Heating & Sanitation, and Finnish electrical engineering company Eltex Sähkö ja Automaation Oy with annual sales of approximately SEK 20 million and 25 employees was acquired by Assemblin Finland.

Note 12 Acquisitions of businesses *cont.*

Assets and liabilities included in acquisitions (SEK m)	2022	2021
Intangible assets	0	65
Other intangible assets	25	167
Property, plant and equipment	4	25
Right-of-use assets	7	51
Other fixed assets	1	152
Trade receivables	61	192
Contract assets – revenue generated, uninvoiced	5	59
Other current assets	108	292
Provisions	-2	-15
Non-current liabilities	-7	-352
Deferred tax on surplus	-5	-36
Trade payables	-30	-84
Contract liabilities – invoiced revenue not generated	-5	-34
Current liabilities	-62	-239
Net identifiable assets and liabilities	100	244
Group goodwill	449	1,727
Consideration settled	344	1,706
Consideration entered as liability*	205	265
Consideration	548	1,970
Purchase consideration paid	-326	-1,706
Cash and cash equivalents acquired	68	121
Adjusted purchase prices attributable to previous years	-101	-11
Acquisition expenses	-4	-29
Translation differences	-3	-1
Net effect on cash and cash equivalents	-367	-1,626

*SEK 199 million (242) pertains to earnings-based purchase considerations and SEK 6 million (23) pertains to fixed purchase considerations.

Receivables
The gross value of the receivables corresponds with their fair value.

Goodwill
The value of goodwill includes the value of synergy effects in the form of more efficient production processes, as well as the technical knowledge of personnel. No part of the goodwill is tax-deductible.

Order backlog
Order backlog includes the value of existing orders on the acquisition date. The majority of the Group's order backlog has a short duration.

Expenditures related to acquisitions
Expenditures related to acquisitions totalled SEK 4 million (29) and relate to fees to consultants in conjunction with due diligence. These expenditures were recognised in sales and administrative expenses in the statement of profit or loss and other comprehensive income.

Changes in purchase considerations (SEK m)	31 Dec 2022
Opening balance	372
Purchase considerations disbursed and revalued*	-155
Additional and acquired purchase considerations**	205
Closing balance	423

*Refers to Eltex Sähkö ja Automaatio Oy, J. Wretvall Rörservice AB, Roslagens Värmemontage AB, Åby Eltjänst AB, EA Installationer AB, TIS Tervell Installation och Service AB, NOR Klima T. Svendsen, Soumen Teollisuuskylmä Oy, SLH-Kiinteistötekniikka Oy and Lansen Systems AB.

**Refers to Sähköpalvelu J. Vainionpää Oy, Ehlin & Larsson AB, Stefan El AB, Lundqvist El AB, Kraft och Elpartner i Västmanland AB, Ohlssons Rör i Ljungby AB, NGL Energientreprenad AB, Telgra El AB, Larmerud Rørservice AS, Lansen Systems AB, Jonicom i Kungsbacka AB, MIS Värme och Kyla AB and Samsons Rör AB.

Contingent purchase considerations are included at their forecast final amounts as of 31 December 2022.

Note 13 Assets pledged, contingent liabilities and contingent assets

Group (SEK m)	31 Dec 2022	31 Dec 2021
Assets pledged		
In the form of assets pledged for own liabilities and provisions		
Endowment insurance as security for direct pensions	20	18
Shares in subsidiaries	1,718	969
Total	1,738	987
Contingent liabilities		
Warranty commitments, PRI	9	7
Total contingent liabilities	9	7

Parent Company (SEK m)	31 Dec 2022	31 Dec 2021
Assets pledged		
In the form of assets pledged for own liabilities and provisions		
Shares in subsidiaries	5,206	5,206
Internal Group loan	1,577	1,577
Total	6,783	6,783

Note 14 Intangible assets

Group (SEK m)	Goodwill 2022	Goodwill 2021	Brands 2022	Brands 2021	Order backlog 2022	Order backlog 2021	Capitalised development expenses 2022	Capitalised development expenses 2021	Other 2022	Other 2021	Total 2022	Total 2021
Amortised cost												
At start of year	4,774	2,970	86	–	296	206	153	120	9	–	5,319	3,296
Business combinations	442	1,750	–	86	25	85	–	23	–	17	467	1,961
Investments	7	–	–	–	–	–	7	1	8	2	22	3
Disposals	–	–	–	–	-4	–	-1	-2	–	–	-5	-2
Transfers	–	–	–	–	–	–	4	10	-4	-10	0	–
Exchange differences	150	55	8	1	6	5	2	0	1	0	166	60
At year end	5,373	4,774	94	86	322	296	165	153	14	9	5,968	5,319
Accumulated depreciation												
At start of year	–	–	–	–	-251	-181	-28	-26	0	–	-279	-208
Depreciation for the year[1]	–	–	–	–	-58	-66	-10	-3	0	0	-68	-69
Disposals	–	–	–	–	4	–	1	2	–	–	5	2
Exchange differences	–	–	–	–	-5	-4	0	0	0	0	-5	-5
At year end	–	–	–	–	-310	-251	-38	-28	0	0	-348	-279
Accumulated impairment												
At start of year	–	–	–	–	–	–	-91	-91	–	–	-91	-91
Impairment for the year	–	–	–	–	–	–	-3	–	–	–	-3	–
At year end	–	–	–	–	–	–	-94	-91	–	–	-94	-91
Carrying amounts, 31 December	5,373	4,774	94	86	12	44	33	34	14	9	5,526	4,948

1) Amortisations for the year were charged to Sales and administrative expenses in profit or loss.

Impairment requirements for intangible assets
Assessing the value of the Group's goodwill items and other intangible assets occurs annually based on the value-in-use of the cash-generating units. The value-in-use for the respective units is based on a forecast of future cash flows. These are based on the 2023 budget and subsequently on the business area-specific assumptions of yearly sales growth, EBITA margin and working capital requirements for the period from 2024 to 2026. These assumptions are set based on the history of the operations, the objectives in the business plan, the competitiveness of the operations and an assessment of future trends in the business cycle. Annual growth for the period after 2026 is assumed to be 2.0 percent (2.0). The present value of the forecast cash flows has been calculated with a discount rate of 10.6 percent (9.5) before tax, based on a weighted average of the Company's expense for externally borrowed capital and a theoretical yield requirement on equity. As of 31 December 2022, the value-in-use exceeds the carrying amount for all units tested. There is thus no impairment requirement, and no reasonable changes in the material assumptions would give rise to impairment.

