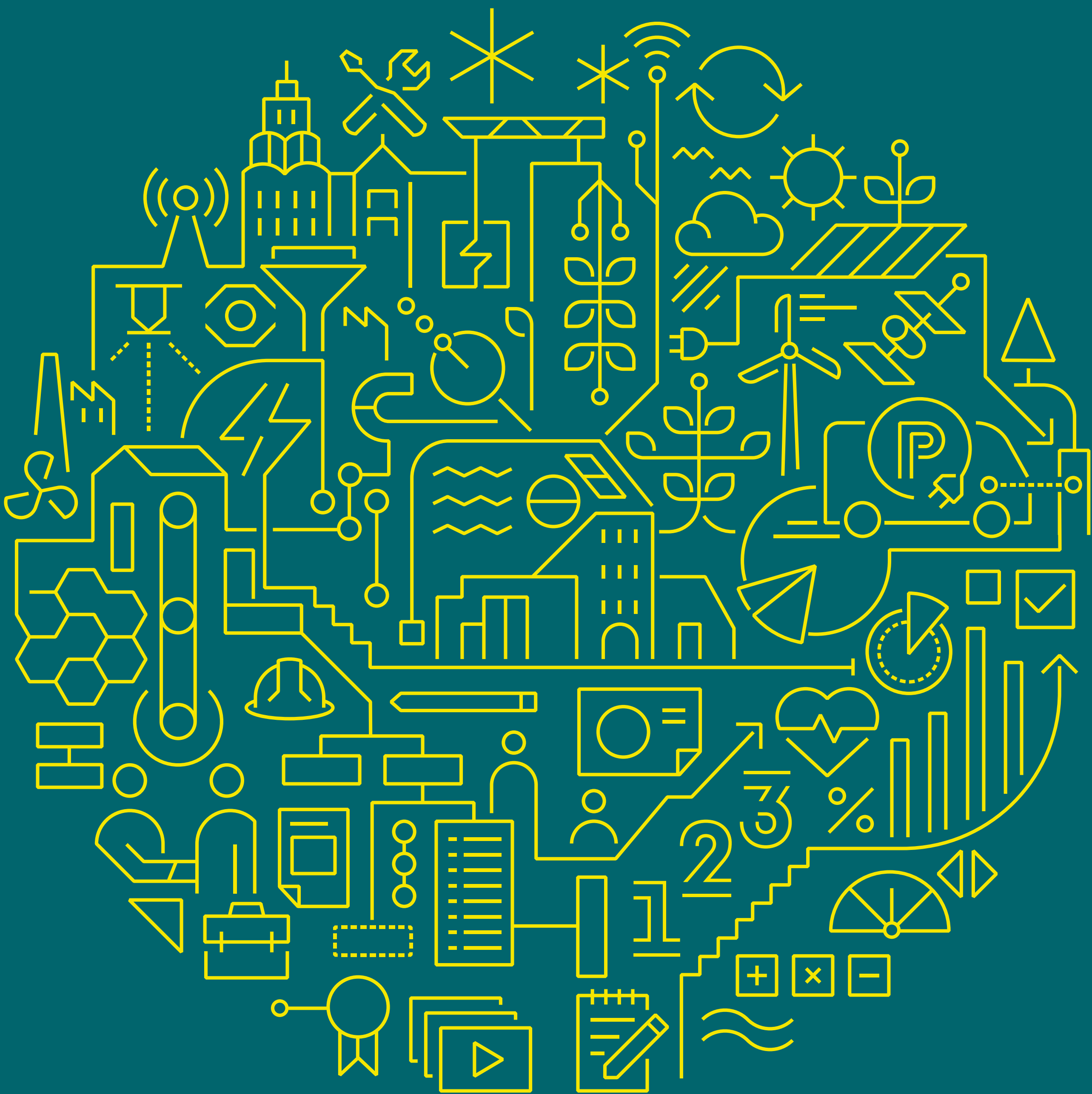
Annual and Sustainability Report 2020



Assemblin

CONTENTS

INSTALLATIONS FOR A BETTER FUTURE

The installation industry contributes to our society and our comfort in numerous ways. We make buildings function and make it possible for people to feel comfortable and perform well – both at home and at work.

As an installation company, we play an important role in society's development, particularly with regard to the ongoing climate realignment. With our leading technological expertise, we are able to contribute by designing smart, energy and resource-efficient products, systems and solutions. By supplying air, energy and water, we make everyday life easier for millions of people and improve the environment in thousands of buildings, in hundreds of towns and cities.

We take this duty very seriously, keeping it foremost in mind in each assignment and project that we take on. We make this possible through close local collaboration and are supported by a strong organisation. We are a building's best friend – throughout its lifecycle.

Assemblin has quickly established itself as a skilled, reliable and progressive installation company. Our objective is crystal clear: we shall be a committed partner that adds significant value – for our customers, employees and shareholders alike, as well as to society at large.

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

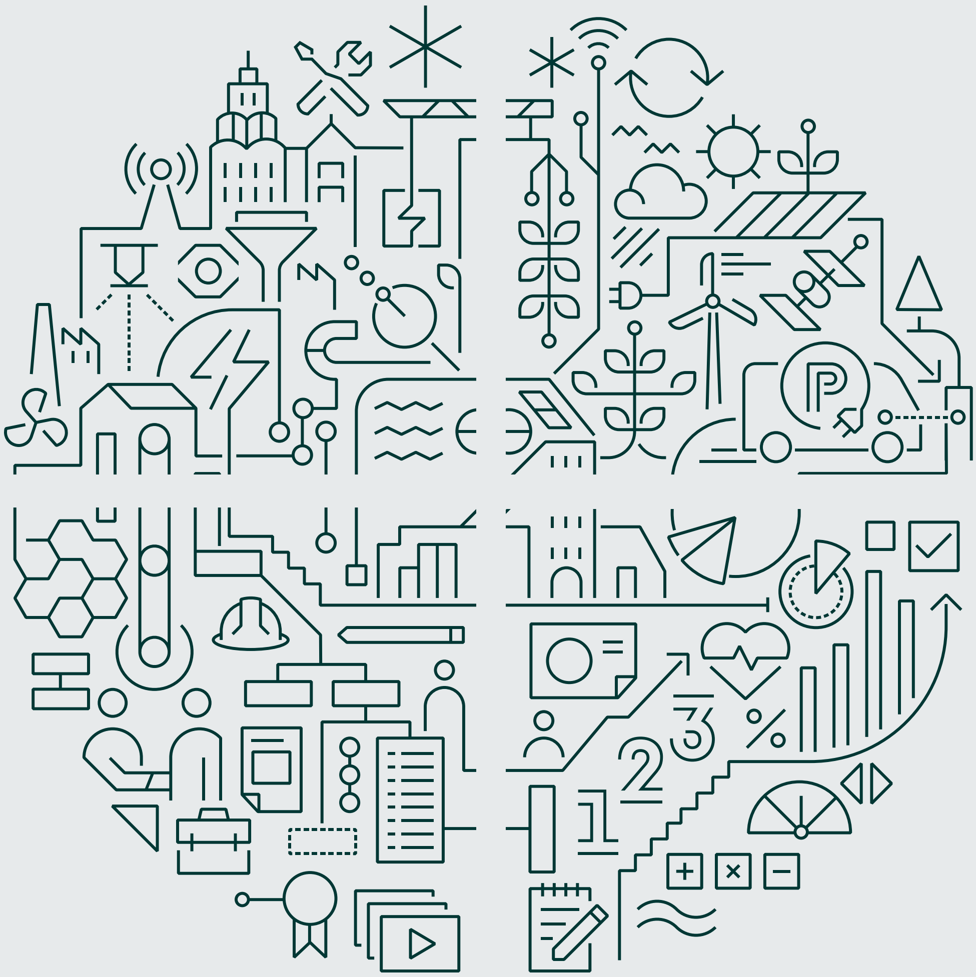
A report on our operations and the financial year 2020 in four parts

PART 1 OPERATIONS

This section describes our operations and what we seek to achieve. It's about our vision and ambition, market and offer and how we work. Our five business areas are also presented here.

PART 2 SUSTAINABILITY

The Sustainability Report describes how, by focusing on 13 material sustainability aspects, we take responsibility and generate value in relation to our most important stakeholder groups and society at large.



PART 3 CORPORATE GOVERNANCE

The Corporate Governance Report presents principles for the shareholders' governance of Assemblin and the division of responsibilities between the various corporate bodies. Assemblin's Board of Directors and management are also presented here.

PART 4 FINANCIAL DEVELOPMENT

The financial report contains our Board of Directors' Report with accompanying statements and notes, detailing financial developments over the financial year.

The year in brief

Significant events during the year

Handling of the corona virus pandemic

Like other players in the Nordic construction and installation industry, Assemblin coped relatively well with the pandemic that pervaded 2020. The increased uncertainty did, however, entail a short-term slowdown in some markets. Our principal focus has been to mitigate the risk of contagion in our workplaces in accordance with the authorities' recommendations. Read more about our handling of the corona virus on page 18.

Increased profitability and financial strength

Conscious profit-enhancement measures, combined with profitable acquisitions, contributed to an increase in adjusted operating profit (EBITA) to SEK 597 million (516), and to an increase in the adjusted operating margin (EBITA) to 6.0 percent (5.2). Cash flow from the operating activities remained strong and cash generation for the full-year amounted to 149 percent. Read more in the section *Financial accounting*.

Increased market shares and strong order backlog

Assemblin's sales increased to SEK 10,009 million (9,978), despite negative currency effects and despite a number of unprofitable profit centres being wound up in late 2019. Although order intake remained strong, it did not reach the very high levels of 2019, ending up at SEK 9,903 million (11,258). Accordingly, at the end of the year, the order backlog was SEK 8,148 million (8,478). Read more in the section *Financial accounting*.

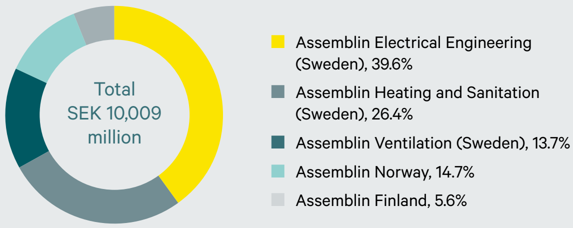
Exciting strategic and complementary acquisitions

Over the year as a whole, 15 companies were acquired with a total of 238 employees and combined annual sales of SEK 489 million. In December, it was also announced that an agreement had been signed to acquire Finnish property automation group Fidelix with annual sales of SEK 540 million and 360 employees. The acquisition increases our expertise in building automation and accelerates our capacity to meet future needs for efficient, climate-intelligent installation solutions. Read more in the section *Financial accounting*.

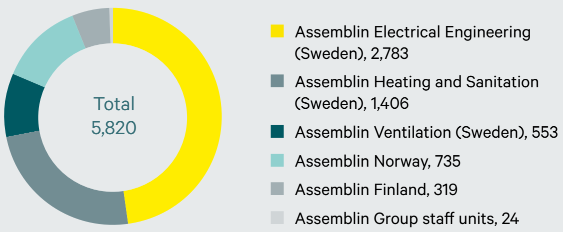
Climate agenda paves the way for climate neutrality

As a responsible social actor, Assemblin seeks to aid the transition to a fossil-free society. In 2020, a climate agenda was adopted, describing how Assemblin is to achieve climate-neutral operations by 2040, and to have cut its direct emissions by at least half by 2030. Read more about how we affect, and are affected by, climate change on page 37.

SALES BY BUSINESS AREA



EMPLOYEES PER BUSINESS AREA



SALES BY ASSIGNMENT TYPE

KEY FIGURES	2020	2019	2018
Net revenues, SEK million	10,009	9,978	8,885
Adjusted EBITA*, SEK million	597	516	401
Adjusted EBITA margin*, %	6.0	5.2	4.5
EBITA, SEK million	533	270	417
EBITA-marginal, %	5.3	2.7	4.7
Order backlog, SEK million	8,148	8,478	6,971
Order intake, SEK million	9,903	11,258	9,459
Average number of employees, FTE	5,820	5,901	5,630

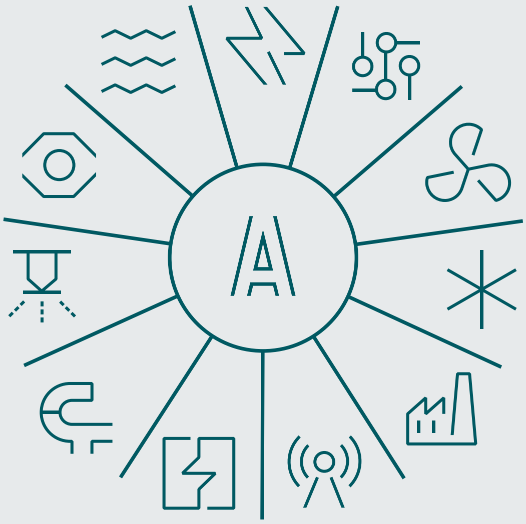
*Adjusted for expenses affecting comparability. For definitions, refer to page 103.

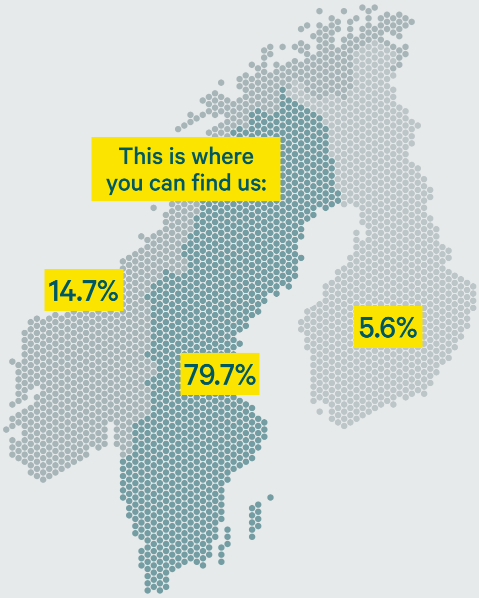
This Annual and Sustainability Report pertains to the operations of the Assemblin Financing AB (publ) Group, with corporate identity number 559077-5952.
All amounts are stated in SEK million unless otherwise specified. Due to rounding, differences in summations may occur.

Assemblin in brief

A complete technical partner

Assemblin possesses market-leading expertise in a large number of areas of technology, among which, electrical engineering, heating and sanitation, ventilation and automation are the largest. We also possess leading expertise in sprinklers, data and telecom, security, district heating, cooling, industrial plumbing and instrument technology. We enjoy working together in multi-disciplinary assignments but also separately – in small and large-scale assignments. Read more about our offering on page 14.





Strong local roots

Assemblin is present in some 100 locations in Sweden, Norway and Finland. Ours is a decentralised and technology-focused organisation, making us a committed partner with a high level of expertise. To take foster economies of scale, minimise risks and ensure efficiency and a healthy culture, an established framework is applied for all operations. Read more about our organisation and how we work on page 16.

BUSINESS CONCEPT

We design, install and maintain technical systems for buildings.

MISSION

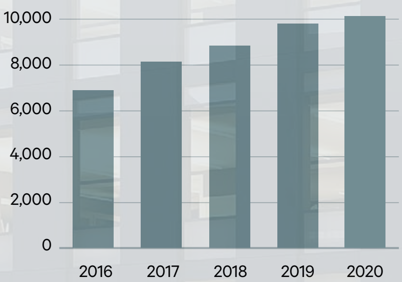
With air, energy and water, we make buildings function and people feel comfortable.

VISION

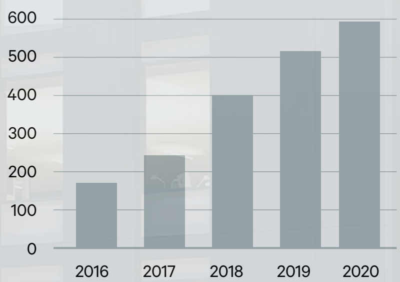
Smart and sustainable installations. For people, by people.

Strong development over five years

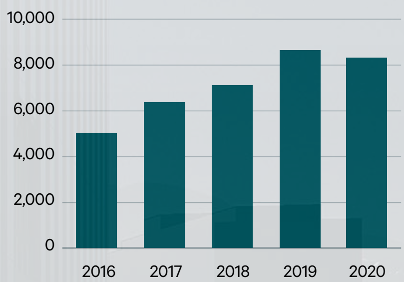
SALES, SEK MILLION



ADJUSTED EBITA*, SEK MILLION



ORDER BACKLOG, SEK MILLION



*Adjusted for expenses affecting comparability. For definitions, refer to page 103.

2020

– A year we will never forget

The year 2020 will go down in history as the year of the corona virus pandemic. This is also true of Assemblin, although our operations performed relatively well, thanks to amazing efforts made by our employees and our close cooperation with our customers. I will also remember 2020 as a year in which our earnings improved strongly and in which we maintained a high acquisition rate. We also focused more on the issue of climate and gained greater insight regarding connected properties.

A new risk picture

2020 was marked by the corona virus pandemic, which affected all of us, both at work and in private. We learned to keep our distance and to wash our hands, to avoid crowds and to meet digitally. As the construction and installation industry was not affected by closures ordered by the authorities, our operations have been relatively unaffected, although the consequences of Covid-19 have also affected us to some extent. Our greatest challenge has been to minimise the risk of contagion at our workplaces. I am very impressed that our competent and committed employees successfully realigned the operations and that we have been able to meet our commitments despite a new risk picture and increased short-term absence.

As a consequence of Covid-19, we also experienced increased uncertainty and some slowdown in the market, although the underlying drivers for market growth remain favourable. In these uncertain times, however, it is an advantage to be a large and stable yet flexible player operating close to the market and able to respond quickly to changes.

Profitability boost and strong cash flow

Our production rate was also high in 2020 and sales increased to SEK 10,009 million (9,978), despite closures of unprofitable branches at the end of 2019 and despite negative currency effects. We were also able to report a strong improvement in earnings. Adjusted EBITA increased to SEK 597 million (516) and the adjusted EBITA margin reached the 6 percent level for the first time, being strengthened to 6.0 percent (5.4). The positive development proves that the profitability-improving measures we took at the end of 2019 have had the desired effect, which is gratifying. We have not fully reached our objective but are well on our way, and I perceive a great internal commitment for our continued journey. Our priority is crystal clear: we choose profitability above volume.

Despite increasing concern in the market, order bookings remained strong and amounted to SEK 9,903 million, which meant that our order backlog amounted to SEK 8,148 million (8 478) at the end of the year. We also managed to maintain our strong cash generation and were able to report a very strong cash flow from it current operations of SEK 823 million (485).

Fifteen exciting acquisitions

Over 2020, we implemented acquisitions of 15 companies with a total of 238 employees and combined annual sales of nearly SEK 490 million. All of these companies provide us with expertise in our core areas and a stronger position in our selected markets. In December, it was also announced that an agreement had been signed to acquire Finnish property automation group Fidelix with annual sales of SEK 540 million and 360 employees. Regardless of size, our acquisitions undergo a structured review process, where earnings capacity, potential and cultural matching are crucial. I would like to take this opportunity to welcome all new employees to the Assemblin family.

Focused sustainability work

Installation systems and energy supply systems are important for many of today’s global sustainability challenges as they are central to indoor climate and our health, access to clean water, reduced energy use and the transition to a climate-neutral society. There is a sustainability dimension to almost everything we do. We have identified 13 sustainability aspects in our operations that are the most significant for us to work with.

At the end of 2020, we conducted a materiality analysis where these aspects were weighted from an external and an internal perspective, and where four sustainability aspects were ranked as particularly prioritised: (i) counteracting the risk of occupational injuries (work environment); (ii) continuing to foster good business ethics; (iii) ensuring profitable growth and (iv) promoting efficient and secure methods (quality). In the analysis, we were also able to distinguish a major shift in position on the climate and energy issue, which is an effect, in particular, of new legal requirements and EU directives.

Naturally, Assemblin seeks to contribute to the ongoing transition to a climate-neutral society, both in terms of adapting our own operations and contributing to electrifying and energy-optimising cities and infrastructure. There are both challenges and opportunities here that we take very seriously. In 2020, we launched a climate agenda that serves as a concrete plan for our own journey towards climate neutrality, and we are currently pursuing several exciting climate projects both internally and in partnership with forward-thinking customers.

Smart, connected buildings

Assemblin has, in a short time, grown and developed into one of the Nordic region's largest installation companies, possessing leading expertise in all areas of technology. Although we are proud of the operations we currently conduct, to continue being a relevant and modern installation company, we must also position ourselves for the future. The construction and property sectors are currently in an exciting phase of transformation, and we seek to participate in that journey of change alongside our customers and suppliers with regard to climate, digitalisation and efficiency.

To understand in greater depth how requirements and wishes change, we conducted a large number of interviews during the autumn with established players in our value chain, including property companies, construction companies, technical consultants and wholesalers, but also new development and start-up companies. Our conversations were incredibly inspiring and instructive, fuelling further, stimulating discussions regarding the future and our positioning. While our end-customers will place increasing demands on the actual construction process, new demands will also be made on the function, environmental performance, resource consumption, indoor climate, outdoor environments and accessibility of properties. The properties of the future will not consume energy in the same way as today, but will instead be used to generate and store renewable energy. We will also be able to make better decisions thanks to more and better data on resource and energy consumption, space utilisation, and so forth.

All of this must be interconnected and controlled. We believe strongly in the intelligent, connected and automated properties of the future and therefore seek to extend our expertise in automation. With our fundamental expertise in installation technologies and our physical presence at all stages of property's lifecycle, combined with our focus on automation and control, we will be well-equipped to help our customers navigate through the technology shift that we face.

Much thanks

In conclusion, I would like to extend my heartfelt gratitude to our employees, customers and partners for 2020. Over the course of a challenging and unusual year, we managed to adapt our operations to new circumstances while delivering respectable earnings. This would not have been possible without our committed and competent employees and managers who demonstrate in their day-to-day efforts that we can, that we want to and that we care.

Stockholm, March 2021

Mats Johansson,
President and CEO of 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 *2020 Annual and Sustainability Report,* which is available in its entirety from the company's website, 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

High ambitions and focus on generating value

Assemblin's ambition is to create sustainable development in value for customers, employees and shareholders, as well as for society as a whole.

Vision, mission and business concept

Everyone is entitled to have access to water, electricity and a favourable indoor climate – at work, at home and in public spaces. Assemblin can contribute to this by offering efficient, energy-optimised and adapted installation solutions designed from a lifecycle perspective with minimal impact on the environment. *Smart and sustainable installations – for people, by people*. That is our vision, and that is what we seek to achieve in all of our missions.

Our work can improve the everyday lives of millions of people, and that is what motivates us. This is the nucleus of our mission, which is as strong as it is simple: with *air, energy and water, we make buildings function and people feel comfortable*.

The business concept describes what we do and what we can do: *designing, installing and maintaining technical systems for different types of buildings*.

High ambitions

Assemblin seeks to be the Nordic region's best installation company – both today and in the future. Our fundamental stance is that we must assume responsibility and generate value, not only for our keystakeholders, but also for society at large. We have translated this ambition into four value-generating objectives:

• We shall be the customers' first choice when choosing an installation partner
We will achieve this by delivering innovative, intelligent and sustainable installations that make buildings work and people feel comfortable.

• We shall be the sector's most attractive employer
We will achieve this by being a stimulating and responsible employer, offering exciting assignments in a favourable, secure and non-discriminatory work environment.

• We shall deliver stable and profitable growth with controlled risk
We will achieve this through disciplined entrepreneurship combined with controlled risks and a sound approach in terms of business ethics, resulting in strong cash flows.

• We shall conduct sustainable operations with minimal negative impact on the environment and society We will achieve this through energy-efficient solutions with a limited environmental impact, helping citizens prosper in healthy buildings with a favourable indoor climate.

Strategies, business plan and budget

Assemblin's vision and ambitions form the basis of our overarching strategies in areas perceived as particularly important in safeguarding continued success. Assemblin also works on the basis of a joint business plan approved by the Board of Directors. The business plan is divided into three strategic focus areas: efficiency, employees and the market.

Operational management is performed through annual budgets and plans of action that are prepared by each business area, region and department/branch.

SHARED 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

FOLLOW-UP OF OVERARCHING AMBITIONS

Group-wide ambition	Key figures (KPIs)	Outcome 2020	Outcome 2019	Comment on developments
Deliver stable and profitable growth with controlled risk	• Adjusted EBITA margin, % • Stable growth, % • Strong cash-flow generation, %	6.0 0.3 149	5.2 12.3 101	Comments in the section *Financial accounting*
Be the customers' first choice	• Increased market share in selected locations in Sweden, Norway, Finland, %	4.42	4.40	Comments under *Market and trends*
Being the industry's most attractive employer	• Reduced accident frequency (IF) • Increased commitment index • Increased loyalty index (NPS)	9.1 N/A N/A	7.6 76 18	Comments in the section *Sustainability*
Conduct sustainable operations with minimal negative impact on the environment and society	• Reduced carbon dioxide emissions from proprietary operations (Scopes 1, 2 and partly Scope 3, business travel), kg/FTE	1,866	1,632	Comments in the section *Sustainability*

1) A comprehensive Group-wide survey is conducted every two years. In between, local surveys are conducted, indicating a positive trend.

STRATEGIES FOR SUCCESS

Assemblin's vision and long-term objectives form the basis of the Company's strategies in areas perceived as particularly important to ensure continued success.

Customer and marketing strategy

Assemblin shall have a complete offering and market-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 deliver on both smaller installation assignments and larger, complex multidisciplinary assignments, we target a broad customer base. For stability, we also strive for a balanced mix of project and service assignments.

Acquisition strategy

Assemblin actively seeks out companies that complement our 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 be integrated quickly into Assemblin's operations and that contribute positively to earnings. We follow a clearly defined acquisition and integration process.

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 guiding principles.

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-smart, resource-efficient products and solutions.

Digitisation strategy

Assemblin shall accelerate the possibilities offered by new technologies through continuous work on development and innovation. 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.

Assemblin's value creation model

Our objective is to generate value for our key stakeholders, as well as for society in general. This means that we must be cautious with the resources we need and that we are efficient, responsible and deliver sustainable installation solutions with minimal impact on the environment.

Resource needs

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

EMPLOYEES
5,820 committed and skilled employees in various occupational groups: designers, plumbing and ventilation fitters, electricians, engineers, service technicians, project managers, buyers, administrators, etc.

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

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, certain services are also purchased, such as subcontractors and technical consultants.

Operations

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
Intelligent and durable installations. 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
Market /sell/offer

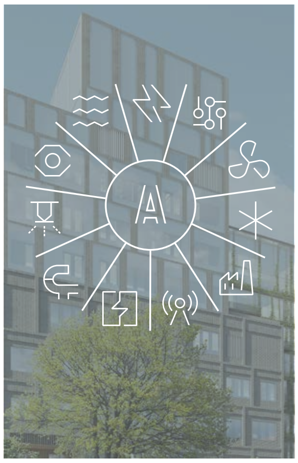
Planning/preparation/ design

Project	Service
60%	40%

Follow-up/control

Outcome

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



LIMITED ENVIRONMENTAL IMPACT
- Small volumes of residues and waste.
- CO_2 impact, mainly from vehicles and purchased materials, but also from electricity and heating in our offices and business travel.

Value creation

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

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

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

SOCIETY
Prosperous citizens in buildings with a good indoor climate. Jobs and tax revenue. Local community commitment. Limited environmental impact.

Our value creation model illustrates our need for resources, how it is refined and what values we generate. The separate *Sustainability Report,* describes how Assemblin works to take responsibility for the most material sustainability aspects of our operations from our stakeholders' perspective.

Market development

In the wake of the corona pandemic, the short-term market forecast is uncertain, while the underlying drivers for long-term growth are favourable.

The installation market and its players

Assemblin operates at the Nordic installation and service markets in Sweden, Norway and Finland that are, combined, estimated at about SEK 229 billion (231[1]). The installation market is local and fragmented in nature. There are some 25,000 installation companies in the Nordic region. Most are small and privately owned, and often specialise in one specific segment of technology within a small geographical area. These are Assemblin's principal competitors.

At the Nordic and national level there are only a few actors with the capacity to handle large, complex multidisciplinary assignments. The largest are Assemblin, Bravida and Caverion. In 2020, Assemblin's market share totalled 4.42 percent (4.40).

A diversified customer base

In the Nordic region, construction companies are the largest purchaser of installation services for new properties, followed by property owners, property management companies, industrial and energy companies, the public sector and other companies, and also, to some extent, private individuals.

Assemblin has a broad customer base. A large share of sales derives from numerous small, local assignments, providing a stable base in Assemblin's assignment portfolio and offsetting the less steady flow of large-scale assignments.

Assemblin's assignment portfolio also includes a large and growing share of remodelling and technical service assignments. Such assignments are often set out in framework agreements that can run for three to five years, sometimes with an extension option. Assemblin's service customers include many large companies and public agencies operating in several locations.

A changing market

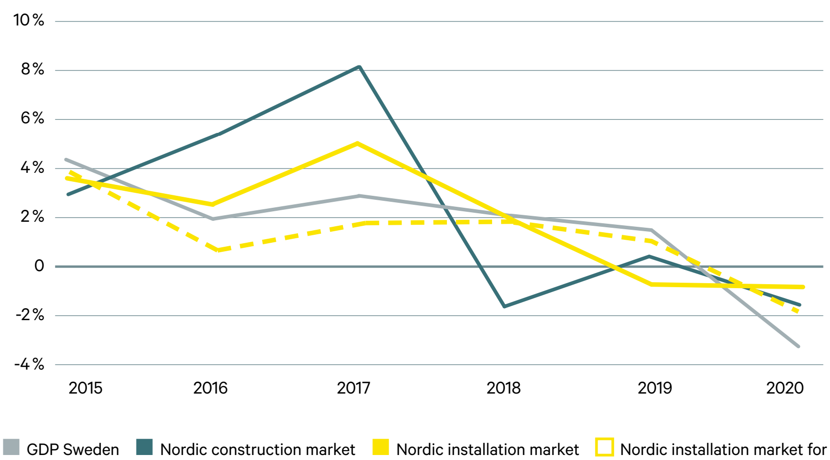
The construction and installation markets are undergoing vigorous change, driven in particular by opportunities for digitalisation and the ongoing climate realignment. Work at many construction sites, is streamlined using digital information systems, such as BIM, contributing to a safer and more efficient construction process and better logistics. An increasing number of areas of technology and products are connected and controlled remotely using intelligent products and automation solutions. IoT solutions, sensors and monitoring solutions also improve user comfort and reduce operating costs. Environmental and climate requirements affect system solutions and choices of materials and products in new buildings. These trends bring new approaches and needs, affecting the entire value chain in the area of construction technology.

