Annual and Sustainability Report 2021

Assemblin

CONTENTS

Introduction	**3**
Assemblin in brief	4
Value-creation model	5
The year in brief	6
CEO comment	7
Operations	**10**
Vision, ambition and strategy	12
Market development	14
Reference projects	17
Customers and offering	18
Operational organisation	20
Acquisitions	22
Business areas	23
Sustainability Report	**28**
The year's sustainability work in brief	30
Structure and governance	31
Stakeholder dialogue and priorities	33
Links to global standards	35
Follow-up of sustainability work in 2021	36
Select key sustainability figures	40
Definitions	41
Auditor's statement	41
Corporate Governance Report	**42**
Key fundamentals	44
Key organisational bodies	45
Internal control	48
Board structure and meetings	49
Auditor's statement	49
Presentation of the Board	50
Presentation of Group Management	51
Financial statements	**52**
Board of Directors' Report	54
Consolidated income statement	58
Consolidated financial position	59
Consolidated statement of changes in equity	60
Condensed statement of cash flow	61
Parent Company income statement	62
Parent Company statement of the financial position	63
Parent Company statement of changes in equity	64
Parent Company statement of cash flow	64
Notes	65
Attestation by the Board	100
Auditor's report	101
Multi-year overview	103
Key figures	104
Reconciliation of key figures	105
Definitions	106

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

Technical installations for people and the environment – and for a better future.

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

This is something to which we at Assemblin can contribute. With our leading technological expertise and focus on the future, we are able to offer resource-efficient, energy-optimised and connected installation solutions that are designed from a life cycle perspective and have a minimal impact on the environment. Our work can improve the everyday lives of millions of people, in thousands of properties and in hundreds of cities.

Our vision is to achieve smart and sustainable installation solutions – for people, by people. This is what we want to achieve in all of our assignments, both large and small. And this is what our 6,300 skilled employees do, every day, year-round. With curiosity, commitment and a will to change.

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

BUSINESS CONCEPT

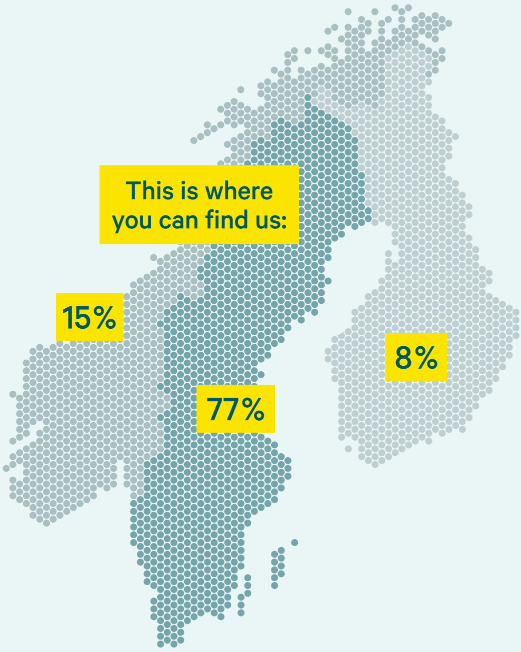
We design, install and maintain technical systems for buildings.

VISION

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

MISSION

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



Assemblin in brief

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

6,300
EMPLOYEES

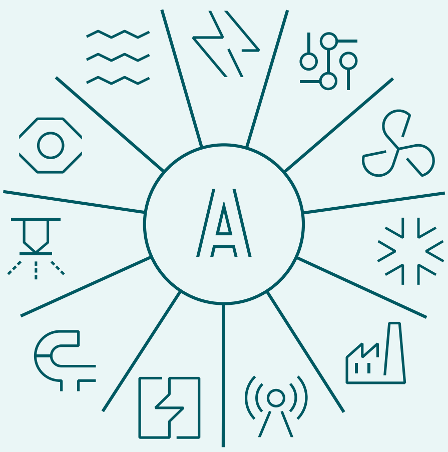
10,721
SALES, SEK MILLION

Strong local presence and substantial commitment

Assemblin is present in more than 100 locations in Sweden, Norway and Finland. With our broad geographical spread, experienced and committed employees, as well as our focus on quality, efficiency and the environment, we undertake service and project assignments for customers large and small alike. Read more about our organisation and how we work on page 20.