Goodwill per cash-generating unit, 2022	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Total
Goodwill	1,331	1,151	562	708	1,621	5,373

Goodwill per cash-generating unit, 2021	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Total
Goodwill	1,171	960	544	675	1,423	4,774

Note 15 Property, plant and equipment

	Land and buildings		Leasehold improvements		Plant, machinery and equipment		Total	
Group (SEK m)	2022	2021	2022	2022	2022	2021	2022	2021
Amortised cost								
At start of year	5	5	75	77	209	211	289	293
Business combinations	–	–	–	0	4	25	4	25
Divestment of business	–	–	–	-3	–	-6	–	-9
Investments	–	–	4	3	25	15	29	18
Disposals	0	–	0	-3	-20	-39	-21	-42
Transfers	0	0	1	0	-1	0	0	0
Exchange differences	0	0	0	0	4	3	4	4
At year end	4	5	80	75	222	209	306	289
Depreciation								
At start of year	-4	-4	-44	-33	-150	-169	-199	-206
Divestment of business	–	–	–	1	–	4	–	5
Depreciation for the year	–	0	-7	-7	-23	-19	-29	-26
Disposals	–	–	0	2	17	36	17	38
Transfers	0	–	0	-8	0	0	0	-8
Exchange differences	0	0	0	0	-2	-2	-2	-2
At year end	-4	-4	-51	-44	-157	-150	-212	-199
Impairment								
At start of year	–	–	0	0	0	0	0	-1
Impairment for the year	–	–	–	–	0	–	0	–
Disposals	–	–	–	0	–	–	–	0
At year end	–	–	0	0	0	0	0	0
Carrying amounts, 31 December	0	1	28	30	65	59	93	90

Note 16 Financial investments

Group (SEK m)	31 Dec 2022	31 Dec 2021
At start of year	78	39
Business combinations	0	27
Investments	2	1
Divestments	-1	0
Impairment	-3	–
Participations in earnings[1]	-2	12
Reclassification[2]	-27	0
Exchange differences	1	0
Financial assets at year-end	49	78
Breakdown of securities		
Elajo Invest AB	30	30
Lansen Systems AB	–	26
Other	17	22
Exchange differences	1	0
Total securities	49	78

1) Shares in profits in NSM EL HB, NSM VS HB and, as of 31 December 2021, also Lansen Systems AB. 2) During the year, former associated company Lansen Systems AB was acquired in its entirety, which is why the holding has been reclassified as shares in subsidiaries.

The securities above largely pertain to shares in Elajo Invest AB, for which the fair value at year-end was SEK 30 million (30). The share is classified as an asset within level 3, for further information see Note 19.

Not 17 Financial risks and risk management

Through its operations, the Group is exposed to various types of financial risks.
- Liquidity risk
- Refinancing risk
- Currency risk
- Interest rate risk
- Credit risk

Framework for financial risk management
Responsibility for the Group's financial transactions and risks is managed centrally by the Group's treasury function, which is part of the Assemblin Sweden subsidiary. The overall objective for the treasury function is to provide cost-effective financing and to minimise negative effects on the Group's earnings arising from financial risks.

Liquidity risk
Liquidity risk is defined as the risk that the Group cannot meet its immediate payment obligations. To ensure that the required liquidity is always available, the Group applies, among other things, three-month liquidity planning covering all of the Group's units. There is also a routine for continually ensuring the holding of suitable credit facilities.

Maturity structure, financial liabilities
Maturity structure relating to future contractual interest payments, based on current interest rate levels and amortisation.

Group (SEK m) 2022	Currency	Nom. amount original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	350	3,753	–	3,753	–
Other interest-bearing liabilities	EUR	15	15	3	11	–
Trade payables	SEK	1,261	1,261	1,252	9	–
Lease liabilities	SEK	872	811	258	456	97
Total			5,841	1,514	4,229	97
Interest payments[2]	SEK		751	308	438	5
Total			6,592	1,822	4,667	103

1) The bond loan was raised in EUR. To mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.
2) The interest rate calculation is based on the Stibor/swap rate on the balance-sheet date.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	636	–	636
Warranty facility	200	88	112
Warranty facility, PRI	325	325	–
Total	1,161	413	748
Cash and cash equivalents available	556	–	556
Liquidity reserve	1,717	413	1,304

Parent Company (SEK m) 2022	Currency	Nom. amount original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	350	3,753	–	3,753	–
Trade payables	SEK	2	2	2	–	–
Liabilities to Group companies	SEK	202	202	202	–	–
Total			3,958	204	3,753	–
Interest payment			682	287	395	
Total			4,640	492	4,148	

1) The bond loan was raised in EUR. To mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	636	–	636
Warranty facility	200	88	112
Warranty facility, PRI	325	325	–
Total	1,161	413	748
Cash and cash equivalents available	1	–	1
Liquidity reserve	1,162	413	749

Note 17 Financial risks and risk management *cont.*

Group (SEK m) 2021	Currency	Nom. amount original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	350	3,663	–	3,663	–
Other interest-bearing liabilities	EUR	12	12	4	8	–
Trade payables	SEK	1,081	1,081	1,075	6	–
Lease liabilities	SEK	877	759	247	408	105
Total			5,516	1,326	4,085	105
Interest payments[2]	SEK		742	218	516	8
Total			6,258	1,544	4,601	113

1) The bond loan was raised in EUR. To mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.
2) The interest rate calculation is based on the Stibor/swap rate on the balance-sheet date.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	636	–	636
Warranty facility	200	41	159
Warranty facility, PRI	285	285	–
Total	1,121	326	795
Cash and cash equivalents available	655		655
Liquidity reserve	1,776	326	1,450

Parent Company (SEK m) 2021	Currency	Nom. amount original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	350	3,663	–	3,663	–
Trade payables	SEK	17	17	17	–	–
Liabilities to Group companies	SEK	210	210	210	–	–
Total			3,890	227	3,663	–
Interest payment	SEK		677	200	476	
Total			4,567	428	4,139	

1) The bond loan was raised in EUR. To mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	636	–	636
Warranty facility	200	41	159
Warranty facility, PRI	285	285	–
Total	1,121	326	795
Cash and cash equivalents available	1	–	1
Liquidity reserve	1,122	326	796

Parent Company
The Parent Company has no long-term internal Group liabilities to subsidiaries.

Refinancing risk
Refinancing risk related to the risk that the Group does not have sufficient funds available when these are needed to refinance loans that fall due, or that the Group encounters difficulties in obtaining new facilities at a given point in time. Ensuring these needs requires both a strong financial position and active measures to ensure access to credits. The refinancing risk is managed through such measures as long-term borrowing.

Currency risk
Currency risk means the risk that fluctuations in exchange rates subdued activity negative impact on profit or loss, financial position and cash flows. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure consists of the net of operating and finance in- and outflows in currencies. The Group's EUR financing is hedged with a derivative that eliminates the currency risk as regards interest payments and capital liability for which hedge accounting is applied. Translation exposure consists of the net assets of the Norwegian and Finnish subsidiaries, and their earnings in foreign currencies.

Sensitivity analysis — currency risk (translation exposure)
An increase of five per cent in the EUR/SEK exchange rate would negatively impact the Group's equity by SEK -4 million, while a similar increase in the NOK/SEK exchange rate would positively impact equity by SEK +18 million. The Group's profit before tax would be affected by SEK -5 million and SEK +5 million, respectively, in the same exchange rate change.

Interest rate risk
Interest rate risk is the risk that net interest income is negatively affected or that the value of financial instruments varies due to changes in market interest rates, which can lead to changes in fair values and changes in cash flows. Exposures arise primarily as a consequence of the Group's external interest- bearing borrowings.