Developments in 2020 and prospects for 2021

In recent years, growth in the installation and construction markets has slowed following a period of very high activity, and between 2018 and 2020, growth was close to zero. Against a background of generally increased uncertainty and the weaker economy resulting from the global corona pandemic reduced growth further in 2020. Because the construction sector in the Nordic countries was not subject to the authorities' shut-downs, the industry has performed relatively well, although the services and renovations markets were temporarily more negatively affected.

The ongoing pandemic means that the forecast for 2021 is uncertain. At the same time, the underlying driving forces for market growth are strong, both for new construction projects, as well as for renovations because existing property stocks are relatively old, with large portions needing to be renovated and upgraded.

MARKET DEVELOPMENT 2015–2020



Comments

The installation market correlates strongly with the construction market albeit with a certain lag. The period 2015 – 2017 was characterised by strong growth, although the construction market slowed in 2018, primarily regarding the production of new homes. Since then, the growth rate has been around 0 percent. In 2020, growth slowed further due to the uncertainty accompanying the Covid-19 pandemic.

The Nordic renovations and services market is relatively impervious to economic cycles, developing stably since 2015, although it was affected negatively by the corona virus pandemic. However, an underlying need for renovation in the existing property portfolio means that the long-term outlook for this market is favourable.

Source: Prognoscentret, January 2021

1) Information from Prognoscentret, with data for 2018 having been revised based on the 2019 price level.

THE MARKET'S UNDERLYING DRIVING FORCES

NEW TECHNOLOGIES

Machines are being automated, 3D printing is increasingly commonplace, IoT solutions and advanced analytical technology have matured and are used by a growing number of companies, and new digital platforms are being developed in all sectors.

NEW BEHAVIORS AND CONSUMPTION PATTERNS

In recent years, the gig economy, the sharing economy and more personalised services have developed into large markets. Combined with more people working more from home and making digital purchases, new demands are placed on trade in consumer goods and the design of both offices and homes.

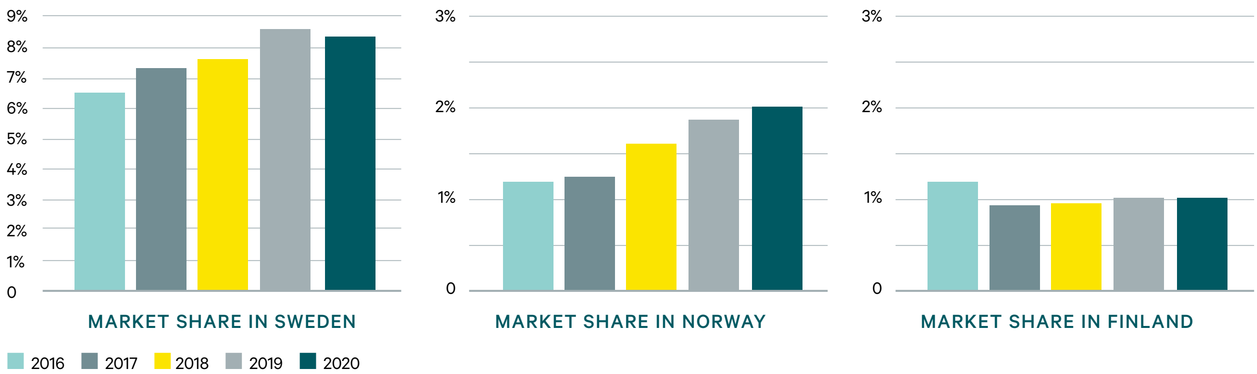
SOCIETY AND URBANISATION

More people than ever are concentrated in cities around the world, and demand for the maintenance and services available is increasing constantly. With an ageing population in particular, the risk of pandemics and increased health care needs, present challenges for health care systems. This affects how we build cities, infrastructure and hospitals.

CLIMATE AND SUSTAINABILITY

With rising temperatures and more extreme weather, more people are coming to the realisation that we must all reduce our environmental footprint. This insight drives the development of new production methods, healthier work environments, a focus on energy costs and renewable energy sources.

MARKET SHARE, 2016–2020



Assemblin's customer and marketing strategy is to maintain a strong local presence and to be the largest or second-largest player in selected locations in Sweden, Norway and Finland. Since 2016, Assemblin has strengthened its market position in several locations in all of the countries in which it operates. At the end of the year, Assemblin's market share totalled 4.42 percent (4.40).

Smart and sustainable installation solutions

Assemblin is a complete installation and service partner that makes properties, facilities and industries work efficiently and safely – today and tomorrow.

A comprehensive installation partner

Assemblin has market-leading expertise in several areas of technology. We like to work together in multidisciplinary assignments but also offer individual services. We have extensive experience of different types of contracts and properties and can contribute throughout the process – from concept to installation and subsequent operation and service.

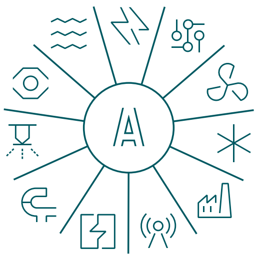
Our assignments are governed by our customers' wishes and needs, but the goal is, in close collaboration with our clients, to design and maintain energy-efficient, stable and environmentally friendly property-technology solutions, optimised from a life cycle perspective. We take far-reaching responsibility for function, quality and efficiency, and work safely in accordance with proven methods.

Different types of customer assignments

Although our operations possess the expertise and experience required to assume responsibility for large, complex assignments, we are just as happy to undertake small, local assignments. Our customer base is diversified with more than 20 , 000 customers in various sectors. Our larger clients include construction companies, but also public operations, property owners and industrial companies.

Innovation and commitment

Assemblin has a decentralised organisation, fostering strong entrepreneurship and substantial local commitment. At the same time, we have the size and resources required to be able to guarantee our customers the best and most innovative solutions. We continuously monitor market developments and keep abreast of the latest technologies and methods, and we are up-to-date on new legal requirements, standards and materials.



FOCUSED ON TECHNOLOGY

Assemblin possesses market-leading expertise in a large number of areas of technology, among which, electrical engineering, heating and sanitation, ventilation and automation are the largest. We also possess leading expertise in sprinklers, data and telecom, security, district heating, cooling, industrial plumbing and instrument technology. We enjoy working together on multidisciplinary assignments, small and large alike.

WE TAKE CARE OF THE PROPERTY THROUGHOUT ITS LIFE CYCLE

SMALL AND LARGE CONTRACTING ASSIGNMENTS

Our contracting assignments can run for a few months or for several years. The agreements are often fixed with possibilities to adjust pricing if circumstances change. A form of procurement that is becoming more and more commonplace involves partnering contracts in which a number of contractors coordinate their work throughout the construction process.

LOCAL AND NATIONAL SERVICE ASSIGNMENTS

Regular service and supervision of professional service technicians extend the life of the building and reduce its energy and operating expenses. Our service assignments often run over several years, either as framework agreements under which assignments are ordered and invoiced on an ongoing basis or as operation and maintenance agreements under which agreed volumes are invoiced in advance.

In-depth

UNIQUE SUSTAINABILITY SOLUTION IN A CLIMATE-SMART BUILDING

The Prisma office building is part of Helsingborg's new Oceanhamnen district and will be certified in accordance with Miljöbyggnad Guld. Here, Assemblin is responsible installing lighting, power, data, networks, access systems, tap water, heating and cooling. But also a unique three-stage sewage system, where the waste will be used to produce biogas and plant food.

NATIONWIDE FRAMEWORK AGREEMENT ON THE PRESCHOOLS OF THE FUTURE

As Skanska builds flexible, turnkey ABCD preschools throughout Sweden, Assemblin is taking responsibility for installation of systems for ventilation, heating and sanitation. The agreement is for four years, with the possibility of a two-year extension. According to a survey by the Swedish Association of Local Authorities and Regions (SALAR), about 1,000 new preschools will be needed in Sweden over the next six years.


Illustration: Wihlborgs


Illustration: Sweco

Example on an exciting assignments


Photo: Astra Zeneca

Illustration: Sweco

COMPLEX COOLING ASSIGNMENT AT ASTRA ZENECA

Assemblin has been commissioned to secure cooling and dehumidification capacity for climate maintenance and process cooling at pharmaceutical company Astra Zeneca's facility in Södertälje. The project involves switching to new cooling towers, dry coolers and chillers that provide a higher cooling effect and lower power consumption. The assignment also includes all ancillary work and materials. The delivery includes installation of systems for cooling, ventilation, electrical engineering, building automation, heating and sanitation.

LARGE ASSIGNMENT IN SPECIALIST HOSPITALS

Assemblin has extensive experience of complex projects in sensitive and technology-intensive buildings, hospitals in particular. An example of this is the assignment to install electrical and telecommunications systems in the new Högsbo specialist hospital in Gothenburg. A new hospital building of about 27,300 square metres is being constructed here, including a supplies warehouse and parking. The building is to be certified in accordance with Miljöbyggnad environmental certification, level silver.

Structured entrepreneurship

Assemblin combines the strength of an entrepreneurial business with a shared framework that minimises risks and ensures professionalism, efficiency and a healthy culture.

Decentralised responsibility with shared minimum levels

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

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 defines what is shared by all of Assemblin's operations, uniting the Group. The framework is communicated via the Group-wide intranet, through campaigns, training sessions and web-based introductions.

Culture and leadership

In our decentralised organisation, practices and approaches vary between different business areas and areas of technology. At the same time, we have a shared culture that builds on uniform values, guiding principles and fundamental ethical standpoints. These are the cornerstones of our work, how we behave towards our customers and towards each other.

Our ethical approach is described in our Group-wide Code of Conduct. To ensure that all employees have read and understood the contents of the Code of Conduct, we have a mandatory web-based course for all employees (read more on page 35).

Management is also central to the process of building a healthy and successful culture. Our managers and supervisors are absolutely crucial in creating a favourable work climate in which people thrive, can work together and respect one another, take initiatives and carry Assemblin forward. Accordingly, recruiting and retaining suitable managers is important and Assemblin applies a shared management model. The management model outlines the qualities that characterise a successful Assemblin Manager and is an important tool in the recruitment, assessment and development of managers.

Operational governance and follow-up

The nucleus of our operational management is stated in a joint business plan 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 linked to annual budgets and activity-based action plans set for the Group and for each business area, and then broken down and supplemented with local action plans for each region and branch/department. The budget and activity plans are followed up monthly through an established process, and updated forecasts are made twice annually.

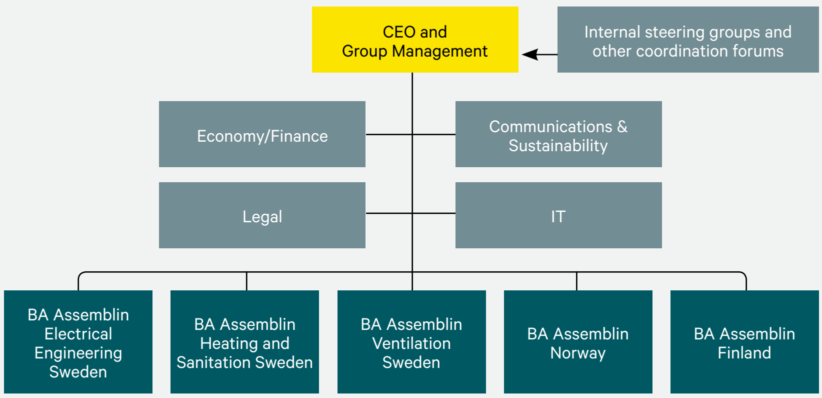
Efficient and modern IT support

A prerequisite for efficient operations and good delivery is that the operations are supported by a stable and secure IT environment and systems adapted to the specific operations. At the Group level, there is a central IT function which, in close collaboration with the business units, is responsible for essential coordination, as well as for developing and managing shared IT services and systems.

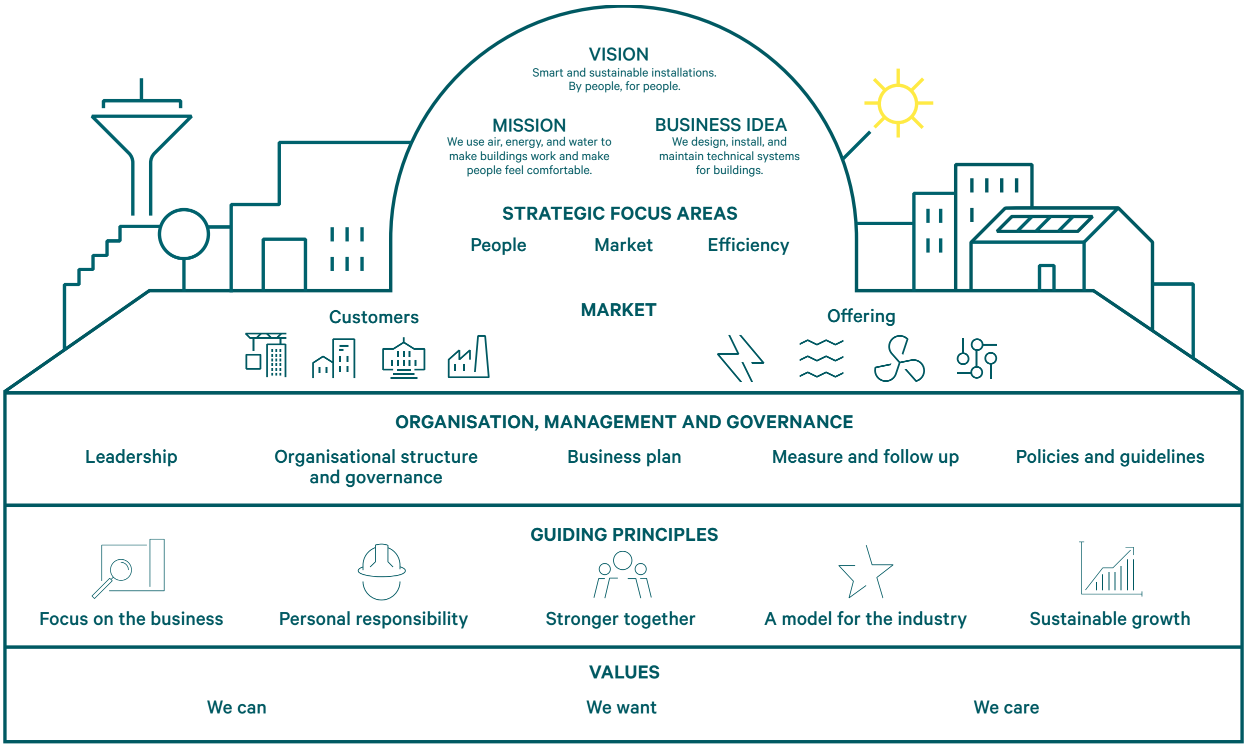
OPERATIONAL ORGANISATION

Comments

In 2020, Assemblin's operations were divided into five business areas based on technology and country, with these being sub-divided into geographical regions and finally branches/departments. Responsibility for earnings, personnel, sales and customer relations lies with the local departments/branches. These are supported by specialist functions at the regional and business area level and, to a certain extent, at the Group level. At the Group level, in addition to specialist staff units, coordinating units for HR, purchasing, digitisation, risk management and internal control are in place.



ASSEMBLIN'S FRAMEWORK



Assemblin's framework summarises what Assemblin's business areas have in common. The objective is to nurture the strength embodied in a decentralised entrepreneurial business while safeguarding efficiency, economies of scale and a healthy corporate culture that does not compromise on ethical principles.

In recent years, Assemblin has modernised its IT platform to better support the mobile organisation. Following a major transition process in 2020, Assemblin is today one of the first Nordic companies to have chosen to make use of the latest cloud data technology. Other examples of successful application of modern systems solutions include an extensive digital data warehouse and a shared contract database with e-signing.

In our projects, we also collaborate with our customers and other contractors on a large scale in information systems, such as BIM 365 and Revit. All of our employees are provided with mobile devices, which function as a tool in their project work but are also used for time reporting and other HR matters, incident management, etc.

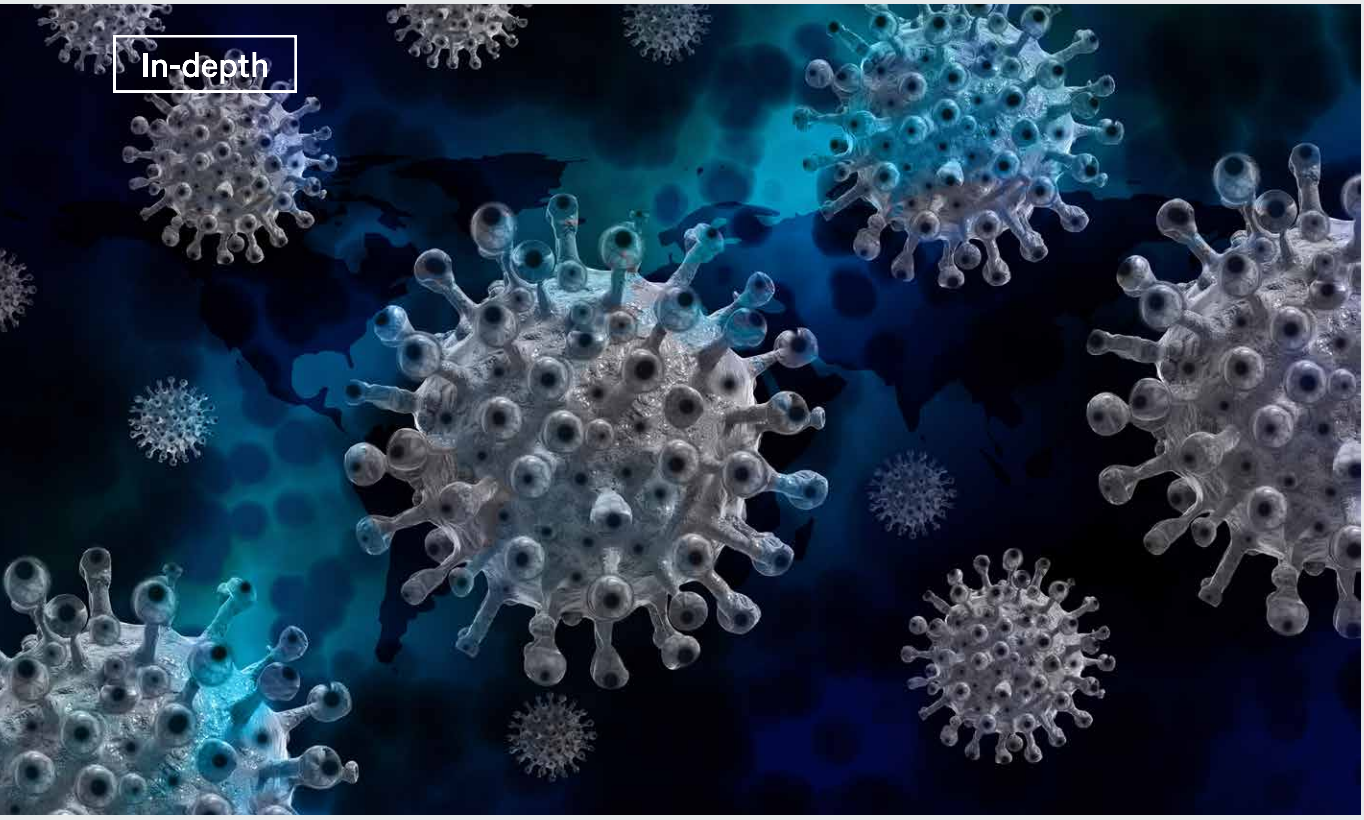
AN EFFICIENT ACQUISITION PROCESS

Assemblin is participating actively in the consolidation process that is taking place in the installation markets. The objective is to acquire well-managed, profitable companies with superior expertise in the locations where Assemblin seeks to operate. To ensure a successful integration, it is also important to have a high cultural match.

Assemblin's acquisitions are made in accordance with an established process, in which the initial contact with a new company is often made locally. Interesting acquisition candidates are analysed in a standardised way at the same time as several meetings with representatives from Assemblin are conducted. Following an assessment, the presentation of a tender and the conclusion of negotiations, the final decision is made by Assemblin's Board of Directors.

Once the acquisition has been completed, an integration process occurs that can either be fast or delayed. The integration activities are well documented and include HR, IT and finance, as well as purchasing, communications and corporate governance.

In 2020, Assemblin acquired a total of 15 companies, with combined annual sales of SEK 489 million and 238 employees. For further information on these acquisitions, see the *Board of Directors' Report*.



The effects of Covid-19

In 2020, Assemblin closely monitored developments surrounding the new corona virus, continuously evaluating its consequences for our operations. We have based our actions on the authorities' recommendations and restrictions, as well as on the safety of our employees.

Mitigating contagion

The spread of Covid-19 has primarily been regarded as a serious work environment risk that we have actively sought to counteract and limit. Communication with our employees has taken place via the intranet, text messages and posters. Among the measures we have taken to mitigate contagion are:

- Actively providing information about the importance of keeping your distance, maintaining good hand hygiene, avoiding physical contact, sneezing/coughing into the crook of your arm and staying at home if experiencing any symptoms of disease in accordance with the authorities' recommendations.
- Encouraging those who can work from home to do so. However, since many of our production employees have our offices as their base, we have kept our workplaces open and increased the frequency with which they are cleaned.
- Requirement to avoid business travel and replace physical meetings with meetings online. We have also expanded our IT capacity to facilitate teleworking and digital meetings.
- Extended inventory of risks related to infection in connection with the ordinary risk analysis to always be conducted in connection with all assignments.
- Specific procedures and protective equipment for employees who come into contact with individuals suspected of being infected or determined to have been so, in connection with, for example, urgent assignments for private individuals.
- Specific procedures for employees who move in various environments and who drive a lot.

Impact on our business

The Nordic construction and installation industry has not been affected by extensive shut-downs, meaning that our production has been relatively unaffected, despite also having been affected negatively by increased uncertainty, primarily in our service operations. This has entailed local short-term lay-offs, for which we have received state support to a limited extent. We have also been negatively affected by increased short-term absence, which we have managed to resolve through active planning of staffing and increased government compensation for sick pay, although we have been forced to hire in more expensive resources in some locations. Because we have been carpooling and using public transport less, we have been driving more, increasing our costs. At the same time, less business travel by air and fewer personnel activities have led to somewhat lower overheads, offsetting part of the negative effect.

Business Area Electrical Engineering (Sweden)

Assemblin Electrical Engineering is the Group's largest business area with 2,783 employees and annual sales of SEK 4,010 million.

Operations
Assemblin Electrical Engineering is one of Sweden's leading electrical installation companies with expertise primarily in electrical engineering, property and industrial automation but also in security technology and industrial services. The operations have been certified in accordance with ISO 9001 and 14001, and are conducted at more than 70 locations throughout the nine regions in Sweden. The headquarters are located in Västberga, Stockholm.

The project portfolio comprises a number of large and small assignments in different types of buildings. Characteristic of Assemblin Electrical Engineering is its advanced expertise in design, its capacity for handling complex projects and its extensive geographical coverage, which is an advantage in nationwide service assignments.

Among the largest ongoing projects can be mentioned the new health care building on the hospital campus in Malmö (on behalf of Skanska), a management centre in the Seglet district of Örebro (client: Serneke), the specialist hospital Högsbo in Gothenburg (on behalf of Skanska), part of the urban transformation project in Kiruna (on behalf of Nåiden Bygg) and the ESS research facility (on behalf of Skanska).

The proportion of services increased to 47 percent (46). Among our major service customers, it is worth mentioning the Swedish Defence Materiel Administration, Stora Enso, Securitas, Billerud Korsnäs, Södra skogsägarna and Vattenfall AB Kärnkraft (the Forsmark and Ringhals nuclear power stations).

Developments in 2020
Sales for the full-year totalled SEK 4,010 million (4,151). The change compared with the preceding year is explained by the production rate being extremely high in late 2019, while a number of unprofitable profit units were discontinued at that time. Order intake remained strong and amounted to SEK 4,153 million (4,507). The difference compared with 2019 is attributable to two large multidisciplinary project orders registered in 2019. The order backlog at the end of the year increased to SEK 3,131 million (3,029).

Thanks to a strong focus on earnings, adjusted operating profit (EBITA) increased to SEK 225 million (222), and the adjusted EBITA margin strengthened from 5.3 percent to 5.6 percent.

During the year, two acquisitions were made (Elservice i Åmål AB and J Östling & C.Sparf El AB) with approximately 36 employees and estimated total annual sales of SEK 43 million.

Major development projects in 2020 include a digitised production process for the automation business and an upgrade of a digital dashboard for improved operational control and follow-up. A number of unprofitable profit centres were phased out, while a new branch was established in Landskrona.

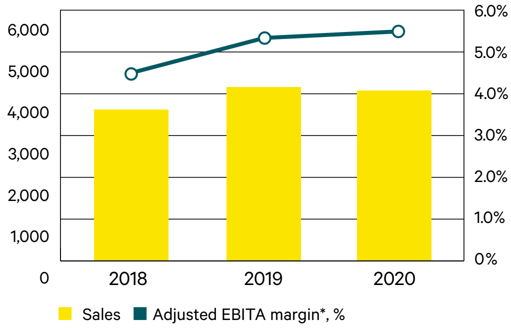
Proportion of consolidated sales **39.6%**

Fredrik Allthin, President and BA Manager, Assemblin El

"In 2020, our production was strong and we improved both our operating margin and working capital – despite the ongoing pandemic. I am also very pleased with our upgraded dashboard, affording us better control of our projects and the opportunity to identify any problems at an early stage."

KEY FIGURES	2020	2019	2018
Net revenues, SEK million	4,010	4,151	3,592
Adjusted EBITA*, SEK million	225	222	165
Adjusted EBITA margin*, %	5.6	5.3	4.6
Order backlog, SEK million	3,131	3,029	2,590
Order intake, SEK million	4,153	4,507	4,214
Average number of employees, FTE	2,783	2,796	2,754
Share of service assignments, %	47	46	48

SALES AND PROFITABILITY



*Adjusted for items affecting comparability.
For definitions, refer to page 103.

Business Area Heating and Sanitation (Sweden)

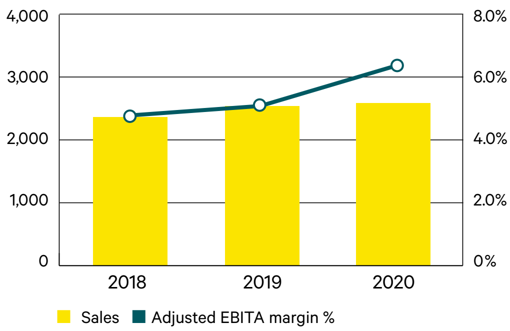
Proportion of consolidated sales **26.4%**

Andreas Aristiadis, President and BA Manager, Assemblin VS

"I am very proud that we have managed to navigate through the corona virus pandemic with our employees' best interests in mind, while entering 2021 stronger than ever. It is also gratifying that we enjoy a high level of customer satisfaction, which serves as an important explanation for the splendid order intake that we reported in 2020."

KEY FIGURES	2020	2019	2018
Net revenues, SEK million	2,672	2,642	2,388
Adjusted EBITA*, SEK million	166	139	107
Adjusted EBITA margin*, %	6.2	5.3	4.5
Order backlog, SEK million	2.048	2,005	1,602
Order intake, SEK million	2.624	3,007	2,606
Average number of employees, FTE	1,406	1,475	1,428
Share of service assignments, %	36	35	33

SALES AND PROFITABILITY



*Adjusted for items affecting comparability.
For definitions, refer to page 103.

With 1,406 employees and annual sales of SEK 2,672 million, Assemblin Heating and Sanitation is the Group's second-largest business area.

Operations

Assemblin Heating and Sanitation has extensive experience and expertise in heating and sanitation, as well as refrigeration technology, sprinkler systems and industrial plumbing. As one of Sweden's largest heating and sanitation companies, we have the capacity to handle large, complex assignments, although most of the assignments are smaller and local. Customer surveys show that Assemblin Heating and Sanitation is appreciated for its flexibility, customer adaptation and superior expertise.

Operations are conducted at about 50 locations across five regions in Sweden. Assemblin Heating and Sanitation is headquartered in Västberga, Stockholm. Parts of the operations have been certified in accordance with ISO 9001, ISO 14001 and ISO 45001.

The project portfolio contains a good mix of small, medium and large assignments. The largest projects currently in progress are the new health care building in the Malmö hospital campus (on behalf of Skanska), new student housing at Campus Albano in Stockholm (on behalf of AB Svenska Bostäder) and a new foundry for Scania in Södertälje (on behalf of Skanska). Assemblin Heating and Sanitation also makes some sales to households, including through a digital web shop.

The share of services continues to increase, amounting to 36 percent (35) at the end of the year. Major ongoing service assignments include Coor and Akademiska hus.

Developments in 2020

After a very strong ending to 2020, sales for the full-year increased to SEK 2,672 million (2,642. Sales were affected positively by completed acquisitions, while the liquidation of a number of unprofitable profit units at the end of 2019 contributed negatively. Despite the turbulent times, order intake remained strong and amounted to SEK 2,624 million (3,007). The difference from 2019 is explained by two large multidisciplinary installation projects that were ordered at the end of the previous year. At the end of the year, the order backlog was SEK 2,048 million (2,005). Thanks to positive effects from the profitability-improving measures taken at the end of 2019 and profitable acquisitions, the adjusted EBITA margin increased from 5.3 to 6.2 percent.