Sensitivity analysis — interest rate risk
The impact of an interest rate hike of 1 percentage point at the balance sheet date on interest revenue and interest expenses during the coming twelve-month period would total SEK 28 million, given the interest-bearing assets and liabilities existing on the balance-sheet date.

Note 17 Financial risks and risk management *cont.*

Effect of hedge accounting

The impact of hedge accounting on the consolidated statements of profit or loss and financial position is shown below.

Group	31 Dec 2022			January – December 2022		
	Nominal amount (EUR m)	Carrying amount	Item in statement of financial position containing hedging instruments	Change in hedging instruments recognised in other comprehensive income	Amount reclassified from hedge reserve to profit or loss	Items in profit or loss affected by the reclassification
Crosscurrency swap	250	-139	Other non-current liabilities	8	215	Financial income

Credit risk

Credit risks in finance operations

Financial credit risk arises when cash and cash equivalents are invested, and in conjunction with trading in financial instruments. These are primarily counterparty risks in connection with receivables in banks and other counterparties that arise when purchasing derivative financial instruments. As of 31 December 2022, receivables from counterparties regarding derivatives amount to SEK 139 million (0). For other financial assets, the credit risk is assumed to correspond to the carrying amounts.

Credit risks in trade receivables and contract assets

The risk that the Group's or company's customers cannot fulfil their commitments (i.e. payment is not received from customers) constitutes a customer credit risk. The Group's customers are subject to credit checks, in which information about the customers' financial position is obtained from various credit bureaus. The Group has prepared a credit policy for how customer credits are to be managed. It indicates, for example, where decisions are made on credit limits of various sizes, and how credits and doubtful receivables are to be managed. No individual customer represents 10 per cent of sales. The Groups companies have historically had low credit losses, and there are no indications that this will change. For the purpose of assessing the risk in trade receivables, they are divided into various risks depending on how many days have passed since the due date. Invoices are routinely sent over the course of the project and in advance. Trade receivables are additionally divided among a great many customers in various industries and have a broad geographical spread.

Age analysis, trade receivables (SEK M) 2022	Accounts receivable, gross	Loss reserve	Net
Current trade receivables	1,665	0	1,665
Past due trade receivables, 0–30 days	188	0	188
Past due trade receivables, > 30–90 days	32	0	31
Past due trade receivables, > 90–180 days	17	-2	15
Past due trade receivables, > 180–360 days	9	-4	5
Past due payables >360 days	19	-8	10
Total	1,929	-15	1,914

Age analysis, trade receivables (SEK M) 2021	Accounts receivable, gross	Loss reserve	Net
Current trade receivables	1,480	-3	1,478
Past due trade receivables, 0–30 days	141	-1	140
Past due trade receivables, > 30–90 days	17	-1	16
Past due trade receivables, > 90–180 days	5	-2	3
Past due trade receivables, > 180–360 days	9	-9	0
Past due payables >360 days	11	-5	6
Total	1,664	-21	1,643

Age analysis, trade payables (SEK m)	2022	2021
Current trade payables	1,173	983
Past due trade payables, 0–30 days	68	64
Past due trade payables, > 30–90 days	2	11
Past due trade payables, > 90–180 days	-3	2
Past due trade payables, > 180–360 days	13	0
Past due payables >360 days	9	6
Total	1,261	1,067

12-month expected credit losses (SEK m)	2022	2021
Opening balance at 1 January	21	19
Revaluation of loss allowances, net	-7	-12
Acquisition of financial assets	0	1
Verified credit losses	-9	-3
Provisions for the year	10	15
Closing balance as of December 31	15	21

Note 18 Non-current receivables and other receivables

	Group		Parent Company	
(SEK m)	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Non-current receivables that are non-current assets				
Deposit, premises rentals	1	1	–	–
Other	1	3	–	–
Total	2	4	–	–
Other receivables that are current assets				
VAT receivables	15	9	0	3
Receivable, tax account	112	91	0	1
Other	71	54	–	–
Total	198	154	0	4

No individual item under Other exceeds 10 per cent of the total amount.

Note 19 Measuring financial assets and liabilities at fair value

Measurement at fair value contains a measurement hierarchy regarding input data for the valuations. This measurement hierarchy is divided into three levels corresponding with the levels indicated in IFRS 13 Fair Value Measurement. Disclosures.

The three levels consist of:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has access to on the measurement date.

Level 2: Inputs other than the quoted prices included in Level 1, which are directly or indirectly observable for the asset or liability. This can also relate to inputs other than quoted prices that are observable for the asset or liability, such as interest rate levels, yield curves, volatility and multiples.

Level 3: Unobservable inputs for the asset or liability. At this level, the assumptions that market players would make use of in pricing the asset or liability, including risk assumptions, must be taken into consideration. Derivatives are valued in accordance with level 2. Fair value adjustments are reported in the hedge reserve. The Group's derivatives consist of currency interest rate swaps whose fair value is determined by discounting the future cash flows attributable to the instruments. Financial assets measured at fair value through other comprehensive income pertain primarily to Elajo and classed in accordance with Level 3 since they are not listed on a regulated market and no observable transactions have occurred in the near term. The holdings are recognised through other comprehensive income. Contingent purchase considerations are reported in accordance with level 3. For all other items, excluding borrowings, the carrying amount is an approximation of the fair value. Accordingly, these items are not divided into levels under the measurement hierarchy.

Since borrowing via bond loans run with variable interest rates, their carrying amount is also deemed to essentially correspond to the fair values. For all financial instruments in the Parent Company, the carrying amount is considered to be a reasonable approximation of fair value.

Classification and fair value, and level in the measurement hierarchy

Group (SEK m) **31 Dec 2022**	Note	Financial assets measured at amortised cost	Fair value – hedging instruments	Financial assets measured at fair value through other comprehensive income	Total
Financial investments	16, 17			49	49
Derivatives	17, 23		139		139
Non-current receivables	18, 31	2			2
Contract assets	20	704			704
Trade receivables	21	1,914			1,914
Accrued income	22	2			2
Total		2,623	139	49	2,811

Group (SEK m) **31 Dec 2022**	Note	Financial liabilities measured at amortised cost	Fair value – hedging instruments	Financial liabilities measured at fair value through the income statement	Total carrying amount
Bond loans	17, 23	3,895			3,895
Other non-current interest-bearing liabilities		11			11
Trade payables		1,261			1,261
Conditional purchase consideration	12			423	423
Other liabilities	25	31			31
Accrued costs	26	14			14
Total		5,212		423	5,635

Note 19 Measuring financial assets and liabilities at fair value *cont.*

Classification and fair value, and level in the measurement hierarchy

Group (SEK m) **31 Dec 2021**	Note	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
Financial investments	16, 17	–	78	78
Non-current receivables	18	4	–	4
Contract assets	20	450	–	450
Trade receivables	21	1,643	–	1,643
Accrued income	22	1	–	1
Total		2,098	78	2,176

Group (SEK m) **31 Dec 2021**	Note	Financial liabilities measured at amortised cost	Fair value – hedging instruments	Financial liabilities measured at fair value through the income statement	Total carrying amount
Bond loans	17, 23	3,590	–	–	3,590
Other non-current interest-bearing liabilities		8	–	–	8
Derivatives	17, 23	–	84	–	84
Trade payables		1,081	–	–	1,081
Conditional purchase consideration		–	–	372	372
Other liabilities	25	30	–	–	30
Accrued costs	26	10	–	–	10
Total		4,718	84	372	5,175

Parent Company (SEK m) **31 Dec 2022**	Note	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total carrying amount
Non-current receivables from Group companies		1,607		1,607
Current receivables from Group companies		1,389		1,389
Cash and cash equivalents		1		1
Total		2,996		2,996

Parent Company (SEK m) **31 Dec 2022**	Note	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through other comprehensive income	Financial liabilities measured at fair value through the income statement	Total carrying amount
Bond loans	17, 23	3,753			3,753
Liabilities to Group companies		202			202
Trade payables		2			2
Accrued costs	26	14			14
Total		3,971			3,971

Parent Company (SEK m) **31 Dec 2021**	Note	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total carrying amount
Non-current receivables from Group companies		1,607		1,607
Current receivables from Group companies		1,292		1,292
Cash and cash equivalents		1		1
Total		2,899	–	2,899

Parent Company (SEK m) **31 Dec 2021**	Note	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through other comprehensive income	Financial liabilities measured at fair value through the income statement	Total carrying amount
Bond loans	17, 23	3,663			3,663
Trade payables		17			17
Accrued costs	26	10			10
Total		3,690	84		3,690

Note 20 Contractual assets and liabilities

Group (SEK m)	31 Dec 2022	31 Dec 2021
Contract assets		
Revenue generated on work not concluded	6,558	5,103
Invoicing on work not concluded	-5,854	-4,653
Total contractual assets	704	450
Contract liabilities		
Invoicing on work not concluded	12,006	10,849
Revenue generated on work not concluded	-10,946	-9,904
Total contract liabilities	1,060	946

Historically, Assemblin and its subsidiaries have had low confirmed customer losses and this is not deemed to have changed in 2023 or to do so in the future. When assessing expected credit losses, the receivables are classified in accordance with the number of days due. The Group's major customers are credit tested via credit information companies and the subsidiaries monitor cancelled and late payments closely. The Group invoices customers on an ongoing basis over the production period, with any credit losses being detected at an early stage. Advance invoicing is also applied in cases where this is deemed necessary or requested. Accounts receivable are based on a large number of customers and projects in various industries and geographical areas. The contractual assets amount to SEK 704 million (450) and relate to accrued but not invoiced income and are by nature comparable to accounts receivable. In light of the Group's historically low credit losses, the impact from the impairment model in accordance with IFRS 9 is considered to be insignificant.

Note 21 Trade receivables

Trade receivables are recognised after taking customer losses totalling SEK 9 million (3) in the Group into account.

Note 22 Prepaid expenses and accrued income

	Group		Parent Company	
(SEK m)	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Accrued income	2	1	–	–
Accrued supplier bonuses	137	122	–	–
Prepaid rent	7	8	–	–
Prepaid licenses	8	7	–	–
Prepaid insurance premiums	6	5	1	1
Other prepaid expenses	34	25	0	0
Total prepaid expenses and accrued income	195	168	1	1

Note 23 Interest-bearing liabilities cont.

The following section provides information on the Company's contractual terms regarding interest-bearing liabilities. For more information on the Company's exposure to interest rate risk and for changes in exchange rates, refer to Note 17.

Group (SEK m)	2022	2021
Non-current liabilities		
Bond loans	3,856	3,535
Value of derivatives[1]	-139	84
Other interest-bearing external liabilities	11	7
Lease liabilities	553	513
	4,281	4,138
Current liabilities		
Short-term interest-bearing liabilities	3	4
Current portion of lease liabilities	258	247
	262	251

1) As of 31 December 1, receivables from counterparties regarding derivatives amount to SEK 139 million (0).

Note 23 Interest-bearing liabilities *cont.*

Group				2022	
Terms and repayment periods	Currency	Nominal interest rate	Maturity	Nominal value (SEK)	Carrying amount
Bond loans[1]	EUR	7.66%	15 May 2025	3,895	3,856
Current portion of lease liabilities[2]	SEK	2)	31 Dec 2023	262	258
Non-current portion of lease liabilities[2]	SEK	2)	2)	609	553
Total interest-bearing liabilities				4,766	4,667

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.
1) During 2022, borrowing expenses of SEK 16 million were expensed.
2) The finance leases are amortised over three to five years with interest rates of 3.70–4.25 percent.

Group				2021	
Terms and repayment periods	Currency	Nominal interest rate	Maturity	Nominal value (SEK)	Carrying amount
Bond loans[1]	EUR	5.39%	15 May 2025	3,590	3,535
Current portion of lease liabilities[2]	SEK	2)	31 Dec 2022	252	247
Non-current portion of lease liabilities[2]	SEK	2)	2)	624	513
Total interest-bearing liabilities				4,349	4,294

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.
1) During 2021, borrowing expenses of SEK 11 million were expensed.
2) The finance leases are amortised over three to five years with interest rates of 1–1.70 percent.

Parent Company (SEK m)	2022	2021
Non-current liabilities		
Bond loans [1]	3,728	3,627
Total	3,728	3,627

Parent Company				2022	
Terms and repayment periods	Currency	Nominal interest rate	Maturity	Nominal value	Carrying amount
Bond loans	EUR	7.66%	15 May 2025	3,728	3,728
Total interest-bearing liabilities				3,728	3,728

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.
1) During 2022, borrowing expenses of SEK 10 million were expensed.

Parent Company				2021	
Terms and repayment periods	Currency	Nominal interest rate	Maturity	Nominal value	Carrying amount
Bond loans	EUR	5,39%	2025-05-15	3,627	3,627
Total interest-bearing liabilities				3,627	3,627

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.
1) During 2021, borrowing expenses of SEK 5 million were expensed.

Credit limits	2022	2021
Group and Parent Company		
Credit limit granted	636	636
Unused portion	636	636
Credit amount used	–	–
Credit limit granted, by country		
Sweden	636	636
Total credit limit granted	636	636

Note 24 Provisions

Group (SEK m)	**31 Dec 2022**	**31 Dec 2021**
Provisions that are non-current liabilities		
Warranty commitments	98	86
Restructuring, onerous contracts and disputes	17	27
Total	115	113
Provisions that are current liabilities		
Warranty commitments	20	18
Restructuring, onerous contracts and disputes	22	58
Total	43	76

Provisions for warranty commitments (SEK m)	**31 Dec 2022**	**31 Dec 2021**
Carrying amount at start of period	104	103
Amount acquired	0	9
Provisions made during the period	36	14
Amount utilised during the period	-10	-21
Unused amount reversed during the period	-12	-4
Transfers	–	1
Translation difference/other	1	1
Carrying amount at end of period	118	104

Provisions for restructuring, onerous contracts and disputes (SEK m)	31 Dec 2022	31 Dec 2021
Carrying amount at start of period	85	84
Amount acquired	–	0
Provisions made during the period	56	96
Amount utilised during the period	-89	-79
Unused amount reversed during the period	-11	-6
Transfers	–	-13
Translation difference/other	-2	3
Carrying amount at end of period	39	85

Note 24 Provisions

Total Group provisions (SEK m)	31 Dec 2022	31 Dec 2021
Carrying amount at end of period	189	187
Amount acquired	0	9
Provisions made during the period	92	111
Amount utilised during the period	-99	-100
Unused amount reversed during the period	-24	-10
Transfers	–	-12
Translation difference/other	-1	4
Total carrying amount at end of period	158	189
Of which total non-current portion of provisions	115	113
Of which total current portion of provisions	43	76

Warranty commitments
Provisions for warranties relate to assumed future expenditures for rectifying future errors and shortcomings regarding concluded projects that arise during the warranty period for the projects. The provisions are primarily attributable to projects concluded in 2021 and 2022 whose warranty period is up to five years. The provisions are based on calculations of historical warranty expenses and known complaints. The present values of the provisions are not calculated. Further information concerning important assessments and estimates is provided in Note 32.