Assemblin Heating and Sanitation completed six acquisitions (Botkyrka VVS & Fastighets– service AB, El & Installationsteknik i Stockholm AB, SDC Stockholm Design & Construction AB, Mälardalens Fjärrvärme Entreprenad AB, Essén Rör AB, Kalmar VVS- & EL-Montage AB) which together have approximately 133 employees and an estimated annual turnover of SEK 280 million.

In 2020, Assemblin Heating and Sanitation focused primarily on measures to manage the effects of Covid-19, strengthen profitability, secure order intake and identify profitable acquisition candidates. In addition, further measures were taken to improve the safety culture, among other things through a joint safety week with chemical handling as the theme. A local customer survey was conducted with good results.

Business Area Ventilation (Sweden)

In 2020, Assemblin Ventilation employed 553 committed employees and annual sales amounted to SEK 1,384 million.

Operations

Assemblin Ventilation is Sweden's largest ventilation company with high capacity in ventilation and cooling in medium to large assignments. In two locations (Malmö and Linköping), separate production units are maintained for the manufacture of rectangular duct systems, ensuring control and efficiency throughout the production process. Operations are conducted at 19 Swedish university locations, in six regions.. Assemblin Ventilation is headquartered in Malmö in southern Sweden. All locations have qualified design and construction expertise, which, combined with a high degree of digitisation in the project operations, affords Assemblin Ventilation a special position in the market.

The project portfolio includes a mix of medium-sized and large-scale assignments in different types of facilities. Examples of major projects currently in progress are ventilation assignments at the new health care building at the Malmö hospital campus (on behalf of Skanska), the Förbifart Stockholm (Stockholm Bypass) tunnel project (on behalf of the Swedish Transport Administration), the ESS research facility in Lund (on behalf of Skanska) and part of the programme of urban transformation in Kiruna (on behalf of Nåiden Bygg).

Assemblin Ventilation maintains dedicated service operations that have, for a number of years, increased its share of the business area's total sales. In 2020, the share of services amounted to 22 percent (20), and major service customers include SAAB, Scan, Bauhaus, Wihlborgs and Temporary Space Nordics.

Developments in 2020

Net sales for the full-year increased to SEK 1,384 million (1,367). Order intake decreased to SEK 1,192 million (1,956), explained by three very large projects booked in 2019. The order backlog at the end of the period amounted to SEK 1,633 million (1,805). The adjusted operating profit (EBITA) for the full-year strengthened to SEK 78 million (73), meaning that the adjusted EBITA margin rose to 5.6 percent (5.3).

Four acquisitions were made during the year, (Projektuppdrag Syd AB, Örestadskyl AB, Luftkompaniet Sjöblom AB and FBI Fastighet och Butiksinstallationer AB), with some 34 employees and estimated annual sales of SEK 115 million.

Major development initiatives during the year include the large-scale use of automatic information transmission using the BIM 360 information system. Assemblin Ventilation has connected the flow of information all the way from drawings/design to installation, duct production and finally management, bringing major gains in quality and efficiency. The business area has also implemented a new module, in which the fitters can easily mark what is assembled or waiting for assembly, as well as writing comments and submitting photographic documentation. This allows the project management team at Assemblin and the customer to monitor how production is progressing in real time.

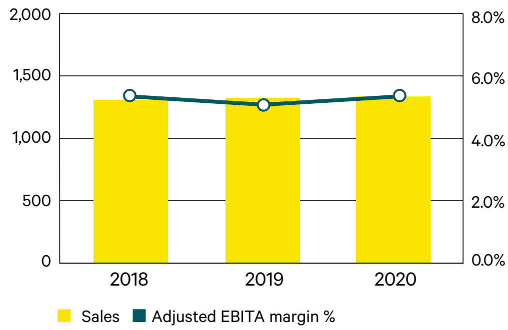
Proportion of consolidated sales **13.7%**

Håkan Ekvall, President and BA Manager, Assemblin Ventilation

"Although 2020 was a challenging year we increased profitability. Over the year, we also intensified our efforts to streamline and improve our production with the help of digital information flows, benefiting not only us but also contributing to a safer and more efficient construction process in general."

KEY FIGURES	2020	2019	2018
Net revenues, SEK million	1,384	1,367	1,317
Adjusted EBITA*, SEK million	78	73	73
Adjusted EBITA margin*, %	5.6	5.3	5.6
Order backlog, SEK million	1,633	1,805	1,338
Order intake, SEK million	1,192	1,956	1,204
Average number of employees, FTE	553	544	515
Share of service assignments, %	22	20	17

SALES AND PROFITABILITY



*Adjusted for items affecting comparability.
For definitions, refer to page 103.

Business Area Norway

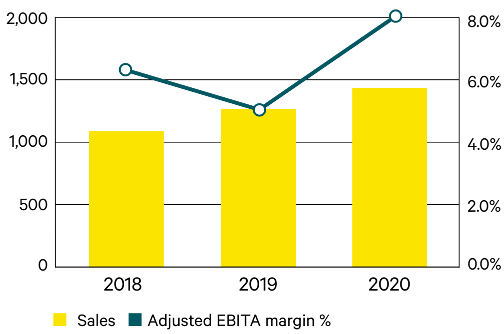
Proportion of consolidated sales **14.7%**


Torkil Skancke-Hansen, President and BA Manager, Assemblin Norway

“Assemblin Norway delivered very good profit in challenging times, and I am particularly proud that all local departments contributed positively. It is also gratifying that our investments in electrical engineering and ventilation have begun to yield results. With stable operations, committed employees and good customer relations, we have a good starting point for the coming year.”

KEY FIGURES	2020	2019	2018
Net revenues, SEK million	1,493	1,285	1,073
Adjusted EBITA*, SEK million	119	70	71
Adjusted EBITA margin*, %	8.0	5.4	6.6
Order backlog, SEK million	1,103	1,367	1,097
Order intake, SEK million	1,360	1,296	963
Average number of employees, FTE	735	704	595
Share of service assignments, %	45	36	37

SALES AND PROFITABILITY



*Adjusted for items affecting comparability.
For definitions, refer to page 103.

Assemblin Norway is the Group’s most profitable business area. Annual sales for 2020 amounted to SEK 1,493 million and the business areas had 735 employees.

Operations

Although the backbone of Assemblin Norway is its well-established and stable heating and sanitation operations, for some years now a successful initiative in electrical engineering and ventilation technology has also been in progress.

Assemblin Norway is divided into five regions with operations in ten locations around Oslo, in the county of Innlandet and on the island of Spitsbergen. Assemblin Norway is headquartered in Drammen. Most of the Norwegian operations have been certified in accordance with ISO 9001, ISO 14001 and ISO 45001.

Assemblin Norway holds a special position in the Norwegian market when it comes to large, complex heating and sanitation projects. The largest projects in progress during the year included installing heating and sanitation in the Sykehuset i Vesfold hospital (on behalf of Skanska), installing electrical systems at the business and shopping centre at Ruseløkkveien 26 (on behalf of Veidekke), as well as installing heating and sanitation at a new office property at Universitetsgata 2 (on behalf of Skanska).

The operations include a steadily-growing, dedicated service organisation and the share of services increased to 45 percent (36) in 2020. Examples of major service assignments include framework agreements with Oslo University Hospital, Omsorgsbygg Oslo KF, Borregaard, Thon Eiendom and Sandvika Storsenter.

Developments in 2020

Despite negative currency effects, Assemblin Norway also delivered growth and strengthened margins in 2020. Sales for the full-year increased to SEK 1,493 million (1,367).

Although order intake was strong, it decreased compared with the preceding year’s very strong figure, amounting to SEK 1,103 million (1,367). At the end of the period, the order backlog was SEK 731 million (704).

A favourable end of the year contributed to adjusted EBITA for the full year increasing to SEK 119 million (70) and adjusted EBITA margin to 8.0 percent (5.4).
The increase in earnings was driven by measures implemented previously to improve profitability, profitable acquisitions and project impairments implemented in early 2019.

For several years, Assemblin Norway has maintained a strong focus on project management, purchasing and safety in the workplace. These areas remained central in 2020, at the same time as measures for managing Covid-19 and climate-reporting of purchased materials were afforded increased priority.

Business Area Finland

With 319 employees and SEK 567 million in annual sales in 2020, Assemblin Finland is the Group's smallest business area.

Operations

Assemblin Finland has broad service and project operations. The operations are characterised by superior expertise in several areas of technology, mainly in automation, heating and sanitation, ventilation, electrical engineering and cooling. In 2020, the operations in northern Finland were divested, meaning that Assemblin Finland's operations are now concentrated around the Helsinki area and in Turku. Automation operations are also maintained in Tampere, Hyvinkää and Pori. The business area is divided into five regions and headquartered in Helsinki.

Customers include numerous construction companies, pension companies and major property owners. Assignments currently in progress include a multidisciplinary housing project for YIT and a ventilation assignment in the listed main building of the University of Helsinki.

The share of services decreased to 33 percent (44), explained by a high share of services in operations that were discontinued during the year. Service assignments include a service agreement with the ITIS shopping centre in Helsinki and electrical service assignments at the remodelled and extended Olympic Stadium in Helsinki.

Developments in 2020

Net sales for 2020 decreased to SEK 567 million (598), due mainly to the liquidation of non-strategic and unprofitable profit centres. The order intake increased to SEK 574 million (492) and the order backlog at the end of the year was SEK 233 million (272).

Adjusted EBITA for the full-year amounted to SEK 3 million (12), meaning that the adjusted EBITA margin amounted to 0.5 percent (1.9).

During the year, KK-Kylmäpalvelu Oy was acquired with subsidiaries Salon Kylmäpojat Oy and Karjalan Kylmäpalvelu Oy), with some 35 employees and estimated annual sales of SEK 51 million.

In 2020, Assemblin Finland focused on streamlining its operations by divesting or winding up non-strategic or unprofitable profit centres. The Finnish authorities imposed relatively extensive restrictions to combat Covid-19 contagion, affecting Assemblin's activities indirectly. Towards the end of the year, a local employee survey was conducted with good results.

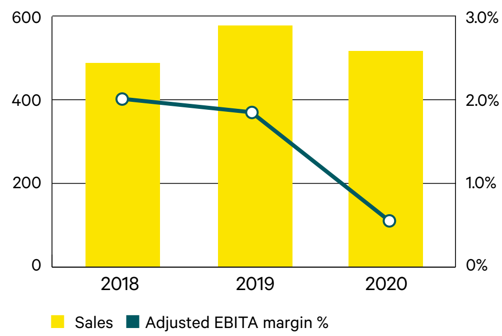
Proportion of consolidated sales **5.6%**

Magnus Eriksson, President and BA Manager, Assemblin Finland

"The measures to combat contagion have affected all of Finnish society extensively. I am highly impressed with our employees who so quickly changed their way of thinking and working. I am also pleased with the restructuring process we have conducted and I perceive that we now have a more stable platform for our continued development."

KEY FIGURES	2020	2019	2018
Net revenues, SEK million	567	598	539
Adjusted EBITA*, SEK million	3	12	11
Adjusted EBITA margin*, %	0.5	1.9	2.0
Order backlog, SEK million	233	272	344
Order intake, SEK million	574	492	472
Average number of employees, FTE	319	357	314
Share of service assignments, %	33	44	46

SALES AND PROFITABILITY



*Adjusted for items affecting comparability.
For definitions, refer to page 103.

Sustainability Report

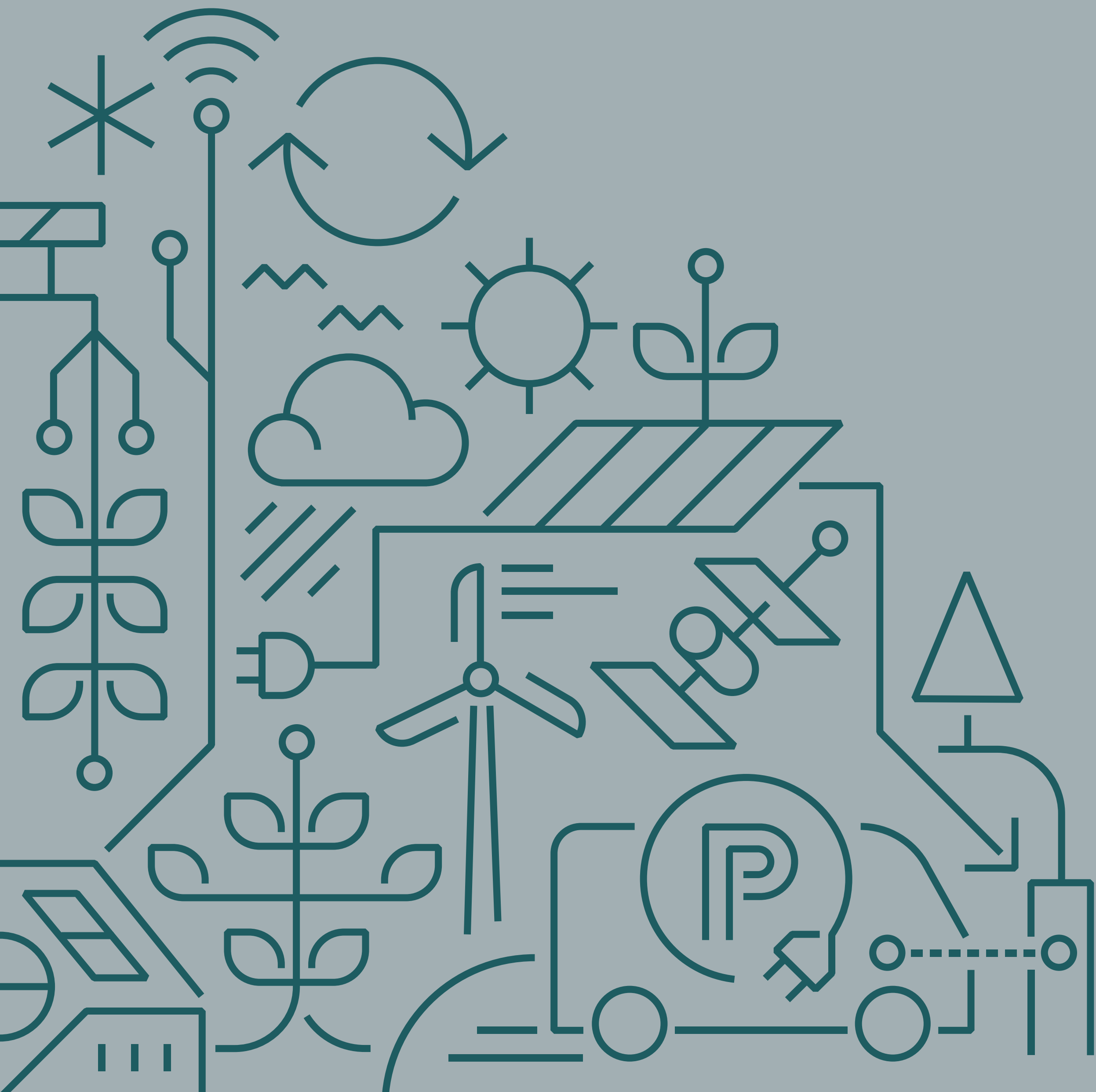
About Assemblin's Sustainability Report

The Board of Directors of Assemblin Financing AB (publ), corporate identity number 559077-5952, hereby submits the Sustainability Report for the Assemblin Group for the period 1 January to 31 December 2020. The Sustainability Report describes Assemblin's operations from a sustainability perspective, based on the issues judged most significant for the Company and its stakeholders. The Report is inspired by the international sustainability standard GRI (Global Reporting Initiative) G4, which also provides the basis for definitions applied and how the sustainability data presented are calculated. In other regards, the Report adheres to the relevant reporting and consolidation principles in accordance with the financial statements.

The Sustainability Report forms part of Assemblin's *2020 Annual and Sustainability Report,* which is available in its entirety from the Company's website. This explains why pagination commences on page 24. The Report 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



*For all companies, the sustainability challenge today*** is to conduct healthy and competitive operations without compromising on opportunities to continue being able to do so in the future. This means that we must consider the full consequences of the decisions we make, and balance their effects in both the short and long term.*

Assemblin's fundamental stance *is to conduct responsible, value-adding operations – not only in relation to our employees, customers and shareholders but also to the environment and society at large. This is a major commitment that spans many areas, and optimising our efforts requires deliberate priorities. I am very proud that we have found a good structure for our sustainability work and for reporting this – the process builds on continuous external monitoring and a joint risk and materiality analysis. This means that our priorities and efforts build on a good, well-established foundation.*

In this Sustainability Report, *you can read more about our sustainability work in 2020. Although all measures are, of course, equally important, if I am to highlight a few, I would mention our efforts to counteract Covid-19 contagion in our workplaces and the concrete climate agenda that we launched in the autumn. There is no doubt that the safety of employees is of the highest priority and we have decided to contribute to the ongoing climate realignment. As an installation company, we have an important role to play in society – which we take very seriously.*

Åsvor Brynnel
Head of Communications and Sustainability

The year's sustainability work in brief

A new climate agenda supporting our climate strategy

In September, a new climate agenda was launched, complementing Assemblin's climate strategy with concrete targets and a plan for a gradual transition to carbon-neutral operations. The objective is for our direct emissions to be climate-neutral by 2040 and that we should also work actively to minimise the climate impact from indirect emissions.

Mandatory web introductions for selected policies

In 2020, Assemblin launched mandatory web introductions (in Swedish, Norwegian and Finnish) for selected employees. The modules that were rolled out were an introduction to Assemblin's communications and insider management, one for bribery and corruption, and one for competition limiting activities, as well as an introduction to our IT regulations and cyber security.

Handling of Covid–19

In 2020, we adapted our operations in line with the authorities' recommendations and to counteract contagion of the Covid-19 corona virus. The pandemic has primarily been handled as a working environment risk, and resulted in increased sick leave, increased driving but reduced business travel by air, among other things.

Measures for a more electrified car fleet

The journey towards a more electrified car fleet started in our Norwegian operations a few years ago, and in 2020 two business areas in Sweden also adopted a new Vehicle Policy with demanding targets in terms of electric and plug-in hybrid vehicles. To support the realignment of the car fleet, a broad roll-out has been initiated to install charging points at our offices.

SUSTAINABILITY AT ASSEMBLIN

Assemblin has identified 13 sustainability aspects that are considered to be the most significant for us to work with. To link our responsibility to our value creation, we have primarily chosen to classify them from a stakeholder perspective. On page 29, we have linked them to other international standards such as GRI, SDG and 3BL.

5,820
EMPLOYEES

6.8%
SICK-LEAVE

8.7%
VOLUNTARY PERSONNEL TURNOVER

33%
PROPORTION OF WOMEN ON THE BOARD OF DIRECTORS

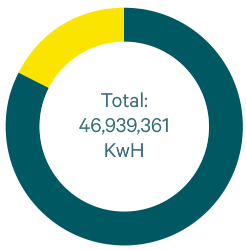
9.1
INJURY FREQUENCY (IF)

59%
EMPLOYEES TRAINED IN THE CODE OF CONDUCT

59%
ISO 9001, ISO 14001- AFFILIATION

19%
ISO 45001- AFFILIATION

ENERGY USE IN THE OPERATIONS



Cars (Scope 2): 82.5%
Electricity and heating (Scope 2): 17.5%

Common priorities and structured follow-up

A long-term and responsible approach, combined with a systematic follow-up process, is a prerequisite for proactive and focused sustainability work.

Significant sustainability aspects and overarching strategies
Assemblin has identified thirteen sustainability aspects that, based on operations and geography, are considered the most significant ones on which we should work. To link these to how we generate value and to establish a common thread in our report, we have chosen to structure them from the stakeholder perspective, meaning that we link them to our priority stakeholder groups (customers, employees, shareholders and society).

To clarify and illustrate our responsibilities and how we generate value, we have formulated overarching sustainability strategies for these stakeholder groups and communicated principled positions for each significant sustainability aspect. This is described in our Sustainability Policy, which is published on our *external website*.

OVERVIEW – ASSEMBLIN'S SUSTAINABILITY WORK

Assemblin's overarching objective is to be a responsible and value-adding installation company – in relation to employees, customers and shareholders alike, as well as to society at large. Assemblin's model for generating value (see page 11) clarifies how this is linked to our business model and how value generation is achieved.

Stakeholder group	Overarching sustainability strategy	Significant sustainability aspects[1]	Measures in 2020
CUSTOMER We shall be a responsible and value-adding business partner	We shall offer the market's best and most attractive solutions, and deliver these safely and efficiently, based on our customers' requirements.	1 Efficiency and quality 2 Innovative, energy-efficient customer solutions 3 Purchasing and supplier governance	Page 33 provides further information about our work in 2020 regarding aspects 1-3.
EMPLOYEES We must be a responsible and value-adding employer	We seek to be a stimulating and responsible employer, offering challenging tasks. We also work actively to create a safe and favourable working environment, as well as an open and inclusive work climate.	4 Development and education 5 Focus on health and safety (working environment) 6 Human rights, diversity and gender equality	On pages 33–34 additional information is presented regarding our work in 2020 on aspects 4–6.
SHAREHOLDERS We must be a responsible and value-adding investment object	We shall deliver a stable financial trend with controlled risks and a sound approach in terms of business ethics.	7 Stable growth and good profitability 8 Corporate governance, risk management and transparency 9 Sound business ethics	Page 34 provides further information about our work in 2020 regarding aspects 7–9.
SOCIETY We must be a responsible and value-adding social actor	We take responsibility for the environmental impacts caused by our operations, and shall contribute actively to societal development in the communities in which we operate.	10 Resource consumption and waste management 11 Product control and chemical handling 12 Climate and energy 13 Social benefit and social commitment	Page 36 provides further information about our work in 2020 regarding aspects 10–13.

1) In 2017, 13 sustainability aspects were identified that, based on our operations and geographies, were assessed to be of greatest significance for Assemblin. These aspects were reconsidered in 2019 but were not altered.

A challenge for Assemblin is that our clients apply different safety requirements. We have therefore introduced our own minimum standard for personal protective equipment at construction sites, which applies regardless of our clients' requirements.

Risks and opportunities

From a sustainability perspective, the installation industry in the Nordic region is considered an industry with a low-to-medium risk profile.

None of our operations require permits and the environmental effects of the small-scale manufacturing operation that we do have are limited. In accordance with Assemblin's normal risk process, an annual risk survey is performed that also encompasses sustainability risks. All identified risks are assessed on the basis of probability and consequence, and for more significant risks, control activities are specified to mitigate the risk. In the 2020 survey, the most significant short-to-medium term sustainability was assessed to be international crises and pandemics. Among the other more significant sustainability risks can be mentioned the risk of business ethics abuse, workplace accidents, climate risks, cyber risks and shortcomings in the handling of chemicals.

The area of sustainability also entails opportunities for Assemblin. We influence the well-being of millions of people and, in all of our assignments, we have opportunities to suggest environmentally-friendly and energy-efficient property solutions. Examples include intelligent ventilation and automation solutions that contribute to a healthy indoor climate, systems that reduce cooling and heating spillage, water-saving system solutions and intelligent alarm and sprinkler systems to minimise fire damage. The ongoing transition to a climate-neutral society also presents us with new business opportunities, not least in installing charging infrastructure for electric cars.

Sustainability governance

According to the Board of Directors' instructions to Assemblin's CEO, he bears the ultimate responsibility for sustainability work at Assemblin alongside Group Management. Responsibility for operational sustainability work is, however, decentralised to the individual business areas, although, to ensure a holistic perspective and coordination, a central Sustainability Committee exists that is directly subordinate to Group Management. The Committee is tasked with monitoring legislation, following up on joint sustainability initiatives, channelling and disseminating good ideas, and producing data on which Group Management can base its decisions. The Sustainability Committee is chaired by the Group's Head of Communications and Sustainability and also includes the Group's General Counsel and eight representatives from the five business areas.

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. Assemblin's Sustainability Policy and Code of Conduct (including valuations) are of particular importance for our sustainability work and are published on our *external website*.

Monitoring and reporting

Assemblin continuously monitors the results of its sustainability work in a structured manner. Particularly significant key figures are captured in the regular monthly reporting, and a more comprehensive Sustainability Report is prepared twice annually. The reporting is conducted by means of a specific reporting tool, which presents relevant sustainability data for analysis.

Since 2017, Assemblin has presents a selection of sustainability-related key figures in an annual external Sustainability Report. The results for 2020 can be found at the end of this Sustainability Report.

✪ Internal regulations on sustainability

- Sustainability Policy
- Code of Conduct (incl. values)
- Code of Conduct for Suppliers
- Policies against bribery and corruption
- Policy against competition-limiting activities
- HR Policy
- Purchasing 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)

In-depth

Our sustainability work linked to the UN's global sustainability goals and other international standards

Our significant sustainability aspects linked to selected international standards and classification principles

Assemblin has identified thirteen sustainability aspects that, based on our operations and geography, are considered the most significant ones on which we should work. To link these sustainability aspects to how we generate value and to establish a common thread in our accounts, we have chosen to structure them from the stakeholder perspective – however, to facilitate comparisons, in the table below, we also sort them on the basis of a number of other common international standards and classification principles: ”Triple bottom line” (3BL), "Global Reporting Initiative" (GRI) and the UN's global sustainability goals (SDG).

Significant sustainability aspect	Mapping according to stakeholder group	Mapping according to 3BL	Mapping according to GRI aspects	Mapping according to SDG
1 Efficiency and quality	Customer	Finance	GRI 103 (management)	8 12
2 Innovative, energy-efficient customer solutions	Customer	Economy, environment	GRI 305-3 (CO_2 impact and energy consumption, products sold), G4 sector-specific accounting, electricity and construction/building	6 7 8 9 11 12
3 Purchasing and supplier governance	Customer	Economy, social, environment	G 308 (supplier evaluation environment), GRI 414 (supplier evaluation social), GRI 204 (purchasing work)	5 8 12
4 Employee development and education	Employees	Social	GRI 404 (training)	4 8
5 Health and safety (working environment)	Employee, (customer)	Social	GRI 403 (occupational health and safety)	3 8
6 Human rights, diversity and gender equality	Employees	Social	GRI 405 (diversity, gender equality), GRI 406 (discrimination), GRI 408 (child labour)	5 8 16
7 Profitable growth	Shareholders	Finance	GRI 201 (financial results), GRI 103 (management)	8
8 Corporate governance, risk management and transparency	Shareholders	Finance	GRI 103 (management)	8 9 13
9 Sound business ethics	Shareholders, (customer)	Finance, social	GRI 103 (management), GRI 205 (corruption), GRI 206 (freedom of competition), GRI 417 (marketing), GRI 417 (integrity)	10 16
10 Resource consumption and waste management	Society & environment	Environment	GRI 301 (material), GRI 302 (energy-efficiency enhancement), GRI 306 (waste)	3 6 8 12
11 Product control and chemical handling	Society & environment	Environment	GRI 305 (emissions), 301 (materials)	3 7 12 13 15
12 Climate and energy	Society & environment	Environment	GRI 305 (emissions)	3 6 8 12 15
13 Social benefit and social commitment	Society & environment	Social	–	11 16

Assemblin's contribution to the UN's global sustainability goals

The UN's 17 sustainability goals address today's biggest global challenges. Together, they express an ambition that secures freedom, prosperity and the environment for future generations. All actors in society have a responsibility to achieve the goals by the year 2030. The table above shows that Assemblin can contribute to a number of these sustainability goals, but the goals to which we believe we can contribute most through our activities are the UN's goals 6, 7, 8, 11, 12 and 13.

6 RENT VATTEN OCH SANITET FÖR ALLA

GOAL 6 Through smart and sustainable sanitation and heating installations that optimise water consumption, improve sewage treatment and increase re-use, we contribute to a more efficient water supply and UN goal 6.

7 HÅLLBAR ENERGI FÖR ALLA

GOAL 7 Through energy-efficient heating and cooling systems, smart 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.

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.

11 HÅLLBARA STÄDER OCH SAMHÄLLEN

GOAL 11 With our high level of technical expertise in installation and intelligent automation solutions, we can contribute to energy efficient connected properties and electrification of the transport network which, in turn, contributes to UN goal 11 – sustainable cities and communities.

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.

13 BEKÄMPA KLIMATFÖRÄNDRINGARNA

GOAL 13 Through clear climate goals that stimulate measures to minimise our direct climate impact to try to minimise the indirect climate impact in consultation with our customers, we can contribute to UN goal 13.

Annual priorities based on our analysis of external operational intelligence

To ensure that our operations are, and remain, relevant, insights from our ongoing stakeholder dialogue are self-evident starting point when we set our priorities.

Ongoing external monitoring and stakeholder dialogue

An open and ongoing dialogue with Assemblin's key stakeholders provides valuable insights into their needs, expectations and challenges, and into the sustainability issues of significance for them. Our stakeholder dialogue is conducted in a structured manner and is analysed at several levels within the Company.

In-person meetings represent one of the most important tools in our stakeholder dialogue, although this is supplemented with other communication channels and surveys.

ASSEMBLIN'S KEY STAKEHOLDERS AND CURRENT ISSUES IN 2020

Stakeholder group	Principal dialogue format	Issues in focus in 2020
CUSTOMERS	• Ongoing customer dialogue • Delivery follow-up • Customer surveys • Market surveys • Relationship-promoting activities • Marketing	• Handling of the corona virus situation • Specific customer requirements • Efficient, safe processes • Safety and working environment • Business ethics approaches • Product control
EMPLOYEES	• Ongoing employee dialogue • Internal information channels (intranet, newsletter, text message, e-mail, etc.) • Employee surveys • Entertainments	• Handling of the corona virus situation • Remunerations and salary benefits • Safety and working environment • Development opportunities • Exciting projects
SHAREHOLDERS	• Board meetings • Ongoing dialogue with shareholder representatives • Network meetings	• Handling of the corona virus situation • Profitable growth and strong cash flow • Corporate governance and risk management • Business ethics • Efficient, safe processes • Climate adaptation • Cyber risks
SUPPLIERS	• Ongoing supplier dialogue • Local supplier meetings • Delivery follow-up • Supplier assessments	• Handling of the corona virus situation • Prices and conditions • Safety and working environment • Business ethics approaches
TRADE UNIONS	• Meetings • Negotiations • Representation on the Boards of Directors of subsidiaries	• Handling of the corona virus situation • Safety and working environment • Remunerations • Labour law issues
AUTHORITIES	• Structured monitoring • Specialist networks	• General compliance with laws, regulations and rules • Climate reporting
TRADE ASSOCIATIONS, SPECIAL INTEREST ORGANISATIONS AND SPECIALIST NETWORKS[1]	• Membership/board participation • Conferences, courses, etc. • Network meetings	• Handling of the corona virus situation • Safety in the working environment • Gender equality and integration • Sustainability in general (Climate reporting)
SOCIETY	• Sustainability reporting • Information and contact channels on the website and in social media	• Handling of the corona virus situation • The climate issue • Ethics and morality • Human rights

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), the industry initiatives "Håll Nollan" (Keep it at Zero) and "Jämnt på jobbet" (Level at Work), as well as 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.