Restructuring, onerous contracts and disputes
Among other things, restructuring provisions consist of expenses for future settlements related to the closure of unprofitable branches in announced restructuring programmes. In addition, the Group has several rental agreements for premises with long notice periods that stand unused as a result of reorganisations. Provisions have been made for commitments to pay peripheral expenses over and above rental expenses during the remainder of the contract period.

For construction contracts where it is likely that the total contract expenses will exceed total contract revenue, the anticipated loss is immediately recognised in its entirety as a expense. An obligatory agreement is a contract where the unavoidable expenses for meeting the obligations under the agreement exceed the anticipated financial benefits.

Provisions for disputes and other provisions are based on individual risk evaluation as per the balance sheet date and are primarily related to acquisitions and adjustments of acquisition balances.

Note 25 Other liabilities

	Group		Parent Company	
(SEK m)	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Other current liabilities				
VAT liability	98	91	–	–
Unpaid purchase consideration on acquisition of subsidiaries	70	134	–	–
Other	31	30	1	1
Total other current liabilities	199	256	1	1

Note 26 Accrued expenses and prepaid income

	Group		Parent Company	
(SEK m)	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Deferred income	6	6	–	–
Personnel-related items	1,092	1,003	10	9
Accrued interest expenses	14	10	14	10
Other accrued expenses	112	57	15	47
Total accrued expenses and deferred income	1,225	1,076	38	65

Note 27 Specifications of cash flow analyses

	Group		Parent Company	
Cash and cash equivalents (SEK m)	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
The following subcomponents are included in cash and cash equivalents:				
Cash in hand and bank deposits	556	655	1	1
Total cash and cash equivalents	556	655	1	1

	Group		Parent Company	
Interest paid and dividends received (SEK m)	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021
Interest received from Group companies	–	–	110	97
Interest received	3	1	–	–
Interest paid to Group companies	–	–	-2	0
Interest paid	-283	-251	-227	-204
Total interest paid and dividends received	-280	-250	-120	-109

	Group		Parent Company	
Adjustments for items not included in the cash flow (SEK m)	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021	1 Jan 2022 – 31 Dec 2022	1 Jan 2021 – 31 Dec 2021
Depreciation and impairment of property, plant and equipment	312	295	–	–
Capital loss on sale of non-current assets	-10	-9	–	–
Expensed arrangement fees, loans	16	11	10	5
Profit from sales of business	–	-40	–	–
Revaluation contingent purchase consideration	-48	-48	–	–
Change in accrued interest	4	2	2	2
Unrealised translation differences	84	12	90	14
Group contributions	–	–	-197	-107
Participations in earnings of trading companies	-19	-14	–	–
Provisions for pensions	20	32	0	0
Other provisions	65	97	–	–
Dividends received	-10	-19	–	–
Change in uncertain accounts receivable	11	16	–	–
Other	1	0	–	–
Total non-cash items	428	336	-94	-85

Note 27 Specification of cash flow statement *forts.*

Opening/closing balance analysis for liabilities whose cash flows are recognised in financing activities

			Changes not affecting cash flow			
Group (SEK m)	31 Dec 2021	Cash flows	Additional lease liabilities	Currency effect	Other	31 Dec 2022
Bond loans	3,535	–	–	305	16	3,856
Derivatives	84	–	–	-223	–	-139
Loans from credit institutions	12	1	–	1	1	15
Lease liabilities	759	-221	252	5	16	811
Total liabilities attributable to financing activities	4,390	-220	252	88	32	4543

			Changes not affecting cash flow			
Group (SEK m)	31 Dec 2020	Cash flows	Additional lease liabilities	Currency effect	Other	31 Dec 2021
Bond loans	2,472	984	–	69	11	3,535
Derivatives	155	–	–	-70	–	84
Loans from credit institutions	2	-174	–	0	185	12
Lease liabilities	769	-202	198	7	-13	759
Total liabilities attributable to financing activities	3,398	608	198	6	380	4,390

			Changes not affecting cash flow		
Parent Company (SEK m)	31 Dec 2021	Cash flows	Currency effect	Other	31 Dec 2022
Bond loans	3,627	–	90	10	3,728
Total liabilities attributable to financing activities	3,627	–	90	10	3,728

			Changes not affecting cash flow		
Parent Company (SEK m)	31 Dec 2020	Cash flows	Currency effect	Other	31 Dec 2021
Bond loans	2,624	984	14	5	3,627
Total liabilities attributable to financing activities	2,624	984	14	5	3,627

Note 28 Appropriations

Parent Company (SEK m)	2022	2021
Group contributions received	197	127
Group contributions made	–	-20
Total appropriations	197	107

Note 29 Proposal for appropriation of profits

The following amount, in SEK, is at the disposal of the Annual General Meeting:

Retained earnings	4,185,682,574
Profit for the year	18,070,959
Total	4,203,753,533

The Board of Directors proposes that the retained earnings and unrestricted equity be managed as follows:

To be carried forward	4,203,753,533
Total	4,203,753,533

Note 30 Group companies

Parent Company (SEK m)	2022	2021
Amortised cost		
At start of year	5,206	5,098
Shareholder contributions	–	108
At year end	5,206	5,206

Note 30 Group companies *cont.*

Breakdown of Parent Company's direct holding of participations in subsidiaries

Subsidiaries	Corp. ID no.	Domicile	Partici-pation, %	Number of shares	Carrying amount 31 Dec 2022	Carrying amount 31 Dec 2021
Assemblin Holding AB	559025-2952	Stockholm	100	50,000	5,206	5,206
Assemblin AB	559020-2551	Stockholm	100			
Assemblin Sweden AB	556768-1530	Stockholm	100			
Assemblin VS AB	556053-6194	Stockholm	100			
Bankeryds Rör AB	556276-5270	Jönköping	100			
TKI Invest AB	556724-2234	Stockholm	1)			
TKI Teknikinstallationer AB	556518-2176	Stockholm	1)			
Ivarssons Rörläggeri AB	556541-8679	Gothenburg	1)			
Lindahls Rör i Göteborg AB	556332-3186	Gothenburg	1)			
Svenssons Rörinstallation i Kinna AB	556440-2377	Land	1)			
Värmesvets Entreprenad i Eslöv AB	556485-5806	Eslöv	1)			
Industri och Värmemontage Werme AB	556548-6411	Stockholm	100			
KP Svets & Smide AB	556345-3736	Uppsala	100			
Botkyrka VVS & Fastighetsservice AB	556400-5808	Botkyrka	100			
El & Installationsteknik i Stockholm AB	556927-8061	Botkyrka	100			
SDC Stockholm Design & Construction AB	556980-6960	Botkyrka	100			
Essen Rör AB	556459-3431	Örebro	100			
Kalmar VVS- & EL-Montage AB	556614-9166	Mörbylånga	100			
NSM VS HB	969781-5158	Malmö	50			
Vantec System AB	556605-0224	Götene	100			
Grillby & F100 Rör AB	556822-3027	Enköping	100			
Roslagens Värmemontage AB	556328-7753	Järfälla	100			
P L Energi & Bygg i Åmmeberga AB	556592-8875	Askersund	100			
J. Wretvall Rörservice AB	556548-0299	Salem	100			
NGL Energientreprenad AB	559137-7600	Lerum	100			
Samsons Rör AB	556090-9854	Stockholm	100			
Assemblin El AB	556013-4628	Stockholm	100			
NIAB Norrlands Industrimontage AB	556896-6906	Sundsvall	100			
J. Östling & C. Sparf El AB	556804-7632	Uppsala	100			
NSM EL HB	969780-9847	Malmö	50			
Åby Eltjänst AB	556087-6913	Norrköping	100			
EA Installationer AB	556363-7106	Trelleborg	100			
TIS Tervell Installation och Service AB	556707-4819	Karlstad	100			
Electrotec Energy AB	556946-3531	Varberg	100			
Norrköpings Låsverkstad AB	556744-8898	Norrköping	100			
Säkra Fastigheter i Sverige AB	556872-4024	Upplands Väsby	100			
Assemblin Solar AB	559028-2900	Stockholm	100			
Jonicom i Kungsbacka AB	556720-9183	Kungsbacka	100			
Stefan El AB	556962-0361	Eskilstuna	100			
Lundqvist El i Uppsala AB	556360-2241	Uppsala	100			
Kraft & Elpartner i Västmanland AB	559132-2689	Västerås	100			
Telgra El AB	556599-0222	Nynäshamn	100			
Sydel Industri AB	556599-0222	Kristianstad	100			
Assemblin Ventilation AB	556728-9177	Malmö	100			
Assemblin HVAC AB	556778-9010	Malmö	100			
Totalplåt i Sverige AB	556597-9092	Malmö	100			
Polarluft AB	556944-6072	Eskilstuna	2)			
Assemblin Installation Vent AB	559077-5747	Stockholm	100			
JVT Vent AB	556680-2541	Malmö	100			
Projektuppdrag Syd AB	556367-5304	Malmö	100			
Örestadskyl AB	556504-6603	Kävlinge	100			
Luftkompaniet Sjöblom AB	556410-6929	Upplands Väsby	100			
MIS Värme & Kyla AB	559135-0326	Jönköping	100			
Ehlin & Larsson AB	556520-0457	Västerås	100			

Note 30 Group companies *cont.*

Breakdown of Parent Company's direct holding of participations in subsidiaries

Subsidiaries	Corp. ID no.	Domicile	Partici-pation, %	Number of shares	Carrying amount 31 Dec 2022	Carrying amount 31 Dec 2021
Assemblin Norge AS	943623341	Oslo	100			
Assemblin Ventilasjon AS	965123385	Drammen	100			
Assemblin AS	965808752	Oslo	100			
Assemblin Innlandet AS	912543005	Oslo	100			
Arve Hagen AS	998491487	Oslo	100			
Ramsøy AS	979125321	Oslo	100			
Gjøvik Varme og Sanitær AS	917593663	Oslo	100			
Hallingdal Varme & Sanitær AS	950363576	Nesbyen	100			
Hemsedal VVS AS	981574982	Hemsedal	100			
Larmerud Rørservice AS	984058039	Nordre Follo	100			
Assemblin Oy	2064618-3	Helsinki	100			
Suomen Teollisuuskylmä Oy	2402710-1	Tampere	100			
KK-Kylmäpalvelu Oy	2358189-9	Helsinki	100			
Salon Kylmäpojat Oy	0776528-4	Helsinki	100			
Trentec Oy	280665-8	Helsinki	100			
Eltex Sähkö ja Automaatio Oy	1973260-7	Helsinki	100			
Senera Oy	2180851-9	Vantaa	100			
Tom Allen Senera Oy	1016410-5	Vantaa	100			
Maalämpöhuoltokeskus Oy	2730025-7	Vantaa	100			
Suomen Lämpöpumppuverkkokauppa Oy	2756775-2	Vantaa	100			
Fidelix Holding Oy	2643583-8	Helsinki	100			
EcoGuard AB	556502-5755	Örebro	100			
Lansen Systems AB	556901-4011	Halmstad	100			
Fidelix Oy	1770269-0	Vantaa	100			
EcoGuard Norge AS	926817744	Oslo	100			
SLH-Kiinteistötekniikka Oy	3111290-2	Helsinki	100			
Säätölaitehuolto Oy	2041453-4	Helsinki	100			
Fidelix Sverige AB	556567-5716	Strängnäs	100			
Larmia Control AB	556139-3132	Stockholm	100			
Assemblin Installation AB	556224-0944	Stockholm	100			
Assemblin Umeå Ventilation AB	556627-6753	Umeå	2)			
Assemblin Umeå Holding AB	556595-6090	Umeå	100			
Trignition 1 AB	559025-3026	Stockholm	100			

1) Merged 2) Divested

Note 31 Receivables from Group companies

Parent Company (SEK m)	2022	2021
At start of year	1,607	1,607
At end of year	1,607	1,607

Note 32 Critical accounting estimates and judgements

Company management has discussed the development and choice of the Group's critical accounting policies and estimates, the information concerning them, and the application of these policies and estimates with the Audit Committee.

Estimates on recognition
Certain critical accounting judgements made when applying the Group's accounting policies are described below.

Recognition of revenue over time (percentage of completion)
The reported earnings in ongoing contract projects are recognised over time on the basis of assignment expenditures incurred in relation to the total estimated assignment fees of the assignment. Expenses associated with this are recognised in earnings as they arise. This requires reliable calculation of project revenue and project expenses. The precondition is a properly functioning system for expense accounting, forecasting pro-

Note 32 Critical accounting estimates and judgements *cont.*

cedures and project monitoring. The forecast regarding the project's final outcome is a critical judgement that is material to the operating report over the course of the project. There may be a risk that the final result as regards the project could deviate from what is reported over time.

Pensions
Assemblin has partial defined-benefit pension plans. The pension obligation is calculated applying actuarial assumptions and, as of the balance sheet date, the present value of the obligations is reported. A change in any of these assumptions and measurements could have a significant impact on calculated pension commitments and pension expenses.

Intangible assets
Impairment testing of goodwill
The recoverable amounts of cash-generating units is based on the assumption of future conditions and estimates of various parameters. Changes in these assumptions and estimates could have an effect on the carrying amount of goodwill. A recession in the rate of growth and operating margin would yield a lower recoverable amount. The reverse applies if the recoverable amount were calculated based on a higher rate of growth or margin. If future cash flows are discounted at a higher interest rate, the recoverable amount would be lower. The reverse would apply if the recoverable amount were to rise in conjunction with discounting at a lower discount rate.