In 2020, a materiality analysis was conducted, resulting in sustainability aspects 1, 5, 7 and 9 being ranked as the most prioritised (PRIO 1), and 2, 4, 8 and 12 being the most prioritised after that (PRIO 2).

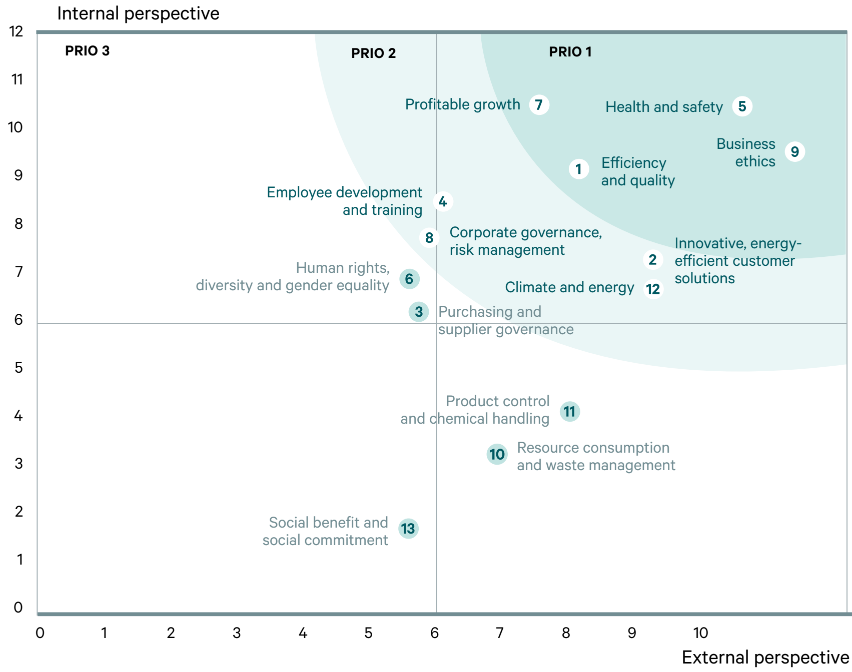
Priorities in the area of sustainability in 2020 and 2021

An in-depth stakeholder dialogue, combined with external analyses and risk mapping, form the basis for a materiality analysis that, in turn, guides Assemblin's annual priorities. With this as a starting point, the Sustainability Committee prepares a proposal for shared focus areas and activities. Support for the proposal is sought among Group Management and it is also presented for the Board of Directors. Beyond these shared priorities, the business areas can themselves choose to highlight additional aspects in their work.

The 2020 sustainability work prioritised activities in the areas of profitable growth, workplace safety (particularly measures to mitigate Covid-19 contagion), cyber security, climate governance, and corporate governance.

The Group-wide activity plan for sustainability work in 2021 predominantly includes activities in workplace safety, climate-related measures, and corporate governance, as well as profitability and efficiency aided by new technology. Preparations for climate reporting of purchased materials and an adaptation to the EU's new Taxonomy are also high on the agenda.

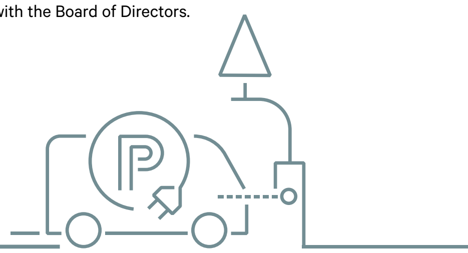
MATERIALITY ANALYSIS 2020



Ranking of significant sustainability aspects

In 2020, a materiality analysis was carried out, in which Assemblin's significant sustainability aspects were ranked from an internal and external perspective. The external perspective represents a cross-section of the priorities of our customers, shareholders and the general public.

The starting point for the analysis was a questionnaire that was sent to Assemblin's Sustainability Committee, Group Management and a selection of employees at the end of the year. The survey resulted in a ranking that was then compared with the insights from the stakeholder dialogue and external monitoring. The results were first discussed by the Sustainability Committee and then anchored among Group Management and with the Board of Directors.



In-depth

1 EFFICIENCY AND QUALITY

Assemblin's deliveries must be performed efficiently, in a controlled manner, and shall maintain superior quality. Although skilled employees are key to our capacity to perform our assignments professionally, carefully and in accordance with good professional practices, to also ensure efficient production, we work systematically in accordance with established processes. We also have a modern support system adapted to our operations, and all employees have their own mobile unit for case management, and time reporting, etc. to minimise unnecessary production interruptions and to facilitate communication.

5 HEALTH AND SAFETY (working environment)

Construction sites are dangerous work environments and the safety of our employees is afforded the highest priority. Our structured work with accident prevention includes risk mapping for each new assignment, incident and deviation management, internal audits and training. In 2019 and 2020, we introduced a common standard, on which we do not compromise, under the motto "no work to be done unless it can be done safely". To raise the issue further, we measure and analyse ongoing injury statistics at several levels in the company.

Our most significant sustainability aspects

7 PROFITABLE GROWTH

The fact that we have a stable financial trend with good earnings capacity means that we are able to meet our commitments, which provides security for our customers, employees, shareholders and suppliers. It also means that we contribute to society as taxpayers. Accordingly, Assemblin focuses strongly on profitability and cash flow, and also strives to achieve growth, both organically and through acquisitions.

9 SOUND BUSINESS ETHICS

Although Assemblin's operations are decentralised, we apply a common standard of business ethics that is clarified in our Code of Conduct. We also apply Group-wide policies regarding, for example, bribery and corruption, competition-limiting activities, and, to ensure that relevant personnel groups take part in and understand these, mandatory training opportunities and web introductions are provided.

Sustainability work 2020

Here is a brief summary of the work with Assemblin's 13 significant sustainability aspects in 2020. Accordingly, the statement of priorities reflects the outcome of our materiality analysis (see page 31).

RESPONSIBILITIES ASSUMED IN RELATIONSHIP TO CUSTOMERS

❶ Efficiency and quality PRIO 1

Assemblin's deliveries must be carried out in an efficient manner with the right level of quality, at the right time and at the right price. Our customers' requirements and wishes are our starting point, which is expressed in joint agreements. At the same time, we can never compromise on legal requirements, industry standards and certificates, or our own principles. To ensure efficiency and quality in our work, we have compiled guidelines, tools, instructions and check-lists in the business areas' management systems, available to all employees via mobile on the Company's intranet. All operations in Assemblin are also run on the basis of the requirements set in the international quality standard ISO 9001, and 59 percent of the operations (Assemblin Electrical Engineering, partly Assemblin Heating, as well as Sanitation and Assemblin Norway) have also chosen to join this certification.

For a few years now, Assemblin has placed great focus on increased efficiency through new technology, both in terms of internal processes and in relation to our customers. The use of digital tools and automatic information transfer between different actors and elements in the construction process has increased sharply, not least with the help of various tools for building information modelling (BIM), of which Assemblin has extensive experience.

❷ Innovative, customised and energy-efficient solutions PRIO 2

Assemblin's ambition is to offer the market's best solutions. We have market-leading expertise in property technology, and, in close collaboration with our clients, we want to create value-adding and long-term sustainable installation solutions that help minimise project costs, but also the property's lifecycle costs. For this reason, we continuously monitor market developments and keep up-to-date on new materials, methods and the latest technology. We have 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. Assemblin also has market-leading expertise in property automation, which is about connecting different technology systems and remotely controlling them for an optimal indoor climate and increased energy efficiency. More information about our value-adding offering can be found in the *Offer* section in the Annual Report.

❸ Purchasing and supplier governance PRIO 3

Assemblin purchases both direct and indirect materials and services. Purchasing is done locally, but to ensure efficient and professional purchasing work, there are central purchasing functions in each business area. Coordination of purchasing work takes place in a joint purchasing forum and in Group management.

The largest part of Assemblin's purchases are direct materials such as wires, connections, pipes and connectors. The largest indirect purchases are vehicles, fuel and work-wear. Material purchases are made from selected framework agreement suppliers via digital purchasing systems and are controlled through a quality-assured product range, Assemblin Bästa Val. Assemblin works actively to increase the proportion of digital purchases (EDI) and reduce the proportion of pick-up orders, which contributes to more coordinated transport and reduced environmental impact. Purchased services include insulation work and consulting services, which are often procured locally.

Before a framework agreement 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. The supplier must also prove that their operations meets the requirements of Assemblin's *Code of Conduct for Suppliers*, which is an appendix to our central purchasing agreements. A breach of this Code of Conduct may lead to the termination of cooperation. During the agreement period, the purchasing function also monitors supplier cooperation and carries out supplier checks if necessary. In the event of shortcomings in the supplier's performance or in the event of suspicion of irregularities, more comprehensive supplier assessments are also performed.

KEY FIGURES	2020	Comments
EDI (electronic purchasing)[1]	72–84%	Increase compared with 2019
Purchases from framework agreement suppliers[2]	89–100%	Increase compared with 2019
Number of major supplier follow-ups	17	In line with 2019

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

RESPONSIBILITIES ASSUMED IN RELATION TO EMPLOYEES

❹ Employee development and training PRIO 2

Training and further developing employees and managers is important in safeguarding our skills needs. All of the business areas provide well-structured introductory and training programmes that are supplemented with other skills development activities, such as mentoring programmes and internal internships. To promote a common culture, Group-wide training courses are also arranged by the Assemblin Academy, including, for example, an advanced and much-appreciated management programme. The Assemblin Academy also provides a number of mandatory Group-wide web courses and web introductions for different professional groups.

In 2020, several new web introductions were launched within the framework of the Assemblin Academy. Three new web introductions targeted salaried employees (communications and insider rules, bribery and corruption and competition-limiting activities) and one targeted all employees (fundamentals of IT regulations and cyber security). For more information on these training opportunities, see sustainability aspect 9. At the same time, many courses that had been planned to be held in person were cancelled during the financial year due to difficulties in travelling and gathering safely during the corona virus pandemic.

There is also a clear career ladder within Assemblin, and the number of internal recruitments is high when appointing project managers, specialists and managers. For senior executives, a well-documented process of succession planning is in place, that is updated in each business area annually. To meet skills needs, there are also extensive apprenticeship programmes in several business areas (see more under sustainability aspect 13).

KEY FIGURES	2020	2019	Comments
Average number of employees, FTE	5,820	5,901	
Registered training hours per FTE (collective employees)	6.9	N/A	Excl. Assemblin Norway
Loyalty index (eNPS)	N/A	18	Measured every two years
Employee commitment	N/A	76	Measured every two years
Employee survey, response rate	N/A	77	Measured every two years

For definitions and distribution between business areas, see pages 38-39.

❺ Health and safety (working environment) PRIO 1

Many of Assemblin's employees work in hazardous environments, and certain tasks are particularly risky. All of the business areas conduct structured efforts to prevent and reduce the number of accidents, inspired by the international standard for work environment and safety ISO 45001, and parts of the operations have also chosen to seek formal certification. Assemblin has a clear zero vision with regard to workplace accidents – the objective is for no one to be injured at their workplace. In Sweden, Assemblin is on the Board of Directors of the industry initiative "Keep it at Zero". Safety work is monitored continuously by analysing risk observations, incidents and accidents at several levels in the Company. In all of the business areas, our employees can easily report observations and deviations by means of digital tools. During 2020, reporting of both risk observations and occupational injuries increased. The perception is that Assemblin's injury statistics are on a par with comparable companies with a high proportion of employees in production. The most common incidents in Assemblin are fall injuries, slip injuries and cuts, although in 2020 the risk of contagion also increased significantly and considerable measures were taken to minimise this risk as much as possible.

Since 2019, Assemblin has had a Group-wide standard for personal protective equipment. Normally, a safety campaign is conducted in all of the business areas, but in 2020 this was cancelled partly due to difficulties in bringing people together during the corona virus pandemic to be replaced by a centralised safety campaign.

In Assemblin's business areas, active wellness efforts are also conducted that can, for example, involve sponsored training, step-count competitions and campaigns. All employees are offered some form of health check, as well as health and accident insurance. The well-being of the employees is captured in the ongoing employee dialogue and in the regular employee survey, but also through analyses of, for example, sick leave figures and personnel turnover. Measures to reduce sick leave are taken on an ongoing basis through structured rehabilitation work, for example. In 2020, sick leave increased due to more people, on the advice of the authorities and Assemblin, staying at home during the corona virus pandemic, even with very mild symptoms. Assemblin's personnel turnover is perceived to be on a par with the industry, which was for a few years characterised by high mobility, although this declined during the corona virus pandemic.

KEY FIGURES	2020	2019
Average number of employees, FTE	5,820	5,901
Sick-leave, %	6.8	4.6
– of which long-term sick leave, %	1.1	1.6
Voluntary personnel turnover, %	8.7	14.1
Serious accidents, frequency of occupational injuries (IF/LTIFR)	9.1	7.6
Minor accidents, number	180	273
Incidents and risk observations ("near misses"), number	430	62
Fatal accidents, number	0	0

For definitions and distribution between business areas, see pages 38–39.

❻ Human rights, diversity and gender equality PRIO 3

Assemblin supports the principles of the UN's Global Compact, which is an international framework for human rights, labour law, the environment and corruption for responsible companies. Throughout Assemblin, freedom of association is a matter of course and union representatives are included on the Boards of Directors of the business areas. Assemblin also applies a clear zero vision regarding all forms of discrimination and harassment.

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 proportion of women is very low, but increased slightly in 2020. Assemblin tries in various ways to draw attention to and encourage female employees. Assemblin Norway is a gold sponsor in the industry initiative "Ingeborg" and Assemblin's Swedish operations have been part of the industry initiative "Level at work" since 2017.

KEY FIGURES	2020	2019
Proportion of women, total, %	5.7	5.5
Proportion of women, senior executives, %	13.2	13.7
Proportion of women, Board of Directors, %	33.3	33.3

For definitions and distribution between business areas, see pages 38–39.

RESPONSIBILITIES ASSUMED IN RELATIONSHIP TO SHAREHOLDERS

❼ Stable growth and good profitability PRIO 1

The fact that we have a stable financial trend means that we are able to meet our commitments, which provides security for our employees, customers, shareholders and suppliers alike. This is, accordingly, a high-priority aspect of sustainability, both internally and externally.

For a period, Assemblin has enjoyed favourable growth, increased profitability and strong cash flow – a positive trend that was also strengthened in 2020. Comments on our financial development can be read in the section *Financial accounting*.

KEY FIGURES	2020	2019	Comments
Revenues, SEK million	10,009	9,978	Growth 0.3%
Adjusted operating earnings EBITA, SEK million	597	516	Increase 15.7%
Adjusted operating margin EBITA, %	6.0	5.2	Increase 0.8 % points
Cash generation, %	149	101	Growth, 48 % points

For definitions and distribution between business areas, see pages 38–39.

❽ Corporate governance, risk management and transparency PRIO 2

Assemblin's shareholders, financiers and, to some extent, also its customers, place demands on Assemblin's corporate governance, risk management, internal control and disclosures. As Assemblin has listed eurobonds in an international securities market, these processes are adapted to the requirements set out in the *Swedish Code of Corporate Governance*, and the financial reporting corresponds to the standard for listed companies. Swedish accounting principles are applied in the financial reporting and, for comparability, consolidated accounts are prepared in accordance with the international accounting standards, *IFRS*.

Assemblin's most significant organisational bodies, as well as the division of responsibilities and governance principles are described in the *Corporate Governance Report*. The CEO's ongoing reporting to the Board of Directors includes a follow-up of the joint sustainability activities that are determined annually. The ongoing sustainability reporting is supplemented twice a year with more comprehensive reporting that includes selected sustainability key figures.

In general, professionals in the installation industry are a homogeneous group, in which men between the ages of 25 and 45 are over-represented. Among white-collar workers, the proportion of women is slightly higher. Attracting more female applicants to the technical education programmes is important in increasing gender equality.

9 **Sound business ethics** PRIO 1

Within Assemblin, common values are applied, as well as guiding principles and a Code of Conduct that clarifies the ethical and moral approach throughout the Group. For particularly significant business ethics issues, such as competition-limiting activities, and bribery and corruption, supplementary and more detailed policies are in place, with associated instructions. The values and the Code of Conduct have been translated into all local languages and brought to life in educational materials and in the ongoing internal communications. A special Code of Conduct has been developed for Assemblin's suppliers, which is an important tool in Assemblin's supplier governance.

Assemblin also maintains a whistle-blower service through which employees can anonymously report suspected violations of the Code of Conduct. All reported cases are investigated. If any misconduct is uncovered, it may form the basis for dismissal and/or a police report. In 2020, one (1) notification was made via the whistle-blower service. The case was of a minor nature and, following investigation, it was established that it was based on a misunderstanding that could easily be resolved.

RESPONSIBILITIES ASSUMED IN RELATIONSHIP TO THE ENVIRONMENT/SOCIETY

10 **Efficient resource consumptions and waste management** PRIO 3

In a circular economy, it is important to optimise purchased materials and to also work actively with waste management and recycling. This work is conducted locally. In parts of the operations, Assemblin handles a certain amount of hazardous waste in accordance with current regulations. 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 environmental companies. At most local offices, Assemblin has its own fractions for waste sorting.

DEGREE OF IMPLEMENTATION – MANDATORY, GROUP-WIDE WEB INTRODUCTIONS AND TRAINING

TRAINING	Group	Assemblin Electrical Engineering	Assemblin Heating and Sanitation	Assemblin Ventilation	Assemblin Norway	Assemblin Finland	Comments
On-line training Assemblin's Code of Conduct – for all employees	58.9	64.8	58.7	60.1	17.3	98.3	The training programme was launched in Sweden, Norway and Finland in 2019
On-line introduction Communications/Insider regulations – for managers	84.4	91.1	94.7	91.3	26.0	100.0	The training programme was launched in • Sweden, May 2020 • Norway, November 2020 • Finland, May 2020
On-line introduction Bribery and corruption – for salaried employees	82.8	96.7	93.4	93.2	0	87.9	The training programme was launched in • Sweden, May 2020 • Finland, August 2020
On-line introduction Competition limiting activities – for salaried employees	77.3	94.4	92.4	94.2	0	0	The training programme was launched in • Sweden, May 2020
On-line introduction IT regulations/Cyber security – for all employees	53.0	57.4	49.7	62.0	16.4	94.5	The training programme was launched in • Sweden, September 2020 • Finland, August 2020 • Norway, November 2020

To ensure that relevant target groups take part in and understand the content of key control documents, Assemblin has several Group-wide digital training modules and web introductions that are mandatory for relevant personnel groups.

⓫ Product control and chemical handling PRIO 3

Assemblin's' assignment includes ventilation equipment, heating and water pipes, electrical cables and other equipment. The Swedish operations have their own production of rectangular ventilation ducts, providing full control over production. Other production materials are purchased locally, although purchasing is controlled via a controlled product range. The range is determined by the business areas' purchasing departments, which have a good knowledge of the product requirements set in various systems, including BASTA, Byggvarubedömningen and SundaHus. To make it easier for local purchasing units to make climate-smart choices, parts of Assemblin's operations have chosen to label these products in the *"Assemblin Best Choice" product range.*

Assemblin's employees are exposed to certain chemical health risks such as quartz dust, asbestos, isocyanates, and solder and welding fumes. In the business areas, chemical handling is conducted supported by various chemical handling systems. According to the European chemicals legislation REACH, Assemblin is classified as a downstream user.

⓬ Climate and energy (carbon dioxide emissions) PRIO 2

Assemblin is a geographically dispersed, service-producing player with a certain need for materials, a small need for premises and a relatively large vehicle fleet. This means that carbon dioxide emissions that we can control ourselves are mainly emissions from vehicles (Scope 1), electricity and heating at our own offices (Scope 2) and from business travel (part of Scope 3). In 2020, Assemblin launched a climate agenda with goals, subgoals and concrete plans for a transition to carbon-neutral operations in line with the national climate goals in Sweden, Norway and Finland.

Carbon dioxide emissions from vehicles (Scope 1)

At the end of the year, the number of service vehicles and company cars decreased to 3,564 (3,672), which is explained by the smaller number of employees. Most of these vehicles were service vehicles that mainly operate on diesel (often HVO), gas and electricity. Assemblin's objective is to phase out fossil-powered vehicles in the long term and most of the operations have the stated ambition of increasing the proportion of electric cars and plug-in hybrids. However, the conversion requires local charging stations and a gradual phase-out as the existing car fleet becomes obsolete, meaning that the transition is expected to take a few years. There are currently 16 purely electric vehicles in the operations and a large number of plug-in hybrids. Several electric cars have been ordered with delivery planned for 2021. An additional measure that Assemblin is able to undertake is training its employees in economical driving *(Eco-driving)*, which occurs in all business areas.

In 2020, carbon dioxide emissions per vehicle and kilometre decreased thanks to an increased proportion of electric cars and plug-in hybrids. However, carbon dioxide emissions per employee (FTE) increased, which is mainly explained by reduced carpooling and reduced use of public transport due to the corona virus pandemic, but also by a harmonisation of accounting principles for fuel consumption.

Carbon dioxide emissions from the heating of our own premises (Scope 2)

Most of Assemblin's operations are conducted at construction sites or at our customers' properties, but are administered from our own office premises and certain other spaces that we rent. For operations in rented premises, energy for heating is difficult to determine. During 2020, more units were able to report heating consumption, which has, to some extent, a negative effect on the comparison with 2019.

For a few years, we have been working actively to co-locate businesses situated close to one another, and to optimise the use of space in existing offices, which reduces the carbon dioxide impact from heating at our own premises.

Of the total energy consumed for electricity and heating of 8,198,559 kWh, 69.6 percent was renewable energy.

Carbon dioxide emissions from business travel and other purchases (Scope 3)

Assemblin's largest climate footprint by far comprises climate emissions from the production and transport of materials used in the installations. Currently, however, a lack of product information from the manufacturers makes it difficult to calculate and report this climate impact correctly, although standard calculations indicate that the carbon dioxide impact from Scope 3 is significantly greater than from Scopes 1 and 2. Requests from certain customers and expected future legal requirements for complete climate reports have entailed an increased focus on purchased goods, and Assemblin therefore appointed a pan-Nordic working group at the end of 2020 with the task of monitoring developments and driving the issue. In Assemblin Norway, an exciting pilot project is under way in which we, in collaboration with selected wholesalers and suppliers, are preparing to be the first installation company to be able to climate report some of our purchasing as early as in 2021.

A purchase that is easy to climate report on is emissions from business travel by air and rail. Assemblin has geographically dispersed operations that normally give rise to a certain amount of business travel, but that decreased drastically in 2020 due to travel restrictions during the corona virus pandemic.

KEY FIGURES	2020	2019
Number of vehicles (service vehicles and company cars)	3,564	3,672
Total energy consumption, kWh	46,393,361	42,453,603
– of which, for fuel (Scope 1),[1] kWh	38,740,801	33,862,943
– of which, for electricity and heating (Scope 2),[2] kWh	8,198,559	8,590,660
Total carbon dioxide emissions, Scopes 1, 2 and travel,[1,2] kg/FTE	1,865.6	1,663.1
– of which, CO_2-emissions from fuel (Scope 1),[1] kg/FTE	1,827.8	1,571.4
– of which, CO_2-emissions from electricity and heating (Scope 2),[2] kg/FTE	29.9	17.5
– of which, CO_2-emissions from business travel (part of Scope 3), kg/FTE	7.9	44.0

For definitions and distribution between business areas, see pages 38–39.

1) As of 2020, all operations report actual fuel consumption, which, to some extent, has a negative effect on the comparison with 2019.
2) In 2020, more operations reported heating, which, to a lesser extent, had a negative effect on the comparison with 2019.

⓭ Social benefit and community engagement PRIO 3

One of Assemblin's greatest contributions to society is to include young people in working life through a well-developed apprenticeship system (see more under sustainability aspect 4). In 2020, however, the number of apprentices decreased due to the corona virus pandemic.

Assemblin also contributes to society through tax payments, the largest of which pertain to corporation tax, employer contributions and payroll tax. In tax matters, applicable tax law and prevailing practices are applied in the countries in which we operate.

Finally, the Company can contribute to society through sponsorship and community engagement, which mainly occurs locally. Examples of local community engagement are collaborations with sports associations, environmental projects and mentorship programmes. Among major community activities in 2020, it is worth mentioning Assemblin Norway's support, for the third consecutive year, for a village in rural Zimbabwe with water and energy projects, as well as Assemblin Ventilation's, sponsorship of Team Rynkeby (a bicycle project against childhood cancer).

NUMBER OF APPRENTICES	2020	2019
Number of apprentices	319	387

For definitions and distribution between business areas, see pages 38–39.

Climate change – one of the greatest challenges of our time

The climate issue is one of the greatest global challenges, which all societal actors are both affected by and have the opportunity to influence.

Today, the construction and property sector accounts for slightly more than a fifth of Sweden's total greenhouse gas emissions. The sector also contributes to major emissions abroad through imported goods. In newly built buildings, installations are estimated to account for 10 - 30 percent of the climate impact in the construction phase (linked to modules A1-A3 in newly built buildings).[1]

Reducing climate impact is a major challenge for the entire construction industry, and a number of industry-wide development projects are in progress with the aim of developing new methods and materials. Assemblin monitors developments and actively participates in some of these projects.

Opportunities and risks with climate change

On behalf of the shareholders, Assemblin's Sustainability Committee conducted a climate change analysis in 2019 inspired by the international TCFD framework.[2] The work resulted in a mapping of the risks and opportunities that arise as a result of the ongoing climate change based on different scenarios in the short, medium and long term.

Given that Assemblin has flexible operations with a relatively low dependence on fossil products/fuels and few fixed assets that can be destroyed, our climate risks are considered limited. Our industry is perceived to have a relatively low-exposure to climate change and our ability to adapt and realign is good. At the same time, the need for installation services is expected to increase in connection with an increased need for renovation, representing an opportunity for Assemblin. In the short and medium term, we can also expect increased demand for energy efficiency projects, water efficiency projects, installation of charging posts and solar cells, as well as increased investments in biogas plants, cogeneration plants, hydropower plants, wind farms and more.

Climate strategy and climate goals

Assemblin must keep pace with the external community's transition to a climate-neutral society. This means that we must comply with the Paris climate agreement, which has been ratified by all of the Nordic countries, as well as with the national targets and action plans for achieving net zero emissions presented in Sweden, Norway and Finland. In 2020, Assemblin complemented its climate strategy with a climate agenda including targets and a concrete climate plan for our climate realignment. Our long-term climate target is for us to have climate-neutral operations by 2040 and to halve our emissions by 2030 (with 2019 as the base year).

Measures for a better climate

In accordance with our climate agenda, we are currently concentrating on measures that we can easily control ourselves, which primarily involve restructuring of our vehicle fleet, fossil-free heating of our offices, improved waste management and increased recycling, as well as reduced emissions from business travel.

Furthermore, in 2020, Assemblin began its work to also be able to measure, follow-up and climate report the indirect emissions to which we give rise through purchased materials. This work is hampered by limited access to standardised environmental product declarations at the product level, although a number of initiatives are in progress and Assemblin is actively participating in development. In 2020, a Group-wide working group was appointed with the aim of monitoring and driving climate work, with reporting of materials, and a pilot project will be implemented in Norway in 2021. More information about our climate agenda can be found on our *external website.*

1) According to the National Board of Housing, Building and Planning's website2) TCFD: Task Force on Climate Related Financial Disclosures

Reporting of selected key figures

The energy data presented have been defined and calculated in accordance with the principles of the international sustainability standards GRI and the Greenhouse Gas Protocol. In other regards, the Report adheres to relevant reporting and consolidation principles in accordance with the principles applied in the financial statements.

KEY FIGURES	Group 2020[1]	Group 2019[1]	Assemblin Electrical Engineering 2020	Assemblin Heating and Sanitation 2020	Assemblin Ventilation 2020	Assemblin Norway 2020	Assemblin Finland 2020
EMPLOYEE-RELATED KEY FIGURES							
Average number of employees, FTE	5,820	5,901	2,783	1,406	553	735	319
– of whom, women, %	5.7	5.5	5.1	4.9	8.9	4.9	7.9
Number of senior executives, FTE	52	51	15	9	5	8	8
– of whom, women, %	13.2	13.7	7.1	22.2	40.0	12.5	0.0
Average age, total	39.9	40.3	36.0	41.0	42.6	37.0	40.0
Sick-leave, %	6.8	4.6	7.3	5.6	5.9	6.4	4.9
– of whom, on long-term sick-leave, %	1.1	1.6	0.4	1.4	1.4	2.9	1.1
Personnel turnover, voluntary, %	8.7	N/A	N/A	9.0	11.0	2.6	11.1
Serious accidents, frequency of occupational injuries (IF/LTIFR)	9.1	7.6	8.2	9.8	5.2	13.4	14.2
Minor accidents, number	180	273	N/A	87	50	28	15
Incidents and risk observations (“near misses”), number	430	122	347	20	37	5	21
Fatal accidents, number	0	0	0	0	0	0	0
FINANCIAL KEY FIGURES							
Sales, SEK million	10,009	9,978	4,010	2,672	1,384	1,493	567
Adjusted operating earnings (EBITA), SEK million	597	516	225	166	78	119	3
Adjusted EBITA margin (EBITA), %	6.0	5.2	5.6	6.2	5.6	8.0	0.5
ENVIRONMENTAL KEY FIGURES							
Total energy consumption, MWh	46,939 .4	42,453.6	22,591.7	13,865.7	5,806.9	3,999.6	605.9
– of which energy consumption, vehicle fuel, MwH	38,740.8	33,862.9	16,698.5	12,693.1	5,282.6	3,485.9	511.2
Carbon dioxide impact from vehicles, kg/FTE	1,827.8	1,571.4	1,582.2	2,554.7	2,599.7	1,479.6	426.8
Carbon dioxide impact from electricity and heating, kg/FTE	29.9	17.5	0.9	0	0	52	181
Carbon dioxide impact from business travel, kg/FTE	7.9	44	7.7	6.7	6.7	12.3	N/A
OTHER KEY PERFORMANCE INDICATORS							
Degree of completion, CoC training	58.9	N/A	64.8	58.7	60.1	17.3	98.3
Environmentally certified operations, ISO 14001,%	59	61	100	25	0	85	0
Quality-certified operations, ISO 9001, %	59	61	100	25	0	85	0
Working environment certified operations, ISO 45001, %	19	19	0	25	0	85	0
Number of apprentices	319	387	82	144	N/A	92	1

1) The Group also includes Group staff units, which are not, however, reported separately in this statement.