Warranty provisions
In the Assemblin Group, warranty provisions are made for the warranty obligations found in the installation assignments being performed. A warranty expenditure arises in a project when a Group company performs extra work as a result of shortcomings that emerged in the original contract, in work performed or in materials. A warranty reserve is calculated based on the probable expenses of correcting the faults that arose in the contract. The scope of the warranty provision is established based on:

a) previous experiences in similar projects,
b) the anticipated scope of the extra work; and
c) the estimated expense.

Onerous contracts
When it is probable that total contractual expenses will exceed total contract revenue, the expected loss is immediately recognised as an expense in its entirety. An onerous lease is a contract in which the unavoidable expenses for meeting the obligations under the contract exceed the anticipated financial benefits. The expected loss is immediately recognised as a expense in its entirety.

Not 33 Related parties

Relationship with related parties
The Parent Company has a related party relationship with its subsidiaries. The breakdown of participations in subsidiaries is presented in Note 30.

Summary of related party transactions and the Parent Company's transactions with subsidiaries.

Revenue	**2022**	**2021**
Sales	16	38
Group contributions	197	127
Interest income	111	97
	324	262

Expenses		
Purchase of goods/services		
Triton Advisers Ltd.	–	0
West Park Mgmnt Services Ltd.	2	9
Group contributions made	–	20
Interest expenses	2	1
	4	31
Receivables	2,782	2,919
Liabilities	202	230

Transactions with related parties are priced at market rates.

Parent Company and key individuals
In 2022, the Parent Company received Group contributions of SEK 197 (127) million from subsidiaries. Disclosures regarding key individuals and remunerations to individuals in senior positions can be found in Note 7 and in the Corporate Governance Report. Shares in subsidiaries are reported in Note 30.

Note 34 Events after the balance-sheet date

In January 2023, Assemblin VS AB acquired all of the shares in Enexergi AB, which has its headquarters in Vaxholm, outside Stockholm, has six employees and annual sales of about SEK 70 million. In Norway, Assemblin Ventilasjon AS signed an agreement in January to acquire the assets of Drammen Ventilation AS, with eight employees and annual sales of about NOK 7 million. On 31 January, Assemblin AS acquired all of the shares in Ariemi AS, with 130 employees and sales of approximately NOK 100 million and, on 1 March 2023, Assemblin El AB acquired the company RA Vision AB with its headquarters in Västerås, outside Stockholm, with four subsidiaries, some 90 employees and annual sales of about SEK 150 million. On 20 March, Assemblin AS AS acquired the operations of the staffing company MV Elektro AS with 20 employees and annual sales of approximately 20 MNOK.

Note 35 Parent Company information

Assemblin Group AB (559077-5952) is a Swedish public limited company incorporated and domiciled in Stockholm. Its registered office is located at Västberga Allé 1, SE-126 30 Hägersten, Sweden.

The consolidated financial statement for 2022 consists of the Parent Company and its subsidiaries, together designated the Group. Assemblin Group AB is owned primarily by Ignition MidCo S.r.l. Its final owner is Triton Fund IV.

Attestation by the Board

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July, 2002 on the application of international accounting standards. The Annual Report and consolidated accounts give a true and fair view of the Parent Company's and the Group's position and results. The Administration Report for the Parent Company and the Group provides a true and fair view of the development of operations, position and earnings of the Parent Company and the Group and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

The Annual Report and consolidated financial statements were, as stated above, approved for issue by the Board of Directors and the CEO on 31 March 2023. The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, and the Parent Company income statement and balance sheet were adopted at the Annual General Meeting of 31 March 2023.

Stockholm, 31 March 2023

Fredrik Wirdenius
Chairman of the Board

Susanne Ekblom

Hans Petter Hjellestad

Mats Jönsson

Per Ingemar Persson

Anders Thulin

Mats Johansson
CEO

Our auditor's report was presented on 31 March 2023

KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Auditor's report

To the Annual General Meeting of Assemblin Group AB, corporate identity number 559077-5952

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Assemblin Group AB for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 63-108 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–50 and 111–114. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

The auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance constitutes a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

– Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Assemblin Group AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and CEO

The Board of Directors has the responsibility for the proposal on the appropriation of the Company's profit or loss. A proposed dividend includes, among other things, an assessment of whether the dividend is justified considering the requirements which the nature, scope and risks associated with the operations of the Company and the Group impose with respect to the size of the Parent Company and the Group's equity, need to strengthen the balance sheet, liquidity, and financial position in general.

The Board of Directors is responsible for the Company's organisation and the administration of the Company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organisation is designed so that the accounting, management of assets and the Company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration in accordance with the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the Company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

– has undertaken any action or been guilty of any omission which can give rise to liability to the Company, or

– in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, 31 March 2023

KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Multi-year overview

Income statement (SEK m)	2022	2021	2020	2019	2018
Net sales	13,521	10,721	10,009	9,978	8,885
Production expenses	-10,794	-8,526	-8,179	-8,131	-7,186
Gross profit	2,728	2,195	1,830	1,848	1,699
Sales and administration expenses incl. other operating expenses	-1,893	-1,623	-1,324	-1,595	-1,285
Other operating income	54	87	–	–	–
EBIT	889	659	506	252	414
Net financial items	-367	-254	-196	-120	-193
Profit before tax	522	405	310	133	220
Tax	-132	-82	-84	-54	-48
Profit for the period	390	322	226	78	172

Balance sheet (SEK m)	2022	2021	2020	2019	2018
Goodwill	5,373	4,774	2,970	2,640	2,411
Other fixed assets	1,135	1,198	1,001	981	571
Other current assets	3,260	2,560	1,990	2,214	2,036
Cash and cash equivalents	556	655	721	407	411
Total assets	10,324	9,186	6,681	6,242	5,429
Equity	726	-22	-661	-803	238
Non-current interest-bearing liabilities	3,728	3,627	2,627	2,599	1,911
Other non-current liabilities	1,615	1,706	1,587	1,476	715
Current liabilities	4,254	3,876	3,128	2,970	2,564
Total equity and liabilities	10,324	9,186	6,681	6,242	5,429

Cash flow (SEK m)	2022	2021	2020	2019	2018
Cash flow from operating activities	487	619	823	485	516
Cash flow from investing activities	-369	-1,538	-308	-197	-88
Cash flow from financing activities	-220	839	-188	-297	-442
Cash flow for the period	-102	-81	327	-8	-14

Assemblin presents certain financial measures in the Annual Report that are not fully defined in accordance with IFRS. These financial measures should be seen as supplementary data for external stakeholders and the Company's management, facilitating the assessment of relevant trends. Assemblin's definitions of these measures may differ from other companies' definitions of concepts with the same name.

Presented to the right are definitions of measures not defined in accordance with IFRS and not mentioned elsewhere in the Annual Report. These measures are reconciled in the table on page 101. Due to the rounding of the amounts in the table below to the nearest SEK million, the amounts do not always add up precisely. For definitions of key figures, see page 103.