Definitions of selected key sustainability figures

Average number of employees, FTE
FTE refers to the number of employees converted to full-time positions. For environmental and accident calculations, 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). Sick leave is commented on under the heading Health and safety on page 34.

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.

Energy use, vehicle fuel
The key figure corresponds to GRI 302-1A. As a basis for the calculation, direct reporting of fuel consumption from Assemblin's leasing company converted to energy based on fuel type has been used. The information is commented on under the heading Climate and energy on page 36.

Carbon dioxide impact from vehicles (scope 1)
The figure corresponds to GRI 305-4. As a basis for the calculation, direct reporting of fuel consumption from Assemblin's leasing company has been used, converted to carbon dioxide based on fuel type. The information is commented on under the heading Climate and energy on page 36.

Carbon dioxide impact from electricity and heating (Scope 2)
The key figure corresponds to GRI 301-1C. Billing and/or consumption data on purchased electricity and carbon dioxide calculations based on the energy companies' reported key figures on the environmental impact of electricity have been used as a basis for the calculation. The information is commented on under the heading Climate and energy on page 36.

Carbon dioxide impact from business travel (part of Scope 3)
The key figure corresponds to GRI 305-4. As a basis for the calculation, information has been used on business trips booked via the travel companies with which Assemblin has a framework agreement. It also happens that trips are booked outside the travel portal. The information is commented on under the heading Climate and energy on page 36.

Certified operations according to ISO 9001, ISO 14001 and ISO 45001
The information reflects the certified operations' share of Assemblin's total turnover. Acquired companies are not included in the information until after one year.

Auditor's opinion regarding the Statutory Sustainability Report

KPMG

To the Annual General Meeting of Assemblin Financing AB (publ), corporate identity number 559077-5952

Engagement and responsibility
It is the Board of Directors that is responsible for the Sustainability Report for the year 2020 on pages 24–39 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 review of the Sustainability Report has a different focus and is substantially less in scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. In our opinion, this review provides us with sufficient grounds for our opinion.

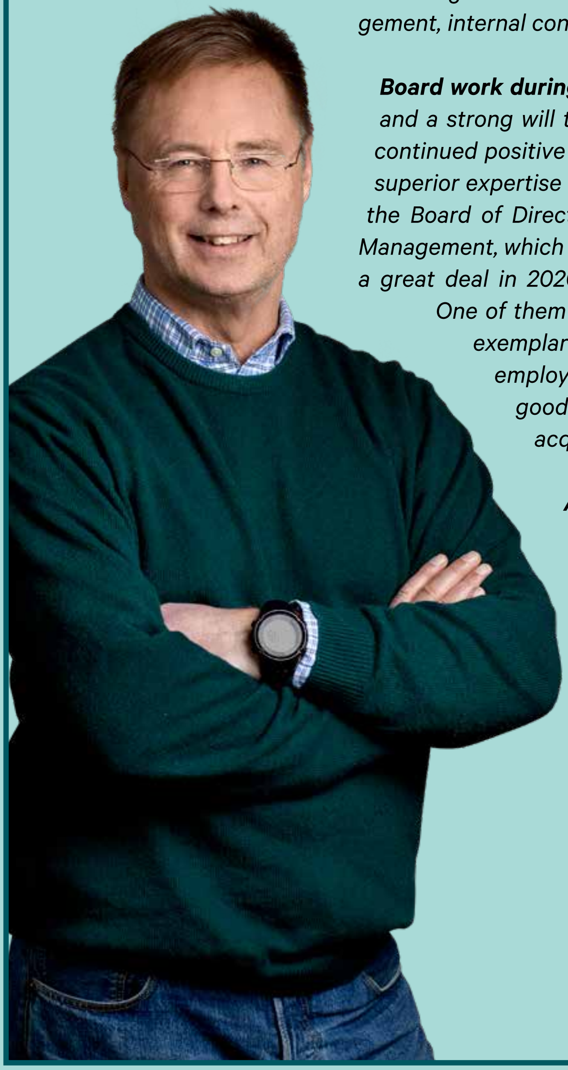
Opinion
A statutory Sustainability Report has been prepared.

Stockholm, 29 March 2021
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Good corporate governance is a matter of ensuring that the operations are conducted in a responsible, controlled and efficient manner to generate value and return for the Company's investors and to ensure that the external community's confidence in the operations is maintained. This means that we must maintain a clear division of responsibilities and roles between different organisational bodies and a comprehensive set of rules for managing the Company's operations.

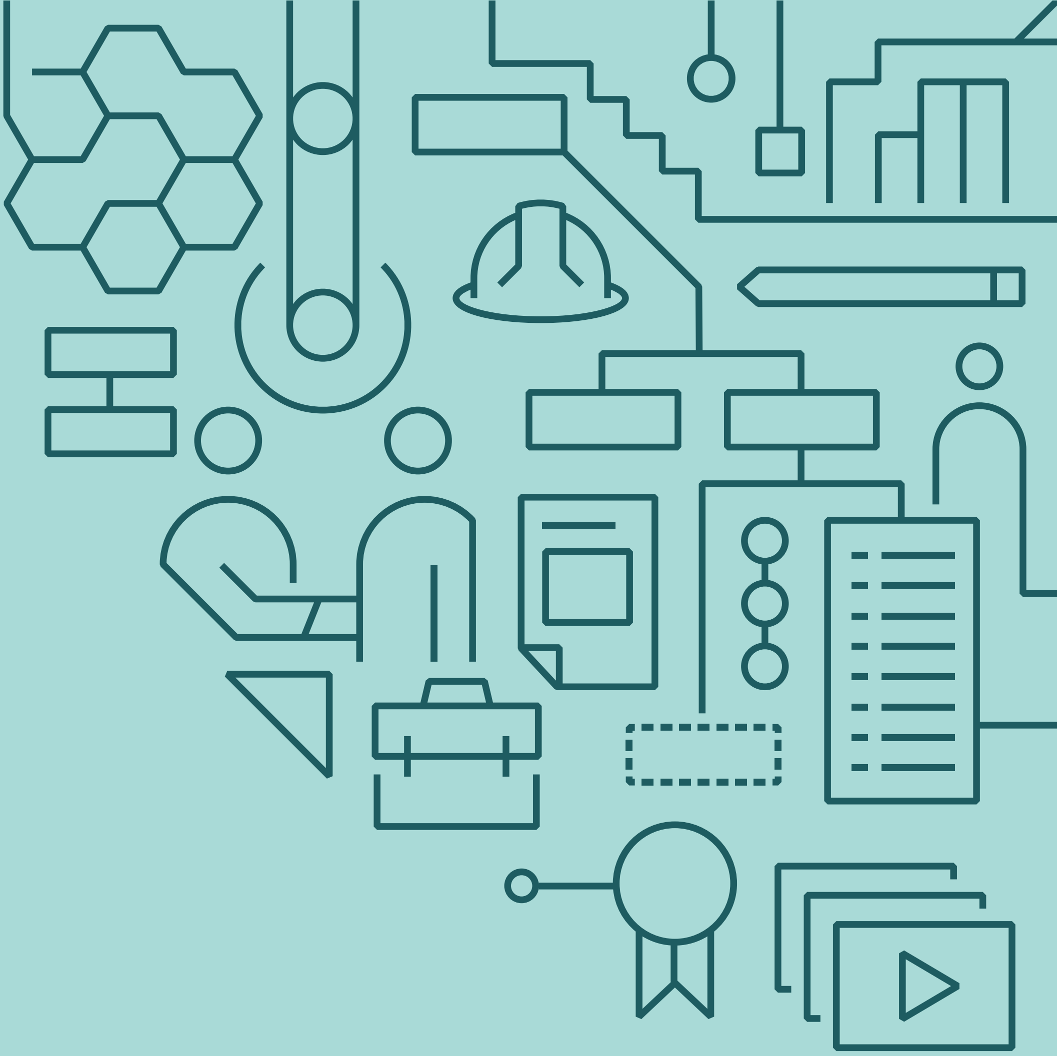
A comprehensive review of the Company's corporate governance was conducted at Assemblin in 2019, which resulted, among other things, in improved risk management processes and internal controls. Efforts in 2020 were conducted based on the new framework, which worked well. We now have a good structure for corporate governance and a well-functioning interaction between the shareholders, the Board of Directors and Group Management. We have also established procedures for management and follow-up, aided by targets, continuous reporting, risk management, internal control and external audits.



Board work during the year was characterised by a high level of commitment and a strong will to encourage and support the operations in the direction of continued positive development. Assemblin has a stable organisation with high superior expertise and potential that we seek to utilise optimally. I also feel that the Board of Directors enjoys an open and constructive dialogue with Group Management, which is key to our capacity to act through consensus. We achieved a great deal in 2020, although I feel certain results are worth particular note. One of them is Assemblin's handling of the corona pandemic, which was exemplary, and was conducted throughout with the safety of our employees as our highest priority. I would also like to highlight the good strengthening of margins achieved and the accelerated acquisition process, resulting from dedicated hard work.

Although we now face a challenging situation with uncertain economic forecasts, I am convinced that Assemblin will be able to cope very well, even if times become difficult. Today, Assemblin is well positioned to continue its development, and I look forward with confidence to the upcoming years and continued growth. In conclusion, I would like to take the opportunity to thank management and employees for a well managed 2020 under extreme conditions.

Mats Wäppling
Chairman of the Board



Corporate governance

About Assemblin's Corporate Governance Report

The Board of Directors of Assemblin Financing AB (publ), corporate identity number 559077-5952, hereby submits the Corporate Governance Report for the Assemblin Group for the period 1 January to 31 December 2020. 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 *2020 Annual and Sustainability Report*, which is available in its entirety from the Company's website. This explains why pagination commences on page [40]. The report can be read separately, but contains occasional references to other parts of the Annual Report.

CONTENTS

Key fundamentals

Assemblins' corporate governance is based on clear external and internal regulations, well-established targets and strategies, as well as sound values and a sound ethical approach.

Corporate governance is continuously monitored by means of regular reporting, internal controls, structured risk management and external audits.

The structure of the Assemblin Group

Assemblin operates through five operational business areas in the Swedish, Norwegian and Finnish installation markets. The operations mainly occur in the legal companies Assemblin El AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin AS and Assemblin Oy, with their respective subsidiaries (a total of approximately 40 companies). The Parent Company is the Swedish limited liability company Assemblin Financing AB (publ) with corporate identity number 559077-5952 and headquartered in Stockholm (address: Västberga Allé 1, SE-126 30 Stockholm, Sweden). The current Articles of Association are available from Assemblin's website.

In 2020, the Board of Directors held seven regular meetings and four extraordinary meetings. Assemblin's General Counsel, Anders Sarpakari (on the left), kept the minutes at the Board meetings. To the right is Young Kim, Board Member and shareholder representative.

A clear set of rules

Assemblin is mainly owned by a private venture capital company and has Eurobonds listed on international securities market TISE (The International Stock Exchange) CI. Accordingly, the starting point for Assemblin's corporate governance is the Swedish Companies Act, Swedish accounting legislation and the rules for issuers applied by TISE (CI). Assemblin has also chosen to apply the principles in the Swedish Code of Corporate Governance (the "Code"). However, because Assemblin's ownership is limited, the following deviations from the Code occur: (i) no Nomination Committee has been established, (ii) the remuneration of senior executives is not reported in detail, and (iii) notices of Annual General Meetings and minutes of Annual General Meetings are not published in accordance with the Code's guidelines. Assemblin has also chosen to apply the principles of the UN's "Global Compact", as well as certain other voluntary international agreements, which are detailed in the separate *Sustainability Report.*

Share capital and shareholders

Assemblin Financing (publ) has 500,000 shares outstanding that each entitle the holder to one vote. Assemblin's principal owner is Triton Fund IV (via Ignition MidCo S.a.r.l.). Some shares in the Company are held by senior executives in Assemblin.

✪ 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)
- UN Global Compact

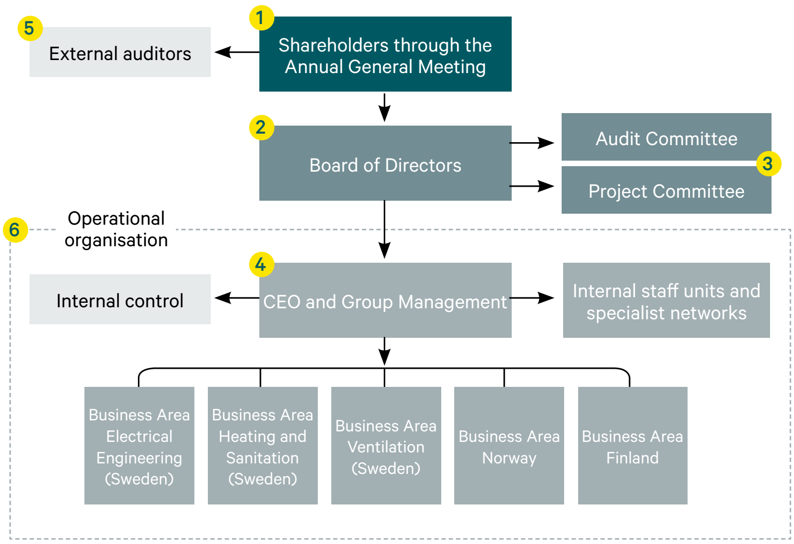
✪ Key internal regulations

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

Our core corporate bodies

Corporate governance defines the distribution of mandates and responsibilities between the Company's key organisational bodies and forms the basis for the shareholders' control.

CORPORATE GOVERNANCE STRUCTURE AND KEY ORGANISATIONAL BODIES



1 Shareholders and Annual General Meeting

The Company's shareholders can exercise their influence at the General Meeting, which is the highest decision-making body. According to the Swedish Companies Act, the Annual General Meeting must be held no later than six months after the end of the financial year. The Swedish Companies Act and the Articles of Association regulate the resolutions to be determined at the Annual General Meeting. The most recent Annual General Meeting of Assemblin Financing AB (publ) was held on 12 May 2020 in Stockholm. An Extraordinary General Meeting is held if the Board of Directors deems this to be necessary, or if so requested by anyone holding at least 10 percent of the total number of shares, or by Assemblin's auditors.

2 Board of Directors

The Board of Directors is tasked with safeguarding the interests of the shareholders and is the Company's highest executive body, entailing, for example, an overarching responsibility for Assemblin's organisation and administration. The principal duties of the Board of Directors include establishing Assemblin's long-term strategy, 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 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. Among other things, this meeting appoints the members of the Board Committees and the individuals authorised to sign on the Company's behalf. In addition to the statutory meeting, the Board of Directors shall hold at least six ordinary meetings each year. Four of these meetings are held on a quarterly basis, in connection with the Company's financial reports. One meeting is set aside for strategic discussions.

The Chairman of the Board bears a special responsibility to lead the work of the Board of Directors and to ensure that the Board of Directors completes its tasks in compliance with applicable laws and regulations. Among other things, this entails ensuring that meetings are held when needed, receiving comments from shareholders and communicating these to the Board of Directors, checking that the decisions made by the Board of Directors are implemented effectively and annually assessing the work of the Board of Directors.

Six ordinary Board Members were appointed to the Board of Assemblin by the 2020 Annual General Meeting, and these members are presented on page 48. In addition to the Board Members, Assemblin's CEO and CFO participate in the Board meetings, with the entire Group Management team participating in one meeting each year.

In 2020, seven regular and four extraordinary Board meetings were held. At these meetings, the Board of Directors addressed strategic issues, financial development, financial reports, acquisitions and issues related to customers, personnel, sustainability, risk management and internal control, as well as matters related to the corona virus pandemic.

3 Board Committees

To streamline the work of the Board of Directors, the Board has established an Audit Committee and a Project Committee, the work of which is regulated by the Board's Rules of Procedure.

Audit Annual General Meeting

The tasks of the Audit Committee include:

- monitoring the Company's financial reporting, as well as internal control and risk management,
- monitoring the impartiality of the auditor and keeping informed regarding the audit of the Annual Report,
- monitoring the Group's short and long-term cash flow trend and financing opportunities.

The Audit Committee includes three ordinary Board Members and its work is led by the chairman of the Audit Committee, Susanne Ekblom. Assemblin's CFO is co-opted to as rapporteur to the Committee. In 2020, the Audit Committee held seven meetings. The auditors participated on three occasions, including to discuss the Company's financial reporting, annual accounts, the focus of the audit and Assemblin's risks and internal control.

Project Committee
The Project Committee is tasked with reviewing and approving contracting agreements with a contract value exceeding 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. The Project Committee includes two ordinary Board Members and Assemblin's CEO. Mats Jönsson is the chairman of the Committee. In 2020, the Project Committee held five meetings.

4 CEO and Group Management

The Board of Directors appoints Assemblin's President and CEO, who is responsible for ensuring that the Company's administration is conducted in accordance with the Board of Directors's instructions and guidelines and ensures that the Board of Directors receives the materials and information necessary to be able to make informed decisions.

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 2020 (in addition to the CEO, five Business Area Managers, the CFO and the Head of Communications and Sustainability). The members of Group Management are presented on page 49.

In 2020, Group Management held eight meetings. Matters addressed at these meetings included the earnings trend and forecasts, the market situation, business and acquisition opportunities, Group-wide initiatives, key recruitments, work environment and safety issues, as well as other important and current issues. Issues in particular focus during 2020 included measures to improve profitability, decisions on a new climate agenda and monitoring the development of the corona virus pandemic and measures to mitigate the risk of contagion.

5 External auditors

According to the Articles of Association, the Annual General Meeting shall appoint at least one and at most two independent external authorized public accountants, with or without a deputy. Since 2015, 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 responsible for several other companies, including ICA Gruppen AB, LKAB, Knowit AB (publ), HiQ International AB, AQ Group, FM Mattsson Mora Group AB and Beijer Alma 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 Group Management. The auditors also perform an audit of the Company's internal control. 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 practices in Sweden.

The auditor reports to the Audit Committee, the CEO and the company management teams within the business areas. In connection with the annual accounts, the auditor also presents the conclusions of her review to the Board of Directors. The auditors shall keep the Audit Committee updated on the planning, scope and content of the annual audit and provide information regarding services performed in addition to the audit, remunerations for such services and other circumstances that may be relevant to the independence of the auditors. Audit fees paid for 2020 are reported in Note 6 in the separate *Financial accounting 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 Assemblin's *Sustainability report*.

6 Operational organisation

Assemblin's operations are highly decentralised and governed in accordance with a common framework, a clear division of roles and responsibilities and through structured follow-up. The management of Assemblin's operational organisation is described in the section *Operations/Organisation and governance*.

Remuneration of the Board of Directors and senior executives

Assemblin's Board of Directors has chosen not to establish a Remuneration Committee but to instead have remuneration issues addressed by the Board of Directors, 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 in order to attract skilled managers. Remuneration comprises fixed salary, variable compensation and other benefits. The variable portion may not exceed 75 percent of fixed salary. Remuneration of senior executives is approved in accordance with the grandfather principle, meaning that the remuneration of Group Management must be approved by the Board of Directors. Remuneration of Group Management and the Board of Directors is reported in Note 7 in the separate Financial reporting section.

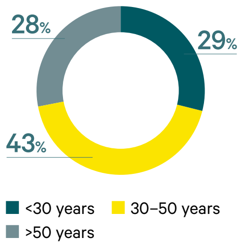
Board structure and meetings

BOARD STRUCTURE AND COMPOSITION

According to the Articles of Association, the Board of Directors shall comprise a minimum of three and a maximum of ten members, with at most five deputies. The members of the Board are nominated by the principal shareholder and appointed by the Annual General Meeting for the period up until the ensuing Annual General Meeting. 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.

At the 2020 Annual General Meeting, six ordinary members were elected, two of whom (33 percent) were women. The members of the Board of Directors are described in greater detail on page 48.

AGE DISTRIBUTION



PROPORTION OF WOMEN

33%

Average attendance at ordinary Board meetings

90%

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.
May:	Adoption of the Annual Report and Sustainability Report. Adoption of the interim report for the first quarter. Review of the risk report and internal control report.
May:	Statutory Board meeting, adopting 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 targets for 2021.

ATTENDANCE, DEPENDENCE AND REMUNERATION OF BOARD MEMBERS

	Attendance at meetings			*Position of dependence*	
	Board of Directors	Audit Committee	Project Committee	Independent of the Company	Independent of major shareholders
Total number of regular meetings	**7**	**7**	**5**		
Mats Wäppling, Chairman	7	–	5	YES	NO
Susanne Ekblom	7	7	–	YES	YES
Leif Gustafsson	7	–	–	YES	YES
Mats Jönsson	7	7	5	NO	NO
Young Kim	3	4	–	YES	NO
Anders Thulin	7	–	–	YES	NO

To streamline the work of the Board of Directors, the Board has established a specific Audit Committee and Project Committee. Generally, attendance at the year's meetings of the Board of Directors and at the meetings of the Board's committees has been good. Due to the corona virus pandemic, most meetings have been held remotely.

Internal control of financial reporting

With regard to the internal control of financial reporting, the objective is for the reporting to be relevant and effective, that it results in reliable reports and ensures compliance with relevant laws and regulations. The Board of Directors bears the overall responsibility for the Company's internal control.

The starting point for all internal control work at Assemblin are the principles developed by COSO[1], entailing the elucidation of the control environment, risk assessment, control activities, information/communications and follow-up.

Control environment

Internal control with regard to financial reporting is detailed in the Board of Directors's Rules of Procedure, the instructions to the CEO, the instructions to the Board's committees, and the requirements for financial reporting and financial policy. Other important fundamentals are a clear organisational structure with well-defined roles and responsibilities and an order of delegation with levels of authority and approval in accordance with that organisational structure. Assemblin also applies a Group-wide financial handbook with principles, guidelines and process descriptions for financial accounting and reporting. The control environment also includes the culture, values and ethical principles, based on which both the Board of Directors and Group Management communicate and operate, and that are described in Assemblin's Code of Conduct.

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 the Company's work with internal control.

Risk assessment

The Group's Board and Management bear the ultimate responsibility for Assemblin's risk management work, which is conducted in accordance with a specific Risk Management Policy and risk management process. Annually, the risks in Assemblin's operations and all key processes are mapped and assessed in terms of probability and impact. The annual mapping of risks culminates in a report on the foremost risks that is presented to the Audit Committee and the Board of Directors. Assemblin's foremost risks in 2020 are described in the *Board of Directors' Report in the Annual Report*. 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 is subject to continuous assessment and the need for control activities is reassessed on an ongoing basis. The process is documented in Assemblin's *Finance Handbook*.

Information and communications

According to Assemblin's procedures, interim financial reports must be approved by the Audit Committee and the Board of Directors before being distributed. 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. 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, but are also available to all employees on the Group-wide intranet alongside other Group-wide governing documents.

Follow-up and continuous improvement

The Audit Committee continuously monitors the internal controls to safeguard the quality of Assemblin's key financial processes. The Group's CFO is responsible for monitoring internal control with regard to financial reporting and shall report any deviations. An annual self-assessment process is implemented and reported to the Board of Directors, 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 form the basis for continuous improvements, increased compliance and the adaptation of the Group's control environment to a changing reality. Assemblin also maintains a whistle-blowing function to which the Company's employees can turn should they suspect any impropriety or criminal activity. In 2020, the Board of Directors evaluated the need for a specific internal audit function – however, based on Assemblin's current position and needs, the assessment was that existing internal control work is sufficient.

1) Committee of Sponsoring Organizations of the Treadway Commission

The objective of Assemblin's corporate governance to establish a structure, and lay the foundation for a culture, that contributes in the best possible way to the development of the Group and its operations. Company-wide policies are accessible for all employees on Assemblin's intranet, and mandatory web training is provided in particularly important areas.

Auditor's statement regarding the Corporate Governance Report

KPMG

To the Annual General Meeting of Assemblin Financing AB (publ), corporate identity number 559077-5952

Engagement and responsibility

The Board of Directors is responsible for the Corporate Governance Report for 2020 presented on pages 40 – 49 and for it having been prepared in accordance with the Annual Accounts Act.

Scope of the examination

Our review has been conducted in accordance with the FAR's (institute for the accountancy profession in Sweden) statement RevU, 16 *Auditor's review of the Corporate Governance Report*. This means that our review of the Corporate Governance Report has a different focus and is substantially less in scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. In our opinion, this review provides us with sufficient grounds for our statements.

Opinion

A Corporate Governance Report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, items 2 – 6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same act are consistent with the annual and consolidated accounts and in accordance with the Annual Accounts Act.

Stockholm, 29 March 2021
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Board of Directors

Mats Wäppling (Matts Väppling)[1]

BORN: 1956
ROLE: Chairman of the Board since 2017
EDUCATION: M.Sc. Engineering, Royal Institute of Technology (KTH), Stockholm.
PROFESSIONAL EXPERIENCE: From 2007 to 2012, Mats was President and CEO of Sweco. Prior to that, he worked as Deputy CEO of NCC after many years at Skanska, where he was Senior Vice President before leaving.
OTHER CURRENT ASSIGNMENTS: Chairman of the Board of PKM Invest and Vectura. Board Member of Campus X and Vesper.

Susanne Ekblom

BORN: 1966
ROLE: Board Member since 2019
EDUCATION: B.Sc. Economics, Stockholm University
PROFESSIONAL EXPERIENCE: Consultant through proprietary company since 2020. Previously President and CEO of Vectura Fastigheter AB,CFO at Investor AB, CFO at SVT and various roles within the Scania Group.
OTHER CURRENT ASSIGNMENTS: Board Member of AP7 and Elinder Sten.

Leif Gustafsson

BORN: 1967
ROLE: Board Member since 2017
EDUCATION: Civil engineer, marketing economist IHM.
PROFESSIONAL EXPERIENCE: CEO at Cramo Group, 2016-2020. CEO at Stena Recycling International, 2012-2016, CEO of Stena Recycling AB, 2008-2012. CEO of YIT Sweden, 2003-2008. Division Manager ABB, 1999-2003.
OTHER CURRENT ASSIGNMENTS: –

Mats Jönsson

BORN: 1957
ROLE: Board Member since 2017
EDUCATION: M.Sc. Engineering, Royal Institute of Technology (KTH), Stockholm).
PROFESSIONAL EXPERIENCE: President and CEO, Coor Service Management. Various positions within Skanska, including CEO of Skanska Services.
OTHER CURRENT ASSIGNMENTS: Chairman of the Board, Tengbomand Lekolar. Board Member, Coor Service Management, Bonava and NCC.

Young Kim

BORN: 1985
ROLE: Board Member since 2015
EDUCATION: M.Sc. Technical Physics, Royal Institute of Technology (KTH), Stockholm.
PROFESSIONAL EXPERIENCE: Today, Young Kim is an Investment Professional at Triton. Previous experience from Credit Suisse and Stella Capital Advisors.
OTHER CURRENT ASSIGNMENTS: Board Member of Aleris.

Anders Thulin

BORN: 1963
ROLE: Board Member since 2017
EDUCATION: M.Sc. Economics and Business Administration, Stockholm School of Economics, including MBA studies at Western University, Ivey Business School, Canada.
PROFESSIONAL EXPERIENCE: Today, Anders is Head of Triton Digital Practice. Previous experience includes the role of Senior Vice President and CIO at Ericsson and Senior Partner at McKinsey.
OTHER CURRENT ASSIGNMENTS: Board Member of Proact AB and Sunweb Group.

1) Mats Wäppling is recorded in the national register as Matts Väppling.

Group Management team

Mats Johansson

BORN: 1967
ROLE: President and CEO of Assemblin since 2018
EDUCATION: M.Sc. Engineering, Royal Institute of Technology (KTH), Stockholm, SEP Stanford, USA
PROFESSIONAL EXPERIENCE: Various senior positions within Skanska 1994-2018, most recently as COO Skanska USA Building.
OTHER CURRENT ASSIGNMENTS: –

Fredrik Allthin

BORN: 1970
ROLE: President of Assemblin Electrical Engineering since 2016
EDUCATION: Graduate engineer and graduate economist with higher education in leadership and contracting law.
PROFESSIONAL EXPERIENCE: Regional Manager, Deputy CEO and CEO of Imtech Elteknik AB, 2013-2015. NEA 1998-2013.
OTHER CURRENT ASSIGNMENTS: Board Member of Installatörsföretagen and ETU (Elteknikbranschens utveckling i Sverige AB).

Andreas Aristiadis

BORN: 1978
ROLE: President of Assemblin VS since 2017
EDUCATION: Heating and Sanitation Engineer
PROFESSIONAL EXPERIENCE: Regional Manager, Deputy CEO of Assemblin VS AB, 2015-2017. Various leading roles in NVS, 2001-2013, and in Imtech VS-teknik AB, 2013-2015.
OTHER CURRENT ASSIGNMENTS: Deputy Board Member, Installatörsföretagen

Åsvor Brynnel

BORN: 1966
ROLE: Head of Communications and Sustainability since 2017
EDUCATION: MSc Economics, Mid-Sweden University
PROFESSIONAL EXPERIENCE: Director of Communications and Sustainability at Coor Service Management, 2005-2017. Head of Communications at Drott/Fabege, 2001-2005. Communications Consultant at Askus, 1997-2001.
OTHER CURRENT ASSIGNMENTS: –

Philip Carlsson

BORN: 1978
ROLE: CFO since 2017
EDUCATION: M.Sc. Business Administration and Economics, Uppsala University. Finance, École de Management de Lyon.
PROFESSIONAL EXPERIENCE: CFO at Coromatic, Director at EY Transaction Services (Stockholm and London). Auditor at Previsor Revisionsbyrå.
OTHER CURRENT ASSIGNMENTS: –

Håkan Ekvall

BORN: 1966
ROLE: President of Assemblin Ventilation since 2013
EDUCATION: Heating and Sanitation Engineer with training in control and regulation technology, fire protection and contracting law.
PROFESSIONAL EXPERIENCE: CEO of Imtech Ventilation AB, 2013-2015. Co-founder of Sydtotal AB, 2000, Head of Operations Group, 2011-2013.
OTHER CURRENT ASSIGNMENTS: –

Magnus Eriksson

BORN: 1971
ROLE: President of Assemblin Finland since 2017
EDUCATION: B.Sc. Economics
PROFESSIONAL EXPERIENCE: Chief Financial Officer Consti Talotekniikka Oy, 2011-2017. CFO Datacenter Finland Oy, 2010-2011. Chief Financial Officer ELFA Elektroniikka Oy, 2005-2010.
OTHER CURRENT ASSIGNMENTS: –

Torkil Skancke-Hansen

BORN: 1969
ROLE: President of Assemblin Norway since 2009
EDUCATION: Graduate Engineer, Machine/Heating and Sanitation. B.Sc. Economics. Trained plumber (Trade Certification).
PROFESSIONAL EXPERIENCE: Various positions at Assemblin since 1996 (previously at Drammens rør, NVS, and Imtech).
OTHER CURRENT ASSIGNMENTS: –

Financial statements

CONTENTS

The Board of Directors of Assemblin Financing AB (publ), corporate identity number 559077-5952, hereby submits its annual and consolidated accounts for the period 1 January to 31 December 2020. As of 2018, the Board of Directors also submits a separate Sustainability Report (see page 24) and, as of 2019, a separate Corporate Governance Report (see page 40).

The financial statements form part of Assemblin's *2020 Annual and Sustainability Report*, which is available in its entirety from the Company's website. This explains why pagination commences on page 48. 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.

***We have enjoyed favourable development** with growth, improved profitability and very strong cash flow for several years, which has not been by coincidence but due to deliberate measures and a sharp focus on earnings – throughout the operations. It is with great satisfaction that I can state that the profitability-enhancing measures that we undertook towards the end of 2019 progressed well and have had the desired effect. The strong cash generation is proof that we can turn our earnings into liquid funds, and is the result of further improved discipline and in how we charge for our work.*

***At the same time, we have worked hard** with regard to marketing and acquisitions, resulting in 2020 in a strong order book and 15 new acquisitions. Our customers' trust in us is demonstrated by the fact that in a year pervaded by substantial uncertainty, we have nonetheless noted an increased order intake of small and medium-sized projects. Trust is also what is required to make good acquisitions, and we can see that our decentralised organisation works well in identifying attractive and profitable companies.*

***Today, Assemblin is an installation company** with a strong financial position, a high level of skills and expertise, a healthy business culture and favourable reputation in the market. We have established effective follow-up and internal control procedures, entailing stability in our key financial processes and enabling us to identify at an early stage problems in projects currently in progress. I also want to highlight the benefits of our flexibility in combination with our locally-based organisation, which is a great advantage in uncertain times. Combined, this means that we have a relatively good starting position and are well-equipped to meet both challenges and opportunities.*

***The fact that we are on the right path** was confirmed in connection with our issuing additional bonds in early 2021. Despite a more uncertain market, the bonds were subscribed for on the same terms as a year ago and interest was very substantial. This strengthens and encourages us, and we will now do our utmost to foster the trust shown in us by our new investors.*

Philip Carlsson
CFO

A strong year in challenging times

Following a strong end to 2020, Assemblin achieved a new level of profitability while sales increased and cash flow remained very strong.

Assemblin in general

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 Financing AB (publ). which is a wholly owned subsidiary of Ignition MidCo S.a.r.l, and the ultimate principal owner is Triton Fund IV.

Significant events during the year

- The corona virus pandemic involved a restructuring of the operations to minimise the risk of contagion in our workplaces.
- To safeguard a thorough understanding of the Company's position on important issues, four mandatory web-based introduction programmes were launched during the year: Bribery and Corruption, Competition Restrictions, Communications and IT/Cyber Security.
- In September, a new climate agenda was presented with concrete sub-goals aimed at Assemblin achieving climate neutrality by 2040.
- Net sales increased to SEK 10,009 million (9,978).
- Thanks to the profitability-enhancing measures taken at the end of 2019 and profitable acquisitions, adjusted operating profit (EBITA) increased to SEK 597 million(516) and the adjusted operating margin (EBITA) to 6.0 per cent (5.2).
- In 2020, 15 acquisitions were made in Sweden and Finland, adding 238 employees and total annual sales of SEK 489 million. In December, the major acquisition was also announced of the Fidelix property automation group in Finland, with annual sales of SEK 540 million and 360 employees. This acquisition requires the approval of the competition authority.
- Order intake remained strong and amounted to SEK 9,903 million (11,258), which contributed to the order backlog at the end of the period amounting to SEK 8,148 million (8,478).

SUMMARY OF COMPANIES ACQUIRED IN 2020	Division	Type	Participation	Date of acquisition	Number of employees	Sales for the year, 2020
Projektuppdrag Syd AB	Ventilation	Company	100%	January	8	10
Elservice i Åmål AB	Electricity	Assets acq.	–	April	8	8
Örestadskyl AB	Ventilation	Company	100%	May	9	23
Botkyrka VVS & Fastighetsservice AB	Heating & Sanitation	Company	100%	July	18	67
El & Installationsteknik i Stockholm AB	Heating & Sanitation	Company	100%	July	11	34
SDC Stockholm Design & Construction AB	Heating & Sanitation	Company	100%	July	13	24
Luftkompaniet Sjöblom AB	Ventilation	Company	100%	September	16	80
Mälardalens Fjärrvärme Entreprenad AB	Heating & Sanitation	Assets acq.	–	October	11	15
Essén Rör AB	Heating & Sanitation	Company	100%	October	45	70
KK-Kylmäpalvelu Oy	Finland	Company	100%	October	25	38
Salon Kylmäpojat Oy	Finland	Company	100%	October	8	11
Karjalan Kylmäpalvelu Oy	Finland	Company	100%	October	2	2
Kalmar VVS- & EL-Montage AB	Heating & Sanitation	Company	100%	December	28	70
FBI Fastighet o Butiksinstallationer AB	Ventilation	Assets acq.	–	December	1	2
J Östling & C. Sparf El AB	Electricity	Company	100%	December	28	35

KEY FIGURES, SEGMENTS	Net revenues, SEK million		Adjusted EBITA*, SEK million		Adjusted EBITA margin*, %		Average number of employees, FTE		Share of service %	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Assemblin Electrical Engineering	4,010	4,151	225	222	5.6	5.3	2,783	2,796	47%	46%
Assemblin Heating & Sanitation	2,672	2,642	166	139	6.2	5.3	1,406	1,475	36%	35%
Assemblin Ventilation	1,384	1,367	78	73	5.6	5.3	553	544	22%	20%
Assemblin Norway	1,493	1,285	119	70	8.0	5.4	735	704	45%	36%
Assemblin Finland	567	598	3	12	0.5	1.9	319	357	33%	44%
Group-wide functions and eliminations	-118	-65	5	0			24	25		
Total	10,009	9,978	597	516	6.0	5.2	5,820	5,901	40%	38%

*Adjusted for expenses affecting comparability. For definitions of key figures, refer to page 103.

Market development, sales and earnings

Full-year sales increased Assemblin's sales by 0.3 per cent compared with the preceding year to SEK 10,009 million (9,978) despite the phasing-out of a number of unprofitable profit centres in late 2019. Of the total growth, 3.9 per cent was driven by acquisitions, a negative 2.1 per cent was organic, and a negative 1.5 per cent was currency-driven. Compared with the previous period, service operations grew and accounted for 40 per cent (38) of Group sales.

The Corona pandemic meant that the market weakened somewhat in 2020, especially the service market. Order intake was nonetheless strong and amounted to SEK 9,903 million (11,258). The difference year-on-year is attributable to three large projects being added to order bookings in 2019. The order backlog at the end of the period amounted to SEK 8,148 million (8,478).

Acquisitions and the measures implemented in late 2019 to enhance profitability, were also the principal reason for Group's adjusted EBITA for the full year increasing to SEK 597 million (516), which strengthened the adjusted EBITA margin to 6.0 per cent (5.2). Although profitability strengthened in all of the business areas except Finland, it was particularly high in Assemblin Norway and Assemblin VS. EBITA for the full year increased to SEK 533 million (270), and the EBITA margin improved year-on-year from 2.7 per cent to 5.3 per cent.

Net financial items and financial position

Net financial items for 2020 were negative in the amount of SEK 196 million (120). The change was driven by higher interest rates on the current senior secured notes compared with the previous bank financing and the positive effect in the second quarter of 2019 from SEK 19 million dividend.

Tax for the period amounted to SEK 84 million (54), corresponding to 27 (41) per cent of the profit before tax. Profit after tax for the period amounted to SEK 226 million (78).

Cash flow from operating activities amounted to SEK 823 million (485). Net debt at the end of the period was SEK 2 , 676 (2 , 969) million. The reduced net debt is a consequence of the strong cash flow during the period.

Cash and cash equivalents at the end of the period totalled SEK 721 million (407). Unutilised available credit facilities at the end of the period totalled SEK 450 million (450).

Effects of the corona virus pandemic

The 2020 financial year was characterised by the Covid-19 pandemic With the Nordic construction and installation industry not being subject to substantial shut-downs, our operations were relatively unaffected. Our main focus was to try and limit contagion in our workplaces based on the recommendations and restrictions issued by the authorities and public healthcare systems.

To some extent, our operations have been negatively affected by increased uncertainty in the market, which has mainly affected our service operations. This has entailed local short-term lay-offs, for which we have received state support to a limited extent. We have also been negatively affected by increased short-term absence, which we have sought to resolve through active planning of staffing, although we have been forced to hire more expensive resources in some locations, although this was offset by government compensation for sick pay. Reduced ride sharing and reduced use of public transport have led to increased car use, while fewer business trips and staff activities have entailed lower overheads.

Employees

For the full-year, the average number of employees, converted to full-time positions (FTE), was 5,820 (5,901), which is explained by the fact that a number of unprofitable profit centres were wound up towards the end of 2019.

Sustainability

Assemblin has prepared a special Sustainability Report for 2020, 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

KEY FIGURES		2020	2019	2018
Net sales	SEK million	10,009	9,978	8,885
Adjusted EBITA*	SEK million	597	516	401
Adjusted operating margin* (EBITA)	%	6.0	5.2	4.5
EBITA	SEK million	533	270	415
EBITA margin	%	5.3	2.7	4.7
Average number of employees	FTE	5,820	5,901	5,630

*Adjusted for expenses affecting comparability. For definitions of key figures, refer to page 103.

ASSEMBLIN'S TOP RISK REPORT, DECEMBER 2020

RISK	CATEGORY	COMMENTS	MAIN CONTROLS
Epidemic/pandemic	4. Other risks	Contagion causing a high degree of sick leave or closures of current work sites.	Counteracting contagion by means of risk analyses and by introducing new procedures, as well as increasing the use of protective equipment. Increased frequency of cleaning.
Significant shift in the economic trend	1. Market and business risk	Dramatic decline caused by reduced new construction, reduced public investment or other socio-economic disruption.	Continuous market monitoring, rapid adaptation in the event of early signs of concern, strong order book.
Selection of tenders for major projects	1. Market and business risk	Wrong type of customer, wrong conditions for implementation, excessive project risks.	Clear decision matrix for tenders, mandatory risk reviews of tenders.
Inadequate calculation, planning and implementation of projects	1. Market and business risk 2. Business risk	Incorrect calculations, lack of planning/review, lack of resources.	Structured forecasts and project reviews, structured follow-up of operational key figures.
Lack of skills and expertise (attacking and retaining key individuals)	2. Business risk	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.
Serious workplace injuries/workplace accidents	2. Business risk	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.
Cyber attacks, unauthorised access and information leakage	4. Other risks	Insufficient IT security protection, 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.
Unethical behaviour among employees or suppliers	2. Business risk	Unethical conduct by individuals, e.g. regarding bribes or illegal price collusion.	Clear and well-communicated principles, as well as specially-adapted training and active cultural efforts. A structured on-boarding process for employees and suppliers, as well as continuous review.
Challenges related to acquisitions	2. Business risk	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 risk	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.

sustainability work is managed. The report also presents key sustainability indicators of relevance for the operations. The report encompasses the entire group and is presented as a separate section in Assemblins' integrated *Annual and Sustainability Report for 2020*. The report is available from Assemblin's *external website*.

Risks and risk management

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. Operational risks
This includes, for example, work environment risks and safety risks, skills and expertise 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 section on *sustainability*).

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 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.


As our business becomes more digital, the risk of cyber attacks increases. To minimise this risk, Assemblin applies, among other things, strong virus protection and spam protection, as well as cyber insurance. There are also clear IT rules for the use of the Company's computers and telephones, which are communicated via a mandatory web introduction.

Parent Company

The Parent Company of the Group changed in the fourth quarter of 2019, from Assemblin Holding AB (559025-2952) to Assemblin Financing AB (559077-5952), in conjunction with the issuance of a bond. The internal restructuring was deemed not to be a business acquisition. From a reporting perspective, this means that *predecessor accounting* has been applied. Accordingly, the assets and liabilities in the former Group have not been restated. The new Parent Company, Assemblin Financing AB (publ), has chosen to use the historical consolidated financial statements of its predecessor, Assemblin Holding AB, in the consolidated accounts for 2019.

The Parent Company's loss after tax totalled SEK 67 million (4). The Parent Company's total assets as of 31 December 2020 amounted to SEK 6,740 million (6,748), and equity amounted to SEK 4,018 million (4,085).

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

• In Sweden, four corporate acquisitions were made, with Assemblin Electrical Engineering acquiring TIS El in Karlstad, Åby Eltjänst in Norrköping and EA Installationer in Trelleborg, and Assemblin Heating and Sanitation acquiring Vantec System AB. Assemblin Norway acquired the ventilation company Nor-Klima T. Svendsen i Drammen AS. Combined, these acquisitions entail Assemblin having gained some 116 new employees and increasing its annual sales by SEK 212 million.

• At the beginning of 2021, Assemblin issued additional bonds corresponding to EUR 100 million on the same terms as previously issued bonds. Among other things, the capital injection will be used to finance the acquisition of Fidelix and to safeguard continued favourable liquidity. Assemblin's principal shareholder also plans to provide a shareholder contribution of an amount equivalent to EUR 20 million.

• Assemblin Electrical Engineering has signed and agreement to divest electromechanical workshops with operations in three locations, annual sales of approximately SEK 90 million and 45 employees.

• In February, it was announced that Per-Ingemar Persson will be elected by the upcoming Annual General Meeting as a new member of Assemblin's Board of Directors.

Outlook

For some time, Assemblin has had a strong earnings trend and good growth. The uncertainty in the market as a result of the corona virus pandemic means that the short-term forecast is uncertain. At the same time, the underlying driving forces for market growth over the longer term are strong, both for new construction projects, as well as for renovations because existing property stocks are relatively old, with large portions needing to be renovated and upgraded. In these uncertain times, however, it is an advantage to be a large and stable yet flexible player operating close to the market and able to respond quickly to market changes. With a leading position in the market, a strong financial position and a decentralised organisation with favourable customer relations, Assemblin enjoys an excellent starting position.

Proposal for appropriation of profits

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

Retained earnings	4,084,461,940
Profit for the year	-66,968,850
Total	4,017,493,090

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

To be carried forward	4,017,493,090
Total	4,017,493,090

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

Consolidated statement of earnings (SEK million)

	Note	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019
Net sales	2, 3	10,009	9,978
Cost of production		-8,179	-8,131
Gross profit		1,830	1,848
Sales and administrative expenses		-1,324	-1,595
Operating profit/loss	4, 5, 6, 7, 8	506	252
Financial income		33	59
Financial expenses		-228	-179
Net financial items	9	-196	-120
Profit/loss before tax		310	133
Taxes	10	-84	-54
Profit for the year		226	78
Profit for the year attributable to:			
Parent Company shareholders		226	78
Non-controlling interests		–	–
Profit for the year		226	78

Consolidated statement of comprehensive income (SEK million)

	Note	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019
Profit for the year		226	78
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		-69	11
Changes in fair value of hedge reserve		-20	-6
Tax attributable to items that have or can be transferred to profit/loss for the year		12	1
Items that may not be reclassified to profit/loss for the year			
Revaluations of defined-benefit pension plans	8	-10	-111
Tax attributable to items that cannot be transferred to profit/loss for the year		2	23
Other comprehensive income for the year	11	-85	-82
Comprehensive income for the year		141	-4
Comprehensive income for the year attributable to:			
Parent Company shareholders		141	-4
Non-controlling interests		–	–
Comprehensive income for the year		141	-4

Consolidated statement of financial position (SEK million)

	Note	31 Dec 2020	31 Dec 2019
Assets	12, 13, 19		
Goodwill	14	2,970	2,640
Other intangible assets	14	28	22
Tangible assets	15	87	95
Right-of-use assets	5	699	693
Financial investments	16, 17	39	34
Non-current receivables	18	2	3
Deferred tax assets	10	146	134
Total non-current assets		3,971	3,621
Inventories		67	66
Contractual assets	20	383	441
Current tax assets	10	14	30
Accounts receivable	21	1,278	1,410
Prepaid expenses and accrued income	22	146	158
Other receivables	18	102	109
Cash and cash equivalents		721	407
Total current assets		2,711	2,621
Total assets		6,681	6,242
Equity	11		
Share capital		1	1
Other capital provided		366	366
Acquisition reserve		-992	-992
Reserves		-66	11
Profit brought forward, incl. profit for the year		31	-188
Total equity		-661	-803
Liabilities	12, 13, 19		
Non-current interest-bearing liabilities	5, 17, 23	2,627	2,599
Lease liabilities	5, 17	562	583
Provisions for pensions	8	746	703
Other provisions	24	116	172
Deferred tax liabilities	10	21	13
Other non-current liabilities		142	5
Total non-current liabilities		4,215	4,075
Current interest-bearing liabilities	23, 17	1	1
Lease liabilities	5, 17	207	193
Accounts payable	17	780	861
Current tax liability	10	159	88
Contractual liabilities	20	833	712
Other liabilities	25	108	88
Accrued expenses and deferred income	26	970	952
Current provisions	24	70	76
Total current liabilities		3,128	2,970
Total liabilities		7,343	7,045
Total equity and liabilities		6,681	6,242

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	Total equity
Opening equity, 1 Jan 2019	0	366		5	-132	238
Transition to IFRS 16					-45	-45
Adjusted equity, 1 Jan 2019	0	366		5	-178	193
Comprehensive income for the year						
Profit for the year					78	78
Other comprehensive income				6	-88	-82
Total comprehensive income for the year				6	-10	-4
Effect of acquisitions[1]			-992			-992
Transactions with the Group's shareholders:						
New share issue	0					0
Closing equity, 31 Dec 2019	1	366	-992	11	-187	-803
Opening equity, 1 Jan 2020	1	366	-992	11	-187	-803
Comprehensive income for the year						
Profit for the year					226	226
Other comprehensive income				-77	-8	-85
Total comprehensive income for the year				-77	218	141
Closing equity, 31 Dec 2020	1	366	-992	-66	31	-661

1) *The acquisition reserve from 2019 comprises shareholder contributions of SEK 4,089 million, and the effect of acquisitions of SEK 5,081 million. For further information on equity, see Note 11.*

Consolidated statement of cash flow (SEK million)

	Note	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019
Operating activities			
Profit/loss before tax		310	133
Adjustments for non-cash items, etc	27	376	484
Tax paid		-8	-12
Cash flow from operating activities before changes in working capital		678	605
Changes in working capital			
Increase/decrease in inventories		6	-9
Increase/decrease in operating receivables		174	-47
Increase/decrease in operating liabilities		-35	-65
Cash flow from operating activities		823	485
Investing activities			
Acquisitions of subsidiaries	12	-300	-211
Disposals of subsidiaries		–	0
Acquisitions of intangible assets		-2	-2
Acquisitions of tangible assets		-14	-14
Disposals of tangible assets		8	13
Dividends received		–	19
Increase in financial assets		-2	-1
Decrease in financial assets		2	0
Cash flow from investing activities		-308	-197
Financing activities			
New share issue		–	0
Proceeds from borrowings	27	–	2,591
Amortisation of loans	27	-2	-2,717
Amortisation of lease liabilities	27	-185	-170
Cash flow from financing activities		-188	-297
Cash flow for the period		327	-8
Cash and cash equivalents at start of year		407	411
Exchange rate difference in cash and cash equivalents		-13	4
Cash and cash equivalents at end of year		721	407

Parent Company income statement (SEK million)

	Note	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019
Net sales		21	22
Gross profit		21	22
Administrative expenses		-45	-31
Operating profit	4, 6, 7	-25	-9
Financial income		101	7
Financial expenses		-165	-11
Net financial items	9	-64	-5
Profit/loss after financial items		-88	-14
Appropriations	28	21	10
Profit/loss before tax		-67	-4
Taxes	10	0	0
Profit for the year	29	-67	-4

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

Parent Company balance sheet (SEK million)

	Note	31 Dec 2020	31 Dec 2019
Assets	13, 19		
Participations in Group companies	30	5,098	5,081
Receivables from Group companies	18	1,607	1,616
Deferred tax assets		0	–
Total non-current assets		6,705	6,697
Receivables from Group companies		34	33
Current tax assets	10	0	–
Other receivables	18	0	–
Prepaid expenses and accrued income	22	0	–
Cash and bank balances		1	18
Total current assets		35	51
Total assets		6,740	6,748
Equity	11		
Restricted equity			
Share capital		1	1
Non-restricted equity			
Profit brought forward		4,084	4,089
Profit for the year		-67	-4
Total equity		4,018	4,085
Liabilities	13, 19		
Non-current interest-bearing liabilities	17, 23	2,624	2,621
Provisions for pensions	8	0	–
Total non-current liabilities		2,625	2,621
Accounts payable	17	2	–
Liabilities to Group companies		72	0
Current tax liability	10	–	0
Other liabilities	25	1	7
Accrued expenses and deferred income	26	23	35
Total current liabilities		98	42
Total liabilities		2,722	2,663
Total equity and liabilities		6,740	6,748

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 2019	0	0	0
New share issue	0		0
Shareholder contributions		4,089	4,089
Profit for the year[1]		-4	-4
Closing equity, 31 Dec 2019	1	4,084	4,085
Opening equity, 1 Jan 2020	1	4,084	4,085
Profit for the year*		-67	-67
Closing equity, 31 Dec 2020		4,017	4,018

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 million)

	Note	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019
Operating activities			
Profit/loss before tax		-67	-4
Adjustment for non-cash items, etc	27	-19	-5
Cash flow from operating activities before changes in working capital		-86	-9
Changes in working capital			
Increase/decrease in operating receivables		17	-26
Increase/decrease in operating liabilities		42	31
Cash flow from operating activities		-27	-4
Investing activities			
Increase in receivables from Group companies		–	-1,577
Cash flow from investing activities		–	-1,577
Financing activities			
New share issue		–	0
Proceeds from borrowings	27	–	2,591
Amortisation of loans	27	–	-992
Group contributions received		10	–
Cash flow from financing activities		10	1,599
Cash flow for the period		-17	18
Cash and cash equivalents at start of year		18	0
Cash and cash equivalents at end of year		1	18

Notes

Note 1 Significant accounting policies

Basis for preparation of the statements
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 29 March 2021.

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. All amounts are, unless otherwise stated, rounded to millions of Swedish kronor (SEK million) without decimals unless otherwise stated.

Assessments and estimates
The Group makes estimates and assumptions regarding the future. The resulting estimates for accounting purposes can affect the carrying amounts for assets, liabilities, revenues and expenses. The estimates and assumptions are reviewed on a regular basis. Actual outcomes may deviate from estimates calculated previously. 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.

Management also makes assessments when applying the Group's accounting principles.

Assessments made by company management that have significant impact on the financial statements, and estimates made that could entail significant adjustments in the financial statements for the following year, are described in more detail in Note 31.

Restructuring with a new Parent Company in 2019
In 2019, the Parent Company of the Group was changed from Assemblin Holding AB (559025-2952) to Assemblin Financing AB (publ) (559077-5952). This occurred in connection with a bond being issued. The bond was issued in December 2019 and was listed on the international securities market TISE (CI) in February 2020. The internal restructuring was deemed not to be a business acquisition. From a reporting perspective, this means that predecessor accounting has been applied. Accordingly, the assets and liabilities in the former Group were not restated. The new legal Parent Company, Assemblin Financing AB (publ), has chosen to present the historical consolidated financial statement of its predecessor, Assemblin Holding AB.

Amended accounting policies attributable to new or amended IFRS
New and amended standards applied by the Group
As of 1 January 2020, the Group applies, the relief rules published by IASB concerning hedge accounting, where the underlying basis rates may come to be affected by the IBOR reform. In accordance with the additions to IFRS 9, it is assumed that EURIBOR-based payments on Assemblin's currency interest swaps, as well as on its bonds, will remain unchanged for the duration of the hedge and that the Group can therefore continue to apply hedge accounting.

As of 1 January 2020, the amendment with regard to how a business is defined will also be applied. The definition of the term "production" is changed to focus on goods and services provided to customers and that thus generate returns and other income. The previous definition "return in the form of lower expenses or other economic benefits" is deleted. This amendment has not had any impact on the Group's financial statements but may affect future acquisitions for which these changes may be applicable. No other amendments of standards or interpretations are deemed to have 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 2021 and have yet to be applied in the preparation of this financial report. These new standards and interpretations are not expected to have a significant impact on the Group's financial reports.

Classification
Fixed assets and non-current liabilities essentially consist of amounts that are expected to be recovered or settled more than twelve months after the balance-sheet date. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or settled within twelve months of the balance-sheet date.

Operating segments
The reporting of operating segments is consistent 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, as per the acquisition date, of identifiable acquired assets and assumed liabilities, as well as any holdings without a 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. Such settlements are usually recognised in the income statement.

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, on the line Other revenue.

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 in their entirety. 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 share in joint ventures is recognised in profit or loss. 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.

Translation of foreign currency
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 SEK (the Group's reporting currency) at the exchange rate in effect on the balance-sheet date. Long-term 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. 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 significant interest or 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 income 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 the income statement 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 (see Note 20). 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 (see Note 20).

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 income 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 income, expenses or the degree of completion are revised. Increases or decreases in estimated income or expenses attributable to revised estimates are reported in the income statement in 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 an expense. For more information on onerous contracts, see Note 24 and accounting principles for provisions.

The Group's commitment to rectify errors and deficiencies in completed projects in accordance with normal guarantee rules is reported as a provision, see Note 24 for details.

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 (see Note 20).

Significant financing components
The Group does not expect to have any agreements where 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 a significant financing component.

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. Exchange rate gains and losses are reported net. Revaluations of items stemming from working capital are booked under working capital.

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. In these cases, the appurtenant tax effect is also recognised in other comprehensive income or equity.

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 that have been determined or announced 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

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.

Measurement on initial recognition
Financial instruments are initially measured at fair value plus transaction expenditures except those regarding instruments that are measured at fair value through the income statement. For instruments valued at fair value via the income statement, transaction expenses are instead expensed when they occur. Accounts receivable are initially valued at the transaction price determined in accordance with the revenue recognition principles (see above).

Subsequent measurement of financial assets
Subsequent valuation depends on the Group's business model for managing the asset and the type of cash flows to which the asset gives rise.

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 to the income statement 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 the income statement as financial income when the Group's right to receive payment has been determined.

Derivatives with a negative fair value are recognised as derivative liabilities; refer further to "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 revaluations at the end of each reporting period. The method of recognising the gain or loss arising on revaluation 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 17. 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.

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 the income statement.

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

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

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

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 recognised in profit or loss, is 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 Assemblin 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 mainly relate 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 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.

Leases
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. The interest is recognised in profit or loss 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 balance sheet.

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 impairment tested annually or more often if events or changes in circumstances indicate a possible decrease in value. 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 and capitalised development expenses. Other intangible assets are reported at cost less accumulated depreciation and any write-downs.

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). Furthermore, for goodwill 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.

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 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 for the year under Net financial items. The interest rate is the interest rate that arises when discounting the obligation. Other components are recognised in operating profit. Revaluation effects consist of actuarial gains and losses. The translation effects 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 twelve months are recognised at their present value. Benefits that are not expected to be fully settled within twelve months are recognised under long-term benefits.

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 Assemblin is legally or informally obliged, as a result of an event that has occurred, 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 Assemblin 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 (see Notes 24 and 31).

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 leases
A provision for onerous leases 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 per cent 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.

In cases where a bank or insurance institution issues a contract warranty 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 2021.

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 revenue 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 term cash flow analysis is used in both the Group and the Parent Company.

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	2020	2019
Net sales		
Installation assignments with associated services	6,039	6,170
Service assignments	3,970	3,808
	10,009	9,978

Note 3 Operating segments

The Group's operating segments are based primarily on the main operational orientation the segments have. 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 competency in primarily electricity, heating and sanitation, and automation.
- 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 primary operational decision maker (Group management) observes as regards 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 the group's participations in joint ventures, are adjusted for items affecting comparability, and include lease expenses in accordance with the previous accounting standard, IAS 17. Eliminations and other items show the elimination of Group-internal transactions and income from joint ventures, as well as the effects of IFRS 16 in terms of adjustments for depreciation and impairment.