In 2018, the Company changed the classification of indirect expenses in the income statement. Indirect expenses were previously reported within operating expenses but have now been categorised as production expenses, see Note 1 Significant accounting policies. The comparison years are recalculated correspondingly.

Key figures	2022	2021	2020	2019	2018
Net sales	13,521	10,721	10,009	9,978	8,885
Growth, %	26.1	7.1	0.3	12.3	8.8
EBIT	889	659	506	252	414
Operating margin, %	6.6	6.1	5.1	2.5	4.7
EBITA	960	728	533	270	417
EBITA margin, %	7.1	6.8	5.3	2.7	4.7
Adjusted EBITA	940	758	597	516	401
Adjusted EBITA margin, %	7.0	7.1	6.0	5.2	4.5
Profit for the period	390	322	226	78	172
Profit margin, %	2.9	3.0	2.3	0.8	1.9
Net debt	3,987	3,736	2,676	2,969	1,582
Working capital	-440	-673	-694	-413	-363
Free cash flow	671	855	890	524	529
Cash generation, %	71	113	149	101	132
Order intake	13,167	11,258	9,903	11,258	9,459
Order backlog	9,535	9,370	8,148	8,478	6,971
Average number of employees, FTE	6,553	5,962	5,820	5,901	5,630

Reconciliation of key figures

Reconciliation of key figures	2022	2021	2020	2019	2018
Net debt					
Non-current interest-bearing liabilities including lease liabilities	4,281	4,139	3,189	3,182	1,911
Current interest-bearing liabilities including lease liabilities	262	251	208	194	81
Cash and cash equivalents	-556	-655	-721	-407	-411
Net debt	3,987	3,736	2,676	2,969	1,582
EBITA					
Profit for the period	390	322	226	78	172
Tax	132	82	84	54	48
Net financial items	367	254	196	120	193
Amortisation and impairment of intangible assets	71	69	27	18	3
EBITA	960	728	533	270	417
Adjusted EBITA					
EBITA	960	728	533	270	417
Adjustments for items affecting comparability	-20	31	64	246	-16
Adjusted EBITA	940	758	597	516	401
Adjusted EBITDA					
EBITA	960	728	533	270	417
Adjustments for items affecting comparability	-20	31	64	246	-16
Depreciation/amortisation and impairment according to plan	241	222	206	200	88
Adjusted EBITDA	1,181	980	802	716	489
Working capital					
Total current assets	3,816	3,214	2,711	2,621	2,447
– Cash and cash equivalents	-556	-655	-721	-407	-411
– Current tax assets	-38	-18	-14	-30	-12
Total current liabilities	-4,254	-3,876	-3,129	-2,970	-2,564
– Current interest-bearing liabilities (Note 23)	3	4	1	1	–
– Lease liabilities	258	247	207	193	81
– Current provisions (Note 24)	43	76	70	76	49
– Current tax liability	204	190	159	88	36
– Unpaid purchase consideration on acquisition of subsidiaries (Note 25)	70	134	13	3	–
– Accrued interest expenses (Note 26)	14	10	8	11	12
Working capital	-440	-673	-694	-413	-363

Definitions

FINANCIAL DEFINITIONS

EBITA
Earnings before tax for the period, net fixed assets items, and amortisation and impairment of intangible fixed assets. EBITA is a key profit indicator used in monitoring the operations.

EBITA margin
EBITA divided by net sales. This shows the relative scale between EBITA and net sales.

EBITDA
EBITDA before planned depreciation and impairment of property, plant and equipment. EBITDA is a key profit indicator used in monitoring the operations.

Free cash flow
Adjusted EBITDA with additions or deductions for changes in working capital adjusted for non-cash items with deductions for net investments in fixed assets, as well as net investments in leasing assets prior to the transition to IFRS16. Free cash flow is used to monitor the cash flow generated by the current operations before items affecting comparability.

Adjusted EBITA
Earnings before tax for the period, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability. Adjusted EBITA simplifies the comparison over time.

Adjusted EBITDA
EBITA before depreciation, amortisation and impairment, adjusted for items affecting comparability. Adjusted EBITDA simplifies the comparison over time.

Items affecting comparability
Revenue and expense items that are reported separately due to their nature and amounts. Primarily expenses for acquisitions and integration of acquisitions, more comprehensive restructuring programmes and new establishments, as well as other divergent items. Accordingly, these items make comparison over time difficult.

Adjusted EBITA margin, %
Adjusted EBITA divided by net sales. Adjusted EBITA margin, % excludes the effect of items affecting comparability, simplifying comparisons over time.

Cash Conversion, %
Free cash flow divided by adjusted EBITA. Cash generation shows the proportion of profit converted into cash and cash equivalents.

Average number of employees (FTE)
Calculated as the average number of employees over the year, taking the percentage of full-time employment into account. This indicates the personnel density in the operations.

Net sales
Sales recorded in accordance with the Group's accounting policies as described in Note 1.

Net debt
Interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents at the end of the period. This key performance indicator is a measure of the Group's total interest-bearing indebtedness.

Order intake
The value of projects and service assignments received and changes to existing projects and service assignments in the period concerned. Order intake drives the change in the order backlog over time.

Order backlog
Remaining production value in all assignments not completed at the end of the period. The order backlog is an indicator of the revenue remaining from orders that the Group has already secured.

Working capital
The sum of current assets, reduced by current tax assets and cash and cash equivalents less the sum of current liabilities, reduced by current provisions, current interest-bearing liabilities, current tax liability, accrued interest and unpaid purchase considerations in connection with acquisitions of subsidiaries. This key performance indicator shows how much working capital exists in the operations.

Earnings per share after dilution
Profit for the year attributable to the Parent Company's shareholders divided by the average number of ordinary shares outstanding after dilution.

Earnings per share before dilution
Profit for the year attributable to the Parent Company's shareholders divided by the average number of ordinary shares outstanding.

EBIT
Earnings before tax and net financial items. EBIT is a key profit indicator used in monitoring the operations.

Growth
Change in net sales for the period in relation to net sales for the corresponding period in the preceding year. This reflects sales growth over time.

Profit margin
Earnings for the period, divided by net sales for the period. Profit margin shows the comparability of the Group's earnings over time

DEFINITIONS OF SUSTAINABILITY CONCEPTS

See page 41.

OTHER DEFINITIONS

BMS/Building Management Systems
Control system for technical installations in a building or facility.

Installations/Installation assignments
New construction and reconstruction of technical systems in buildings, facilities and infrastructure.

Average number of employees, FTE
Full-time equivalents are calculated as the average number of employees over the year, taking the percentage of full-time employment into account.

IMD/Individual metering and debiting
System for individual metering and debiting, which uses intelligent sensors to keep track of factors including heat and humidity.

Service assignments
Operation and maintenance assignments, including maintenance-related reconstruction of technical systems in buildings, facilities and infrastructure.

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Our vision clear and making good speed, we are navigating towards our long-term objective of becoming the best installation company in the industry. In 2022, we achieved further progress on our journey by continuing to develop our offering and improving our sustainability position while delivering strong organic growth and stable profitability.

Mats Johansson, President and CEO, Assemblin

Assemblin