Group operating segments (SEK m)

1 Jan 2020 – 31 Dec 2020	Electricity	Heating & Sanitation	Ventilation	Norway	Finland	Group-wide	Eliminations and other	Total
Income								
External net sales[1]	3,937	2,622	1,422	1,493	567	0	-32	10,009
Internal net sales	72	51	-37	0	0	–	-86	0
Net sales	4,010	2,672	1,384	1,493	567	0	-118	10,009
Of which servicing	47%	36%	22%	45%	33%			40%
Operating costs	-3,736	-2,475	-1,286	-1,368	-563	-11	233	-9,206
Depreciation and impairment of property, plant and equipment	-49	-31	-20	-5	-1	-1	-98	-206
Adjusted EBITA	225	166	78	119	3	-12	17	597
Adjusted EBITA margin, %	5.6%	6.2%	5.6%	8.0%	0.5%			6.0%
Amortisation and impairment of intangible assets								-27
Items affecting comparability[2]								-64
Operating profit/loss								506
Financial income								33
Financial expenses								-228
Net financial items								-196
Profit/loss before tax								310
Taxes								-84
Profit after tax								226

1) Sales in the Electricity, Heating & Sanitation, and Ventilation segments add up to net sales in Sweden.
2) Items affecting comparability are included in sales and administration expenses in the statement of financial position for the Group. The items are attributable to acquisitions, integration and restructuring expenses, as well as to other non-recurring items.

Other disclosures								
Goodwill	987	716	544	552	170	–	–	2,970
Other intangible assets	9	15	1	3	0	–	–	28
Tangible assets	227	116	63	13	3	1	363	786
Accounts receivable	524	330	200	183	53	–	-12	1,278
Contractual assets	138	87	67	68	24	–	-1	383
Contractual liabilities	370	259	102	85	22	–	-6	833
Net contract liabilities	-232	-172	-35	-17	2	–	4	-450

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 2019 – 31 Dec 2019	Electricity	Heating & Sanitation	Ventilation	Norway	Finland	Group-wide	Eliminations and other	Total
Income								
External net sales[1]	4,088	2,565	1,462	1,285	597	0	-19	9,978
Internal net sales	63	77	-94	–	0	–	-46	–
Net sales	4,151	2,642	1,367	1,285	598	0	-65	9,978
Of which servicing	46%	35%	20%	36%	44%			38%
Operating costs	-3,878	-2,474	-1,276	-1,211	-586	-12	175	-9,262
Depreciation and impairment of property, plant and equipment	-51	-29	-18	-4	-0	-3	-95	-200
Adjusted EBITA	222	139	73	70	12	-15	15	516
Adjusted EBITA margin, %	5.3%	5.3%	5.3%	5.4%	1.9%			5.2%
Amortisation and impairment of intangible assets								-18
Items affecting comparability[2]								-246
Operating profit/loss								252
Financial income								59
Financial expenses								-179
Net financial items								-120
Profit/loss before tax								133
Taxes								-54
Profit after tax								78

1) Sales in the Electricity, Heating & Sanitation, and Ventilation segments add up to net sales in Sweden.
2) Items affecting comparability are included in Sales and administration expenses in the Report on earnings for the Group. The items are attributable to acquisitions, integration and restructuring expenses, as well as to other non-recurring items.

Other disclosures								
Goodwill	967	527	491	611	44	–	–	2,640
Other intangible assets	–	2	1	19	–	0	–	22
Tangible assets	230	114	62	15	2	2	362	788
Accounts receivable	608	332	162	225	84	–	-2	1,410
Contractual assets	168	104	70	74	25	–	-0	441
Contractual liabilities	260	237	107	91	17	–	-1	712
Net contractual liabilities	-92	-133	-37	-17	7	0	1	-271

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

Note 4 Operating expenses by nature

	Group (SEK m)		Parent Company (SEK m)	
	2020	2019	2020	2019
Materials	-3,278	-3,404	–	–
Subcontractors and services purchased in production	-1,450	-1,366	–	–
Other external costs	-478	-561	-27	-30
Personnel costs	-4,071	-4,134	-18	-1
Depreciation, amortisation and impairment	-227	-261	–	–
Total	-9,503	-9,726	-45	-31

Note 5 Leases

Group (SEK m)	2020			2019		
Expenses relating to right-of-use assets and lease liabilities	Premises	Vehicles	Total	Premises	Vehicles	Total
Depreciation	-86	-96	-182	-87	-86	-173
Impairment	-5	–	-5	-43	–	-43
Reversal of impairment	11	–	11	–	–	–
Interest expenses	-18	-7	-25	-17	-1	-18
Total expenses for the year	-98	-103	-200	-148	-87	-235

Total cash flow for leases is SEK 210 million (196).

Group (SEK m)	2020	2019
Lease expenses relating to contracts not classified as right-of-use assets		
Lease expense regarding short-term leasing	-6	-5
Lease expenses, low-value assets	-3	-3
Costs regarding variable lease expenses	-3	-3
Revenue from subletting of right of use	2	8
Total expenses for the year	-10	-3

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

Total cash flow for leases is SEK 210 million (196).

Group (SEK m)	2020			2019		
Changes in reported values of right-of-use assets	Premises	Vehicles	Total	Premises	Vehicles	Total
At start of year	336	356	693	408	315	723
Supplementary contracts	88	133	221	59	150	209
Concluded contracts	–	-31	-31	–	-21	-21
Depreciation, amortisation and impairment	-80	-96	-176	-130	-88	-218
Exchange differences	-6	-2	-8	-1	0	-1
At year end	339	361	699	336	356	693

Note 6 Fees and reimbursements to auditors

	Group (SEK m)		Parent Company (SEK m)	
	2020	2019	2020	2019
KPMG				
Audit assignments	6	5	1	–
Audit activities in addition to audit assignments	2	3	2	–
Tax advice	0	0	–	–
Other assignments	0	7	0	0
Total	8	15	1	0

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.

Note 7 Employees, personnel costs and remuneration to senior executives

Average number of employees	2020	of whom, men	2019	of whom, men
Parent Company				
Sweden	2		0	
Total Parent Company	2	100%	0	0%
Subsidiaries				
Sweden	4,764	94%	4,840	95%
Norway	735	95%	704	95%
Finland	319	92%	357	92%
Total in subsidiaries	5,818	94%	5,901	95%
Group total	5820	94%	5,901	95%

Gender distribution in Group management	2020 Proportion of women	2019 Proportion of women
Parent Company		
Board of Directors	33%	33%
Group		
Board of Directors	33%	33%
Other senior executives	13%	13%

Salaries, other remuneration and social security expenses (SEK m)	2020 Salaries and remuneration	Social security expenses	2019 Salaries and remuneration	Social security expenses
Parent Company	12	3	1	0
(of which pension costs)	2	0	–	0
Subsidiaries	2,968	871	3,043	849
(of which pension costs)	247	58	248	58
Group total	2,980	874	3,043	849
(of which pension costs)	249	58	248	58

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)	2020 Senior executives	2020 Other employees	2019 Senior executives	2019 Other employees
Parent Company				
Sweden	12	–	1	–
(of which bonuses and similar payments)	(4)	–	(0)	–
(of which pension costs)	(2)	–	(0)	–
Subsidiaries				
Sweden	15	2,301	24	2,340
(of which bonuses and similar payments)	(4)	(35)	(5)	(38)
(of which pension costs)	(3)	(204)	(5)	(202)
Norway	4	479	2	490
(of which bonuses and similar payments)	(1)	(16)	(1)	(13)
(of which pension costs)	(0)	(28)	(0)	(28)
Finland	2	168	2	185
(of which bonuses and similar payments)	(0)	(2)	(0)	(2)
(of which pension costs)	(0)	(12)	(0)	(13)
Subsidiaries, total	21	2,947	28	3,016
(of which bonuses and similar payments)	(5)	(53)	(6)	(54)
(of which pension costs)	(3)	(244)	(5)	(243)
Group total	33	2,947	29	3,016
(of which bonuses and similar payments)	(9)	(53)	(7)	(54)
(of which pension costs)	(5)	(244)	(5)	(243)

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 per cent 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. The variable portion may not exceed 75 per cent of fixed salary. The notice period for termination by the Company is twelve months, with benefits retained. The notice period on the part of the CEO amounts to 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 (3.1) including social security expenses were paid from Assemblin AB. The senior executive group pertains to 8 (8) persons in Group Management.

Note 8 Pensions

Group
Of the total number of employees in the Assemblin Group, approximately 31 per cent (30) 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 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Obligations in the statement of financial position for:				
Pension benefits, defined-benefit	746	703	0	0
Other pension obligations, insured	–	–	–	–
Total pension obligations	746	703	0	0
Reporting in the income statement regarding:				
Costs for defined-benefit pension plans	33	30	–	–
Costs for defined-contribution pension plans	216	218	2	0
Total pension costs	249	248	2	0
Costs are allocated among the following income statement items:				
Cost of production	130	112	–	–
Sales and administrative expenses	122	135	2	0
Financial expenses	-3	2	–	–
Total profit	249	248	2	0

Note 8 Pensions *cont.*

Number of persons covered by IAS 19 calculations	Parent Company	Rest of Sweden	Norway	Finland	Total
2020 Active		373			373
Paid-up policy holders		1,012			1,012
Pensioners		442			442
Total	–	1,827	–	–	1,827
2019 Active		396			396
Paid-up policy holders		1,015			1,015
Pensioners		400			400
Total	–	1,811	–	–	1,811

Defined-benefit pensions (SEK m)	2020	2019
Present value of unfunded obligations	664	626
Total present value of defined-benefit obligations	664	626
Special payroll taxes	81	77
Net present value of the liabilities	746	703
Net carrying amounts for defined-benefit plans	746	703

Change in present value of obligations for defined-benefit plans (SEK m)	2020	2019
Obligations for defined-benefit plans as at 1 January	626	508
Cost of vested benefits during the period	34	28
Interest expense	9	13
Pension disbursements	-14	-12
Actuarial (gain)/loss, financial commitments	8	90
Obligations for defined-benefit plans as at 31 December	664	626

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. Payments to the plan are expected to total SEK 14.5 million (13.6) over the next few years. The defined-benefit plan is primarily attributable to men.

Assumptions for defined-benefit obligations	2020	2019
Discount rate as at 31 December	1.10%	1.40%
Future salary growth	2.00%	2.20%
Inflation	1.50%	1.70%

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 DUS14. The remaining life expectancy for a 65-year-old woman with this life expectancy assumption is 24 years (24) and 22 years (22) for a man. The total duration of the obligation is 19 years (19) to establish a discount rate of 1.10 per cent (1.40).

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 2020	Increase	Decrease
Discount rate (0.5% change)	-9.0%	10.2%
Expected mortality (1 year change)	4.3%	-4.2%
Future salary growth (0.5% change)	6.0%	-5.2%
Increase/decrease in inflation (0.5% change)	7.2%	-6.5%

Change in the assumptions regarding 2019	Increase	Decrease
Discount rate (0.5% change)	-9.0%	10.3%
Expected mortality (1 year change)	4.3%	-4.2%
Future salary growth (0.5% change)	6.0%	-5.3%
Increase/decrease in inflation (0.5% change)	7.2%	-6.5%

Note 8 Pensions *cont.*

Alecta
For white-collar employees in Sweden, the ITP 2 plan's defined-benefit pension commitments for retirement and survivor pension are secured through a policy 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 25.4 million (29.2). The Group's share of the total fees for the pension system are 0.07 per cent (0.07), while its share of the total number of active members in the system is 0.06 per cent (0.06) %.

Annual fees for pension insurance contracted with Alecta totals SEK 59.3 million (55.5). The consolidation level shall normally be permitted to vary between 125 and 175 per cent. In the event Alecta's consolidated funding level is less than 125 per cent or exceeds 175 per cent, 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 expenses 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 148 per cent (148).

Note 9 Net financial items

Group (SEK m)	2020	2019
Interest income	1	1
Dividends	–	19
Exchange differences	30	39
Other financial income	1	1
Financial income	33	59
Interest expenses	-190	-110
Exchange differences	-16	-32
Impairment	–	0
Other financial expenses	-22	-37
Financial expenses	-228	-179
Net financial items	-196	-120

The net loss on interest rate swaps is included in the amount of SEK 97 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)	2020	2019
Interest income, Group Companies	99	7
Exchange differences	2	–
Financial income	101	7
Interest expenses	-159	-11
Exchange differences	-1	–
Other financial expenses	-5	0
Financial expenses	-165	-12
Net financial items	-64	-5

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)	2020	2019
Current tax expense		
Tax expense for the year	-79	-33
Adjustment of tax attributable to previous years	-10	-6
	-89	-39
Deferred tax		
Deferred tax relating to temporary differences	7	-4
Deferred tax relating to tax loss carryforwards	-1	-11
Adjustment of deferred tax attributable to previous years	-1	–
	5	-15
Total reported tax expense (+) tax revenue (-) tax expense	-84	-54

Reconciliation of effective tax

Group (SEK m)	2020	2019
Profit/loss before tax	310	133
Tax under applicable tax rate for Parent Company	-66	-28
Effect of foreign operations with tax rates other than 21.4% (21.4%)	-1	0
Non-deductible expenses	-21	-12
Income not subject to tax	11	15
Capitalisation of previously uncapitalised tax loss carryforwards	1	0
Utilisation of previously unutilised tax loss carryforwards	4	–
Impairment of previously capitalised tax loss	–	-11
Increase in tax loss carryforwards without corresponding capitalisation of deferred tax	–	-6
Adjustment of tax attributable to previous years	-12	-6
Other	0	-6
	-84	-54

Parent Company (SEK m)	2020	2019
Profit/loss before tax	-67	-4
Tax under applicable tax rate for Parent Company	14	1
Non-deductible expenses	-14	0
Income not subject to tax	–	-1
Total effective tax	0	0

Note 10 Tax *cont.*

Deferred tax on temporary differences and tax loss carryforwards

Group (SEK m)	31 Dec 2020 Deferred tax asset	31 Dec 2020 Deferred tax liability	31 Dec 2020 Net deferred tax	31 Dec 2019 Deferred tax asset	31 Dec 2019 Deferred tax liability	31 Dec 2019 Net deferred tax
Intangible assets	–	-5	-5	0	-4	-4
Tangible assets	13	–	13	14	0	14
Inventory	0	–	0	0	–	0
Accounts receivable	1	–	1	2	–	2
Projects in progress	4	-4	0	3	-5	-2
Current liabilities	4	–	4	0	-1	0
Pension provisions	87	–	87	82	–	82
Warranty provisions	5	0	5	9	–	9
Untaxed reserves	–	-11	-11	–	-2	-2
Other	19	-1	19	10	-1	9
Capitalised tax loss carryforwards	12	–	12	14	–	14
Netting	0	0	0	0	0	0
Net deferred tax assets (+)/liabilities (-)	146	-21	125	134	-13	122

Sweden has a corporate tax rate of 21.4 per cent (21.4 per cent) but will, from 1 January 2021, reduce this to 20.6 per cent. Norway has a corporate tax rate of 22 per cent (22). Finland has a corporate tax rate of 20 per cent (20). Deferred tax assets in the Parent Company refer to a temporary difference in endowment insurance and amount to 0 (–).

Unrecognised deferred tax assets
At year end, the total tax loss in the Group was SEK 208 million (310), of which SEK 60 million (68) has been capitalised. Deferred tax on uncapitalised tax losses totalled SEK 30 million (50) and matures according to the table below.

(SEK million)	2020
2020	–
2021	–
2022	–
2023	37
2024	27
After 2024	145
No due date	–
Total tax loss	208
Of which capitalised	60

Net changes in deferred tax in temporary differences and tax loss carryforwards, 2020

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 2020
Intangible assets	-6	8			-7	-5
Tangible assets	15	-2				13
Inventory	0	0				0
Accounts receivable	2	-1				1
Projects in progress	0	0				0
Current liabilities	0	4				4
Pension provisions	83	2	2			87
Warranty provisions	9	-4				5
Untaxed reserves	-2	-1			-8	-11
Other	7	0	12		0	19
Capitalisation of tax loss carryforwards	14	-2				12
Total	122	5	14	–	-16	125

Note 10 Tax *cont.*

Net changes in deferred tax in temporary differences and tax loss carryforwards, 2019

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 2019
Intangible assets	0	0	–		-6	-6
Tangible assets	-2	5	12		–	15
Inventory	6	-5	–		–	0
Accounts receivable	2	0	–		–	2
Projects in progress	5	-4	–		–	0
Current liabilities	1	-2	–		–	0
Pension provisions	59	0	23		–	83
Warranty provisions	8	1	–		–	9
Untaxed reserves	–	-2	–		–	-2
Other	3	4	1		-2	7
Capitalisation of tax loss carryforwards	25	-11	–		–	14
Total	108	-15	37	–	-7	122

Note 11 Equity

Parent Company	2020	2019
Shares outstanding		
Opening number of shares	500,000	50,000
New share issue	–	450,000
Number of shares at end of year	500,000	500,000

Share capital in Assemblin Financing AB totals SEK 500,000 (500,000) with a quotient value per share of SEK 1.00 (1.00). 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 2020 (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 2019	5		-92	-88
Translation differences in translation of foreign subsidiaries	11			11
Hedge reserve		-6		-6
Tax attributable to items that can be transferred to profit/loss for the year		1		1
Revaluations of defined-benefit pension plans			-90	-90
Employer's contribution, defined-benefit pension plans			-21	-21
Tax attributable to items that cannot be transferred to profit/loss for the year			23	23
Closing carrying amount 31 Dec 2019	16	-5	-181	-170
Opening carrying amount, 1 Jan 2020	16	-5	-181	-170
Translation differences in translation of foreign subsidiaries	-69			-69
Hedge reserve		-20		-20
Tax attributable to items that can be transferred to profit/loss for the year	8	4		12
Revaluations of defined-benefit pension plans			-8	-8
Employer's contribution, defined-benefit pension plans			-2	-2
Tax attributable to items that cannot be transferred to profit/loss for the year			2	2
Closing carrying amount 31 Dec 2020	-46	-20	-189	-255

Foreign currency 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 2020

Unit acquired	Division	Type	Participation	Acquisition date	Number of employees	Sales for the year, 2020
Projektuppdrag Syd AB	Ventilation	Company	100%	January	8	10
Elservice i Åmål AB	Electricity	Assets acq.	–	April	8	8
Örestadskyl AB	Ventilation	Company	100%	May	9	23
Botkyrka VVS & Fastighetsservice AB	Heating & Sanitation	Company	100%	July	18	67
El & Installationsteknik i Stockholm AB	Heating & Sanitation	Company	100%	July	11	34
SDC Stockholm Design & Construction AB	Heating & Sanitation	Company	100%	July	13	24
Luftkompaniet Sjöblom AB	Ventilation	Company	100%	September	16	80
Mälardalens Fjärrvärme Entreprenad AB	Heating & Sanitation	Assets acq.	–	October	11	15
Essén Rör AB	Heating & Sanitation	Company	100%	October	45	70
KK-Kylmäpalvelu Oy	Finland	Company	100%	October	25	38
Salon Kylmäpojat Oy	Finland	Company	100%	October	8	11
Karjalan Kylmäpalvelu Oy	Finland	Company	100%	October	2	2
Kalmar VVS- & EL-Montage AB	Heating & Sanitation	Company	100%	December	28	70
FBI Fastighet o Butiksinstallationer AB	Ventilation	Assets acq.	–	December	1	2
J Östling & C. Sparf El AB	Electricity	Company	100%	December	28	35
					238	489

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 2020 are preliminary. If the acquisition had occurred on 1 January 2020, the Group's sales would have increased by SEK 327 million (270) and the companies acquired would altogether have brought in an operating profit of approximately SEK 48 million (31). In January 2021, Assemblin Electrical Engineering made three acquisitions (TIS El in Karlstad, Åby Eltjänst in Norrköping and EA Installationer in Trelleborg) with combined annual sales of approximately SEK 129 million and 100 employees. In addition, Assemblin acquired VS Vantec System AB with annual sales of SEK 50 million and 16 employees, and Assemblin Norway acquired Nor-Klima T. Svendsen AS with ventilation operations in Drammen and annual sales of approximately SEK 33 million.

In December, Assemblin signed an agreement to acquire the Fidelix Holding Oy Group with an estimated turnover in excess of SEK 540 million and with 360 employees. Fidelix is active in property automation solutions in Finland and Sweden and the acquisition is expected to be finalised once ongoing competition consideration has been completed. In addition, Assemblin Electrical Engineering has signed and agreement to divest its electromechanical workshops with operations in three locations, annual sales of approximately SEK 90 million and 45 employees.

In January 2020, Assemblin announced its acquisition of the Malmö-based technical consulting company Projektuppdrag Syd AB with eight employees and some SEK 10 million in annual sales.

In April, the assets in Elservice in Åmål were acquired with eight employees and annual sales of approximately SEK 8 million.

In May, the refrigeration technology company Örestadskyl was actively acquired in southern Sweden with sales of SEK 23 million and nine employees.

In July, the acquisition of three sister companies was announced (Botkyrka VVS & Fastighetsservice AB, ELIN i Stockholm AB and SDC Stockholm Design & Construction AB), conducting renovation operations, primarily in Stockholm. The companies had a total of 42 employees and annual sales of approximately SEK 125 million.

In September, the acquisition was announced of the ventilation company Luftkompaniet Sjöblom AB, with operations in Stockholm, annual sales of approximately SEK 80 million and slightly more than 15 employees.

In September, the acquisition was announced of the assets in Mälardalens Fjärrvärme Entreprenad AB, with operations in Västerås, 11 employees and estimated annual sales of SEK 15 million. The Group gained control in October.
In November, the acquisitions was announced of a heating and sanitation company in Örebro (Sweden), Essén Rör AB, with annual sales of SEK 70 million and 45 employees.

In November, the acquisitions were also announced of KK Kylmäpalvelu Oy, with operations in Helsinki (Finland), and its two subsidiaries Salon Kylmäpojat Oy, operating in Salo, and Karjan Kylmäpalvelu Oy, operating in Joensuu. These acquisitions generate combined annual sales of SEK 60 million, have 35 employees and are active in refrigeration services.

In December, the acquisition was announced of Kalmar VVS & Elmontage AB with annual sales of SEK 70 million and 35 employees active in heating, sanitation and electrical services in the County of Kalmar, Sweden. In addition, the acquisition of J Östling & C. Sparf El AB in December was announced in January 2021. The company is active in electrical installations in the Uppsala area and has annual sales of SEK 35 million and 28 employees.

Note 12 Acquisitions of businesses *cont.*

The following acquisitions were completed in 2019

Unit acquired	Division	Type	Participation	Acquisition date	Number of employees	Sales for the year, 2019
Norrlands Industrimontage AB	Electricity	Company	100%	January	40	50
Värmesvets Entreprenad i Eslöv AB	Heating & Sanitation	Company	100%	March	44	90
Industri och Värmemontage Werme AB	Heating & Sanitation	Company	100%	June	38	75
KP Svets & Smide AB	Heating & Sanitation	Company	100%	June	15	25
Bygg og Varme	Norway	Assets acq.	–	October	1	2
Suomen Kylmäpiste	Finland	Assets acq.	–	October	3	10
Hagen Holding AS (Arve Hagen AS)[1]	Norway	Company	100%	November	43	100
Hagen Holding AS (Gjövik Värme og Sanitär AS)	Norway	Company	100%	November	55	132
Hagen Holding AS (Ramsöy AS)	Norway	Company	100%	November	12	28
					251	512

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 2019 are preliminary. If the acquisition had occurred on 1 January 2019, the Group's sales would have increased by SEK 270 million (200) and the companies acquired would altogether have brought in an operating profit of approximately SEK 31 million (4). The acquisition of Projektuppdrag Syd AB was announced on 15 January. The company is based in Malmö and provides consulting services with eight employees.

1) The Company Hagen Holding AS has changed its name to Assemblin Innlandet AS.

Assets and liabilities included in acquisitions (SEK m)	2020	2019
Intangible assets	0	0
Tangible assets	8	7
Right-of-use assets	57	6
Other fixed assets	2	14
Contract assets – revenue generated, uninvoiced	9	18
Accounts receivable	49	65
Other current assets	129	57
Provisions	-9	-7
Non-current liabilities	-50	-19
Contract liabilities – invoiced revenue not generated	0	-6
Accounts payable	-29	-24
Current liabilities	-67	-78
Order backlog	33	25
Deferred tax on surplus	-7	-3
Net identifiable assets and liabilities	125	55
Group goodwill	395	212
Consideration settled, cash	387	238
Consideration entered as liability	133	29
Consideration	520	267
Purchase consideration paid	-387	-238
Cash and cash equivalents acquired	95	32
Adjusted purchase prices attributable to previous years	-3	-5
Acquisition expenses	-6	-2
Translation differences	-1	-1
Net effect on cash and cash equivalents	-302	-213

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 6 million (2) 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.

Note 13 Assets pledged, contingent liabilities and contingent assets

Group (SEK m)	31 Dec 2020	31 Dec 2019
Assets pledged		
In the form of assets pledged for own liabilities and provisions		
Endowment insurance as security for direct pensions	14	14
Shares in subsidiaries	377	238
Bank accounts	0	17
Total	391	269
Contingent liabilities		
Warranty commitments, PRI	7	6
Total contingent liabilities	7	6

Parent Company (SEK m)	31 Dec 2020	31 Dec 2019
Assets pledged		
In the form of assets pledged for own liabilities and provisions		
Shares in subsidiaries	5,098	5,081
Internal Group loan	1,577	1,577
Bank accounts	0	17
Total	6,675	6,675

Note 14 Intangible assets

Group (SEK m)	Goodwill 2020	Goodwill 2019	Order backlog 2020	Order backlog 2019	Balanced development expenses 2020	Balanced development expenses 2019	Total 2020	Total 2019
Amortised cost								
At start of year	2,640	2,411	178	150	120	116	2,939	2,677
Business combinations	395	212	33	26	0	0	426	237
Investments	–	–	–	1	0	1	2	2
Disposals	–	–	–	0	–	–	–	0
Transfers	–	–	1	–	–	4	1	4
Exchange differences	-66	17	-6	1	0	0	-72	19
At year end	2,970	2,640	206	178	120	120	3,296	2,939
Accumulated depreciation								
At start of year	–	–	-159	-143	-25	-22	-185	-165
Depreciation for the year[1]	–	–	-26	-15	-1	-3	-27	-18
Disposals	–	–	–	0	–	–	–	0
Transfers	–	–	–	–	–	-1	–	-1
Exchange differences	–	–	5	-1	0	0	5	-1
At year end	–	–	-181	-159	-26	-25	-208	-185
Accumulated impairment								
At start of year	–	–	–	-1	-91	-91	-91	-92
Disposals	–	–	–	1	–	–	–	1
At year end	–	–	–	–	-91	-91	-91	-91
Carrying amounts, 31 December	2,970	2,640	25	19	3	4	2,997	2,663

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 2021 budget and subsequently on the business area-specific assumptions of yearly sales growth, EBITA margin and working capital requirements for the period from 2022 to 2024. 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 2024 is assumed to be 2.0 per cent (2.0). The present value of the forecast cash flows has been calculated with a discount rate of 8.0 per cent (8.0) 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 2020, 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, 2020	Electricity	Heating & Sanitation	Ventilation	Norway	Finland	Groupwide	Total
Goodwill	987	716	544	552	170	–	2,970

Goodwill per cash-generating unit, 2019	Electricity	Heating & Sanitation	Ventilation	Norway	Finland	Groupwide	Total
Goodwill	967	527	491	611	44	–	2,640

Note 15 Property, plant and equipment

	Land and buildings		Leasehold improvements		Plant, machinery and equipment		Total	
Group (SEK m)	2020	2019	2020	2019	2020	2019	2020	2019
Amortised cost								
At start of year	5	8	72	67	220	665	296	740
Business combinations	0	–	3	1	5	5	8	5
Investments	0	–	3	2	11	12	14	14
Disposals	–	–	0	-1	-19	-38	-19	-39
Transfers	–	-3	0	4	-1	-425	-1	-425
Exchange differences	0	0	0	0	-4	1	-5	-1
At year end	5	5	77	72	211	220	293	296
Depreciation								
At start of year	-4	-4	-28	-22	-169	-312	-201	-338
Depreciation for the year	0	0	-5	-5	-18	-21	-23	-26
Disposals	–	–	0	0	16	33	16	33
Transfers	–	1	–	-1	–	131	–	131
Exchange differences	0	0	0	0	3	-1	3	-1
At year end	-4	-4	-33	-28	-169	-169	-206	-201
Impairment								
At start of year	–	–	0	0	0	0	-1	0
Impairment for the year	–	–	–	0	0	–	0	0
Disposals	–	–	–	–	0	–	0	–
At year end	–	–	0	0	0	0	-1	-1
Carrying amounts, 31 December	1	1	44	44	42	51	87	95

Group

Finance leases through 31 December 2018

Leased vehicles that in 2018 were included in the category plant, machinery and equipment have, in 2019 been reclassified to Right-of-use assets at a value of SEK 291 million.

Note 16 Financial investments

Group (SEK m)	31 Dec 2020	31 Dec 2019
At start of year	34	33
Business combinations	1	0
Investments	–	0
Participations in earnings[1]	4	1
Exchange differences	0	0
Financial assets at year-end	39	34
Breakdown of securities		
Elajo Invest AB	30	30
Other	8	4
Total securities	39	34

1) Shares in profits in NSM EL HB and NSM VS HB.

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 – undiscounted cash flows
Maturity structure relating to future contractual interest payments, based on current interest rate levels and amortisation.

Group (SEK m) 2020	Currency	Nominal amt. original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	250	2,640	–	2,640	–
Trade payables	SEK	780	780	779	1	–
Lease liabilities	SEK	769	769	207	562	–
Total			4,189	986	3,203	–
Interest payments[2]	SEK		653	149	504	–
Total			4,843	1,136	3,707	–

1) The bond loan was raised in EUR. For the purpose of eliminating the currency risk, the capital liability and coupons were swapped to SEK and the STIBOR rate with the same maturity structure as the bond. 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	450	–	450
Warranty facility	200	98	102
Warranty facility, PRI	240	240	–
Total	890	338	552
Cash and cash equivalents available	721		721
Liquidity reserve	1,611	338	1,273

Parent Company (SEK m) 2020	Currency	Nom. amount original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	250	2,640		2,640	
Trade payables	SEK	2	2	2	–	-
Liabilities to Group companies	SEK	72	72	72	–	–
Total			2,714	74	2,640	–
Interest payment	SEK		653	149	504	–
Total			3,367	223	3,144	–

1) The bond loan was raised in EUR. To eliminate the currency risk to which this gives rise, both principal amounts and interest payments have been swapped to SEK with an identical maturity structure. The loan is subject to certain covenants, all of which have been met.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	450	–	450
Warranty facility	200	98	102
Warranty facility, PRI	240	240	–
Total	890	338	552
Cash and cash equivalents available	1		1
Liquidity reserve	891	338	553

Note 17 Financial risks and risk management cont.

Group (SEK m) 2019	Currency	Nominal amt. original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	250	2,640	–	–	2,640
Trade payables	SEK	861	861	860	1	–
Lease liabilities	SEK	776	776	193	583	–
Total			4,277	1,053	584	2,640
Interest payments[2]	SEK		837	151	626	60
Total			5,114	1,204	1,210	2,700

1) The bond loan was raised in EUR. For the purpose of eliminating the currency risk, the capital liability and coupons were swapped to SEK and the STIBOR rate with the same maturity structure as the bond.
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	450	–	450
Warranty facility	200	71	129
Warranty facility, PRI	240	240	–
Total	890	311	579
Cash and cash equivalents available	407	–	407
Liquidity reserve	1,297	311	986

Parent Company (SEK m) 2019	Currency	Nominal amt. original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	250	2,640			2,640
Trade payables	SEK	0	0	0	0	–
Total			2,640	–	–	2,640
Interest payment	SEK		–	151	626	60
Total			2,640	151	626	2,700

** The bond loan was raised in EUR. To eliminate the currency risk to which this gives rise, both principal amounts and interest payments have been swapped to SEK with an identical maturity structure.*

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	450	–	450
Warranty facility	200	98	102
Warranty facility, PRI	240	240	–
Total	890	338	552
Cash and cash equivalents available	1	–	1
Liquidity reserve	891	338	553

The 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 positively impact the Group's equity by SEK +5.0 million, while a similar increase in the NOK/SEK exchange rate would positively impact equity by SEK +9.4 million.

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 20.3 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 2020			January – December 2020		
	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
Currency interest rate swap	250	155	Other non-current liabilities	-116	97	Financial expenses

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. There are no receivables in counterparties regarding derivatives on 31 December 2020 and 31 December 2019 respectively. For other financial assets, the credit risk is assumed to correspond to the carrying amounts.

Credit risks in trade receivables

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) 2020	Accounts receivable, gross	Loss reserve	Net
Current trade receivables	1,115	–	1,115
Past due trade receivables, 0 – 30 days	95	0	94
Past due trade receivables, > 30 – 90 days	28	0	28
Past due trade receivables, > 90 – 180 days	16	-2	14
Past due trade receivables, > 180 – 360 days	22	-11	12
Past due receivables, >360 days	20	-5	15
Total	1,296	-19	1,278

Age analysis, trade receivables (SEK M) 2019	Accounts receivable, gross	Loss reserve	Net
Current trade receivables	1,189	–	1,189
Past due trade receivables, 0 – 30 days	163	0	163
Past due trade receivables, > 30 – 90 days	50	-1	49
Past due trade receivables, > 90 – 180 days	6	-2	4
Past due trade receivables, > 180 – 360 days	9	-6	3
Past due receivables, >360 days	5	-2	3
Total	1,423	-11	1,412

Age analysis, trade payables (SEK m)	2020	2019
Current trade payables	696	730
Past due trade payables, 0 – 30 days	74	123
Past due trade payables, > 30 – 90 days	1	4
Past due trade payables, > 90 – 180 days	0	2
Past due trade payables, > 180 – 360 days	7	2
Past due payables >360 days	1	1
Total	780	861

12-month expected credit losses (SEK m)	2020	2019
Opening balance at 1 January	11	17
Revaluation of loss allowances, net	-3	-13
Acquisition of financial assets	0	1
Verified credit losses	-11	-2
Provisions for the year	21	7
Closing balance as of 31 December	19	11

Note 18 Non-current receivables and other receivables

	Group		Parent Company	
(SEK m)	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Non-current receivables that are non-current assets				
Deposit, premises rentals	1	1	–	–
Other	1	2	–	–
Total	2	3	–	–
Other receivables that are current assets				
VAT receivables	7	14	–	–
Receivable, tax account	69	67	0	–
Other	26	29	0	–
Total	102	109	0	–

No individual item under Other exceeds 10 per cent of the total amount.
From the Parent Company's receivables from Group companies, which amounted to SEK 1,616 million at the beginning of 2020, SEK 10 million was deducted during the year. At the end of the year, SEK 1,607 million remained.

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 2020**	Note	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
Financial investments	16, 17	–	39	39
Non-current receivables	18	2	–	2
Contractual assets	20	383	–	383
Trade receivables	21	1,278	–	1,278
Accrued income	22	5	–	5
Total		1,667	39	1,706

Group (SEK m) **31 Dec 2020**	Note	Financial liabilities measured at amortised cost	Real value– hedging instruments	Financial liabilities measured at fair value through the income statement	Total carrying amount
Bond loans	23, 17	2,511	–	–	2,511
Other non-current interest-bearing liabilities		1	–	–	1
Derivatives	23, 17	–	155	–	155
Trade payables		780	–	–	780
Conditional purchase consideration		–	–	133	133
Other liabilities	25	28	–	–	28
Accrued expenses	26	8	–	–	8
Total		3,328	155	133	3,615

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 2019**	Note	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
Financial investments	16, 17	–	34	34
Non-current receivables	18	3	–	3
Contractual assets	20	441	–	441
Trade receivables	21	1,410	–	1,410
Other receivables	18	109	–	109
Accrued income	22	7	–	7
Total		1,970	34	2,005

Group (SEK m) **31 Dec 2019**	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	23, 17	2,608	–	–	2,608
Other non-current interest-bearing liabilities		1	–	–	1
Derivatives	23, 17	–	38	–	38
Trade payables		861	–	–	861
Conditional purchase consideration		–	–	29	29
Other liabilities	25	22	–	–	22
Accrued expenses	26	11	–	–	11
Total		3,505	38	29	3,571

Parent Company (SEK m) **31 Dec 2020**	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	23, 17	2,511	–	–	2,511
Derivatives	23, 17		155	–	155
Trade payables		2	–	–	2
Accrued expenses	26	7	–	–	7
Total		2,521	155	–	2,675

Parent Company (SEK m) **31 Dec 2019**	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	23, 17	2,608	–		2,608
Derivatives	23, 17		38	–	38
Accrued expenses	26	11	–		11
Total		2,620	38	–	2,658

Note 20 Contractual assets and liabilities

Group (SEK m)	31 Dec 2020	31 Dec 2019
Contractual assets		
Revenue generated on work not concluded	5,349	5,225
Invoicing on work not concluded	-4,966	-4,784
Total contractual assets	383	441
Contractual liabilities		
Invoicing on work not concluded	9,680	8,715
Revenue generated on work not concluded	-8,847	-8,004
Total contractual liabilities	833	712

Historically, Assemblin and its subsidiaries have had low confirmed customer losses and this is not deemed to have changed in 2020 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 383 million (441) 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 11 million (2) in the Group into account.

Note 22 Prepaid expenses and accrued income

	Group		The Parent Company	
(SEK m)	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Accrued income	5	7	–	–
Accrued supplier bonuses	95	120	–	–
Prepaid rent	6	2	–	–
Prepaid licenses	11	12	–	–
Prepaid insurance premiums	4	2	–	–
Other items	25	15	0	–
Prepaid expenses and accrued income	146	158	0	–

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)	2020	2019
Non-current liabilities		
Bond loans	2,472	2,559
Value of derivatives	155	38
Other interest-bearing external liabilities	1	1
Lease liabilities	562	583
	3,189	3,182
Current liabilities		
Current interest-bearing liabilities	1	1
Current portion of lease liabilities	207	194
	208	195

Note 23 Interest-bearing liabilities *cont.*

Group				2020	
Terms and repayment periods	Currency	Nominal interest rate	Maturity	Nominal value (SEK)	Carrying amount
Bond loans[1]	EUR	5.66%	2025-05-15	2,511	2,472
Current portion of lease liabilities[2]	SEK	2)	2021-12-31	207	207
Non-current portion of lease liabilities[2]	SEK	2)	2)	562	562
Total interest-bearing liabilities				3,281	3,241

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.1) During 2020, borrowing expenses of SEK 9 million were expensed.
2) The finance leases are amortised over three to five years with interest rates of 1– 1.80 per cent.

Group				2019	
Terms and repayment periods	Currency	Nominal interest rate	Maturity	Nominal value (SEK)	Carrying amount
Bond loans[1]	EUR	5.66%	2025-05-15	2,608	2,559
Current portion of lease liabilities[2]	SEK	2)	31 Dec 2020	194	194
Non-current portion of lease liabilities[2]	SEK	2)	2)	583	583
Total interest-bearing liabilities				3,385	3,336

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.1) As per 6 December 2019, borrowing expenses of SEK 49 million were expensed. 2) The finance leases are amortised over three to five years with interest rates of 1–1.80 per cent.

Parent Company (SEK m)	2020	2019
Non-current liabilities		
Bond loans [1]	2,624	2,621
Total	2,624	2,621

Parent Company				2020	
Terms and repayment periods	Currency	Nominal interest rate	Maturity	Nominal value	Carrying amount
Bond loans	EUR	5.66%	2025-05-15	2,624	2,624
Total interest-bearing liabilities				2,624	2,624

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.1) During 2020, borrowing expenses of SEK 4 million were expensed.

Credit limits	2020	2019
Group and Parent Company		
Credit limit granted	450	450
Unused portion	450	450
Credit amount used	–	–
Credit limit granted, by country		
Sweden	450	450
Total credit limit granted	450	450

Note 24 Provisions

Group (SEK m)	31 Dec 2020	31 Dec 2019
Provisions that are non-current liabilities		
Warranty commitments	79	98
Restructuring, onerous contracts and disputes	37	73
Total	116	172
Provisions that are current liabilities		
Warranty commitments	23	10
Restructuring, onerous contracts and disputes	47	66
Total	70	76

Group provisions for warranty commitments (SEK m)	31 Dec 2020	31 Dec 2019
Carrying amount at start of period	108	119
Amount acquired	1	2
Provisions made during the period	13	11
Amount utilised during the period	-34	-14
Unused amount reversed during the period	-8	-11
Transfers	25	–
Translation difference/other	-2	0
Carrying amount at end of period	103	108

Group provisions for restructuring, onerous contracts and disputes (SEK m)	31 Dec 2020	31 Dec 2019
Carrying amount at start of period	140	65
Amount acquired	0	0
Provisions made during the period	105	224
Amount utilised during the period	-104	-141
Unused amount reversed during the period	-1	-8
Transfers	-51	–
Translation difference/other	-5	0
Carrying amount at end of period	84	140

Note 24 Provisions

Total Group provisions (SEK m)	31 Dec 2020	31 Dec 2019
Carrying amount at end of period	248	184
Amount acquired	1	2
Provisions made during the period	118	235
Amount utilised during the period	-138	-155
Unused amount reversed during the period	-9	-19
Transfers	-26	–
Translation difference/other	-7	0
Total carrying amount at end of period	187	248
Of which total non-current portion of provisions	116	172
Of which total current portion of provisions	70	76

Warranty commitments
Provisions for warranties relate to assumed future expenditures for rectifying errors and shortcomings detected regarding concluded projects that arise during the warranty period for the projects. The provisions are primarily attributable to projects concluded in 2019 and 2020 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 31.

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 million)	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Other current liabilities				
VAT liability	67	63	–	4
Unpaid purchase consideration on acquisition of subsidiaries	13	–	–	–
Other	28	25	1	3
Total other current liabilities	108	88	1	7

Note 26 Accrued expenses and prepaid income

	Group		Parent Company	
(SEK million)	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Deferred income	6	–	–	17
Personnel-related items	911	879	7	2
Accrued interest expenses	8	11	7	11
Other	45	62	9	5
Total accrued expenses and deferred income	970	952	23	35

Note 27 Specifications of cash flow analyses

Cash and cash equivalents (SEK m)	Group		Parent Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
The following subcomponents are included in cash and cash equivalents:				
Cash in hand and bank deposits	721	407	1	18
Deposits in cash pooling	–	–	–	0
Total cash and cash equivalents	721	407	1	18

Interest paid and dividends received (SEK m)	Group		Parent Company	
	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019
Dividends received	–	19	–	7
Interest received	1	1	101	–
Interest paid to Group companies	–	–	0	–
Interest paid	-207	-126	-163	-11
Total interest paid and dividends received	-206	-106	-61	-5

Adjustments for items not included in the cash flow (SEK m)	Group		Parent Company	
	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019	1 Jan 2020 – 31 Dec 2020	1 Jan 2019 – 31 Dec 2019
Depreciation and impairment of property, plant and equipment	226	261	–	–
Capital loss on sale of non-current assets	-5	-7	–	–
Expensed arrangement fees, loans	9	25	4	–
Change in accrued interest	-4	-4	-2	4
Unrealized translation differences	1	-6	–	–
Group contributions	–	–	-21	-10
Participations in earnings of trading companies	-4	-1	–	–
Provisions for pensions	34	30	–	–
Other provisions	99	198	–	–
Dividends received	–	-19	–	–
Change in uncertain accounts receivable	19	6	–	–
Other	1	2	–	–
Total non-cash items	376	484	-19	-5

Note 27 Specification of cash flow statement *forts.*

Opening/closing balance analysis for liabilities whose cash flows are recognised in financing activities

Group (SEK m)	31 Dec 2019	Cash flows	Changes not affecting cash flow: Currency effect	Other	31 Dec 2020
Bond loans	2,559	–	-96	9	2,472
Derivatives	38	–	116	–	155
Loans from credit institutions	2	-2	–	2	2
Lease liabilities	776	-185	-9	188	769
Total liabilities attributable to financing activities	3,376	-187	10	199	3,398

Group (SEK m)	31 Dec 2018	Adjustment, IFRS 16	Effect of acquisitions	Cash flows	Changes not affecting cash flow: Currency effect	Other	31 Dec 2019
Bond loans	–			2,591	-32	–	2,559
Derivatives	–			–	38	–	38
Loans from credit institutions	1,727			-1,725	–	–	2
Acquisition loans	–		992	-992	–	–	–
Lease liabilities	–	761		-170	-4	189	776
Finance leases	291	-291		–	–	–	–
Total liabilities attributable to financing activities	2,018	470	992	-296	-4	189	3,376

Parent Company (SEK m)	31 Dec 2019	Cash flows	Changes not affecting cash flow: Currency effect	Other	31 Dec 2020
Bond loans	2,621	–	–	4	2,624
Total liabilities attributable to financing activities	2,621	–	–	4	2,624

Parent Company (SEK m)	31 Dec 2018	Cash flows	Changes not affecting cash flow: Currency effect	Other	31 Dec 2019
Bond loans	–	2,591	–	30	2,621
Total liabilities attributable to financing activities	–	2,591	–	30	2,621

Note 28 Appropriations

Parent Company (SEK m)	2020	2019
Group contributions received	21	10
Total appropriations	21	10

Note 29 Proposal for appropriation of profits

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

Retained earnings	4,084,461,940
Profit for the year	-66,968,850
Total	4,017,493,090

The Board of Directors proposes that the retained earnings and unrestricted equity be managed as follows:

To be carried forward	4,017,493,090
Total	4,017,493,090

Note 30 Group companies

Parent Company (SEK m)	2020	2019
Amortised cost		
At start of year	5,081	–
Shareholder contributions	17	–
Acquisitions	–	5,081
At year end	5,098	5,081

Note 30 Group companies *cont.*

Breakdown of Parent Company's direct holding of participations in subsidiaries

Subsidiaries	Corp. ID no.	Domicile	Participa-tion, %	Number of shares	Carrying amount 31 Dec 2020	31 Dec 2019
Assemblin Holding AB	559025-2952	Stockholm	100	50,000	5,098	5,081
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	100			
– TKI Teknikinstallationer AB	556518-2176	Stockholm	100			
– Ivarssons Rörläggeri AB	556541-8679	Gothenburg	100			
– Lindahls Rör i Göteborg AB	556332-3186	Gothenburg	100			
– Svenssons Rörinstallation i Kinna AB	556440-2377	Land	100			
– Värmesvets Entreprenad i Eslöv AB	556485-5806	Eslöv	100			
– 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			
– Essén Rör AB	556459-3431	Örebro	100			
– Kalmar VVS- & EL-Montage AB	556614-9166	Mörbylånga	100			
– NSM VS HB	969781-5158	Malmö	50			
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			
Assemblin Ventilation AB	556728-9177	Malmö	100			
– HVAC AB	556778-9010	Malmö	100			
– Ventilation Totalplåt AB	556597-9092	Malmö	100			
– Polarluft AB	556944-6072	Eskilstuna	100			
– 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			
Assemblin Holding AS	943623341	Oslo	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			
Assemblin Oy	2064618-3	Helsinki	100			
KK-Kylmäpalvelu Oy	2358189-9	Helsinki	100			
– Salon Kylmäpojat Oy	0776528-4	Helsinki	100			
– Karjalan Kylmäpalvelu Oy	2800665-8	Helsinki	100			
Assemblin Installation AB	556224-0944	Stockholm	100			
Assemblin Umeå Ventilation AB	556627-6753	Umeå	100			
Assemblin Umeå Holding AB	556595-6090	Umeå	100			
Trignition 1 AB	559025-3026	Stockholm	100			
Trignition 2 AB	559028-2900	Stockholm	100			
Total						

Note 31 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 procedures 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 leases
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 32 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	**2020**	**2019**
Sales	21	22
Group contributions	21	10
Interest income	99	7
	141	39
Expenses		
Purchase of goods/services		
Triton Advisers Ltd.	2	0
West Park Mgmnt Services Ltd.	8	6
Interest expenses	0	–
	10	6
Receivables	1,641	1,577
Liabilities	72	–

Transactions with related parties are priced at market rates.

Parent Company
On 6 December 2019, Assemblin Financing AB (publ), corporate ID number 559007-5952, acquired all shares in Assemblin Holding AB (559025-2952) for SEK 5,081 million. Ignition MidCo S.àr.l. (B 190534) financed the acquisition of the shares against a promissory note, whereupon SEK 4,089 million was converted to shareholder contributions and the remaining SEK 992 million was amortised in conjunction with the issuance of a bond.

In 2020, the Parent Company received a Group contribution of SEK 21 million, which was reversed via shareholder contributions net after tax.

Transactions with key persons in executive positions
Information on remunerations to key persons in executive positions, refer to Note 7.

Note 33 Events after the balance-sheet date

In January, 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. Assemblin VS AB acquired Vantec System AB in Götene, with sales of approximately SEK 50 million 16 employees. Assemblin AS in Norway grew in ventilation by acquiring Nor-Klima T. Svendsen AS with operations in Drammen and annual sales of approximately SEK 33 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. The buyer took possession in early April 2021.

In February, it was announced that Per-Ingemar Persson will be elected by the upcoming Annual General Meeting as a new member of Assemblin's Board of Directors.

At the end of January, Assemblin issued additional bonds, for an amount equivalent to EUR 100 million and on unchanged terms compared with previous bonds, to finance the acquisition of Fidelix Holding Oy, where Assemblin is expected to take possession following approval by the Finnish Competition Authority later in 2021, to secure continued favourable liquidity. Assemblin's principal shareholder also plans to provide a shareholder contribution of an amount equivalent to EUR 20 million.

We have based our response to the Covid-19 situation on the authorities' recommendations and restrictions. With the Nordic construction and installation industry not having been subject to the substantial shut-downs, we have worked with Covid-19 as a serious work environment risk and have sought to actively limit the risk of contagion in various ways. To some extent, our operations have been negatively affected by market uncertainty, particularly in the service operations. This has entailed local short-term lay-offs, for which we have received state support to a limited extent. We have also been negatively affected by increased short-term absence, which we have managed to resolve through active planning of staffing and increased government compensation for sick pay, although we have been forced to hire in more expensive resources in some locations. At the same time, less travel and fewer personnel activities have led to somewhat lower overheads, offsetting part of the negative effect.

Note 34 Parent Company information

The Group was assigned a new Parent Company in 2019, with the change being made in conjunction with the issuance of a bond. From a reporting perspective, this internal restructuring entailed the application of predecessor accounting for the comparison figures for 2019. The historical consolidated financial statement of the new Parent Company, Assemblin Financing AB (publ), corporate identity number 559077-5952, thus corresponds to the consolidated financial statement of its predecessor, Assemblin Holding AB (559022-2952).

Assemblin Financing AB is a Swedish 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 2020 consists of the Parent Company and its subsidiaries, together designated the Group. Assembling Financing 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 accounts and consolidated financial statements provide a true and fair view of the financial position and performance of the Parent Company and Group. 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 29 March 2021. 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 11 May 2021.

Stockholm, 29 March 2021

Matts Väppling
Chairman of the Board

Susanne Ekblom

Leif Gustafsson

Mats Jönsson

Young Kim

Anders Thulin

Mats Johansson
CEO

Our auditor’s report was presented on 29 March 2021
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

KPMG

Auditor's report

To the Annual General Meeting of Assemblin Financing AB (publ), corporate identity number 559077-5952

Report on the annual accounts and consolidated accounts

Opinions

We have performed an audit of the annual and consolidated accounts of Assemblin Financing AB (publ) AB for the year 2020. The Company's annual and consolidated accounts are included on pages 50–97 of 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 2020 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 2020 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 Annual General Meeting approve the income statement and balance sheet for the Parent Company, as well as the consolidated statement of comprehensive income and the consolidated statement of financial position..

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 information other than the annual accounts and consolidated accounts, set forth on pages 2–23 and 100–103. It is the Board and the CEO who have the responsibility for this other information.

Our statement regarding the annual accounts and consolidated accounts does not include this information and we do not make a statement with confirmation regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially incompatible with the annual and consolidated accounts. In this review, we also take into account the knowledge we otherwise acquired during the audit and assess whether the information otherwise appears to contain significant inaccuracies.

If, based on the work that has been done regarding this information, we conclude that the other information contains a material error, we are obliged to report this. 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 and consolidated accounts, the Board of Directors and CEO are responsible for assessment of the Company and the Group's ability to continue as a going concern.They disclose, where appropriate, matters related to going concerns and apply the going concern basis of accounting. They disclose, where applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operations. However, the assumption of continued operations is not applied if the Board of Directors and the President intend to liquidate the Company, cease operations or have no realistic alternative to doing any of these.

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 Assemblin Financing AB (publ) for 2020 by the Board of Directors and the CEO, as well as proposed appropriations of the Company's profit or loss.

We recommend to the General Meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and 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 organization and the administration of the Company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organization is designed so that the accounting, management of assets and the Company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration 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 judgement 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 judgement 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, 29 March 2021

KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Multi-year overview

Income statement (SEK m)	2020	2019	2018
Net sales	10,009	9,978	8,885
Production expenses	-8,179	-8,131	-7,186
Gross profit	1,830	1,848	1699
Sales and administration expenses incl. Other operating expenses	-1,324	-1,595	-1,285
EBIT	506	252	414
Adjustment for items affecting comparability	64	246	-16
Amortisation and impairment of intangible assets	27	18	3
Adjusted EBITA	597	516	401
Net financial items	-196	-120	-193
Profit before tax	310	133	220
Tax	-84	-54	-48
Profit for the period	226	78	172

Balance sheet (SEK m)	2020	2019	2018
Goodwill	2,970	2,640	2,411
Other fixed assets	1,001	981	571
Current assets	2,711	2,214	2,036
Cash and cash equivalents	721	407	411
Total assets	6,681	6,242	5,429
Equity	-661	-803	238
Non-current interest-bearing liabilities	2,627	2,599	1,911
Other non-current liabilities	1,587	1,476	715
Current liabilities	3,128	2,970	2,564
Total equity and liabilities	6,681	6,242	5,429

Cash flow (SEK m)	2020	2019	2018
Cash flow from operating activities	823	485	516
Cash flow from investing activities	-308	-197	-88
Cash flow from financing activities	-188	-297	-442
Cash flow for the period	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 categorized as production expenses, see Note 1 Significant accounting policies. The comparison years are recalculated correspondingly.

Key figures	2020	2019	2018
EBITA	533	270	417
EBITA margin, %	5.3	2.7	4.7
Adjusted EBITA	597	516	401
Adjusted EBITA margin, %	6.0	5.2	4.5
Adjusted EBITDA before depreciation and amortization	687	606	489
Adjusted EBITDA margin before depreciation and amortization (EBITDA, %)	6.9	6.1	5.5
Profit margin, %	2.3	0.8	1.9
Net debt	2,676	2,969	1,582
Loan-to-value ratio	3.9	4.9	3.2
Equity/assets ratio, %	-9.9	-12.9	4.4
Working capital	-860	-486	-398
Working capital as % of sales	-8.6	-4.9	-4.5
Order intake	9,903	11,258	9,459
Order backlog	8,148	8,478	6,971
Average number of employees, FTE	5,820	5,901	5,630
Growth, %	*0.3*	*12.3*	*8.8*

Reconciliation of key figures

Reconciliation of key figures	2020	2019	2018
Net debt			
Non-current interest-bearing liabilities	3,189	3,182	1911
Current interest-bearing liabilities	208	194	81
Cash and cash equivalents	-721	-407	-411
Net debt	2,676	2,969	1582
EBITA			
EBIT	506	252	414
Amortisation and impairment of intangible assets	27	18	3
EBITA	533	270	417
Adjusted EBITA			
EBITA	533	270	417
Adjustments for items affecting comparability	64	246	-16
Adjusted EBITA	597	516	401
Adjusted EBITDA before depreciation and amortization			
Adjusted EBITA	597	516	401
Depreciation and impairment of property, plant and equipment	206	200	88
IFRS 16 adjustments, leasing	-115	-110	–
Adjusted EBITDA before depreciation and amortization	687	606	489
Working capital			
Current assets	2,711	2,621	2,447
Cash and cash equivalents	-721	-407	-411
Current liabilities	-3,128	-2,970	-2,564
Current interest-bearing liabilities	208	194	81
Current provisions	70	76	49
Working capital	-860	-486	-398

Definitions

FINANCIAL DEFINITIONS

Acquired growth
Net sales from units acquired during the period and the preceding period, less net sales from units acquired in the preceding period, divided by net sales for the equivalent period of the preceding year.

Adjusted EBITA
Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability.

Adjusted EBITDA before depreciation and amortization
EBITA before planned depreciation, amortisation and impairment, excluding the effect of applying IFRS 16 and adjusted for items affecting comparability. Adjusted EBITDA improves the comparison over time.

Adjusted EBITA margin (EBITA, %)
Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability and divided by net sales.

Adjusted EBITDA margin before depreciation and amortization (EBITDA, %)
EBITA before planned depreciation, amortisation and impairment, adjusted for items affecting comparability divided by net sales.

Average number of employees (FTE)
Average number of employees during the period, taking full or part-time employment into account.

EBITA
Earnings before tax, net financial items, and amortisation and impairment of intangible assets. EBITA is used as the primary key earnings figure in the operational monitoring of the Group.

EBITA margin, %
Earnings before tax, net financial items, and amortisation and impairment of intangible assets, divided by net sales.

EBIT
Earnings before tax and net financial items.

EBITDA
EBITA before planned depreciation, amortisation and impairment. EBITDA is a measurement that the Group considers relevant for investors seeking to understand earnings generation before making investments in fixed assets.

Equity/assets ratio
Total equity divided by total assets, expressed as a percentage.

Growth
Changes to net sales for the period, divided by net sales from the year-earlier period (including currency effects).

Items affecting comparability
Primarily costs for acquisitions and integration of acquisitions, as well as more comprehensive restructuring programmes and new establishments. These occur on an irregular basis, and thus make comparison over time difficult.

Loan-to-value ratio
Net debt at the end of the period in relation to adjusted EBITDA over the past 12 months.

Net sales
Sales recorded in accordance with the Group's accounting policies as described in Note 1.

Net debt
Long- and short-term interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents at the end of the period.

Organic growth
Growth less currency effect less acquired growth.

Order intake
The value of projects received and changes to existing projects in the current period.

Order backlog
Remaining production value in all projects not completed at the end of the period.

Profit margin
Earnings for the period, divided by net sales for the period.

Working capital
The sum of current assets, less cash and cash equivalents with deductions for current liabilities, less current provisions and current interest-bearing liabilities.

Working capital as % of sales
Working capital divided by net sales for the relevant period.

DEFINITIONS OF SUSTAINABILITY CONCEPTS

See page 39.

OTHER DEFINITIONS

Installations/Installation assignments
New construction and reconstruction of technical systems in buildings, facilities and infrastructure.

Service assignments
Operation and maintenance assignments, including maintenance-related reconstruction of technical systems in buildings, facilities and infrastructure.

Assemblin Financing AB (publ)
Västberga Allé 1, SE-126 30 Hägersten, Sweden
Tel. (exch.) +46 10 472 60 00
www.assemblin.com

Illustrations: Essen International
Portrait photos: Fond & Fond
Other photos: Lauri Hytti, Daniel Nilsson, Anna-Lena Lundqvist, stock images

Production and text: Assemblin
Graphic design: Anso Form & Produktion
Printed by: Exakta Tryckeri 2021

MILJÖMÄRKT 3041 0417

The year 2020 will go down in history as the year of the coronavirus pandemic. This is also true for Assemblin, although our operations performed relatively well, thanks to the amazing efforts made by our employees and close cooperation with our customers. I will also remember 2020 as a year in which our earnings improved strongly and in which we maintained a high acquisition rate. We also focused more on the issue of climate and gained greater insight regarding smart and connected properties.

Mats Johansson, President and CEO

Assemblin