Green technology

As an installation company, we play an important role in the transition to a climate-neutral society. We are able to contribute by designing reliable, energy and resource-efficient technical systems for climate-smart buildings. Although we are able to adapt our deliveries to customer-specific requirements, we are also proud that our standard deliveries are becoming increasingly greener as we realign our own operations and vehicle fleet. Read more about our green offering on page 18 and about our environmental and sustainability work in the *Sustainability Report*.



A complete technical partner

Assemblin offers cutting-edge expertise in numerous areas of technology, among which electricity, heating and sanitation, ventilation and automation are the largest, while also including fast-growing niche segments, such as sprinkler systems, data and telecoms, security, district heating, cooling technology, industrial pipes and instrument technology. We enjoy working together in multi-technical assignments but also separately – in small and large-scale assignments. Read more about our offering on page 18.

We make buildings smart

For several years, we have invested our expertise in automation. By combining our considerable technological focus with some of the market's best BMS and IMD systems, we are able to offer smart solutions that, with the help of sensors and AI, help our customers optimise their operations and reduce their environmental impact. Read more about our smart solutions on page 18.

VALUE-CREATION MODEL

Sustainable value creation

Our objective is to be a value-generating installation company in relation to our key stakeholders, but also in relation to society as a whole. 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 – What we need

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

EMPLOYEES
6,300 committed and skilled employees in various occupational groups: designers, plumbing and ventilation installers, 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 acquisitions and vehicles.

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

OPERATIONS – What we do

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

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

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

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

BUSINESS MODEL
Market/sell/offer

Planning/preparation/design

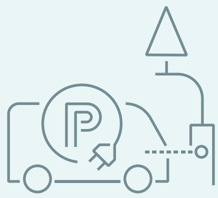
Projects 59% | Services 41%

Follow-up/control

OUTCOME – What we deliver

DELIVERIES
Smart 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 – Value for stakeholders

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

Net revenues:
SEK 10,721 million

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

Salaries and benefits:
SEK 4,013 million

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

Profit after tax:
SEK 322 million

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

Jobs:
6,300

Contribution to the UN's global goals for sustainable development (see also page 35).

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

The year in brief

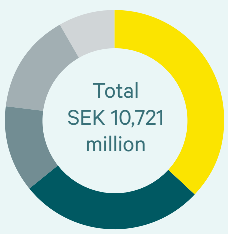
Significant events during the year

- **Continued growth in profit** – strengthened profitability, favourable growth and strong cash flow were reported for the full year.
- **Strong order intake** – after a period of waiting, the market situation improved towards the end of the year. Order intake increased, resulting in a record order backlog at the end of the year.
- **Accelerated acquisition rate** – 17 acquisitions with a total of 755 new employees and annual sales corresponding to SEK 1,574 million.
- **Focus on smart buildings** – investments in automation products within BMS and IMD give Assemblin a market-leading position in smart buildings.
- **Increased investment in green technology** – in, for example, solar cells and solar storage, geothermal heating, heat exchangers and district heating.
- **Launch of Assemblin Charge** – the market's most complete platform for charging electric cars.
- **Satisfied customers and employees** – good results from the customer and employee surveys conducted.
- **Changes to the Board of Directors** – Leif Gustafsson stepped down from Assemblin's Board of Directors, while Fredrik Wirdenius and Per Ingemar Persson were elected as new Board members.

KEY FIGURES	2021	2020	2019
Net revenues, SEK million	10,721	10,009	9,978
Growth, %	7.1	0.3	12.3
of which, organic, %	-3.6	-2.1	8.3
of which, acquisitions, %	10.6	3.9	3.7
of which, currency effect, %	0.1	-1.5	0.3
EBITA, SEK million	728	533	270
EBITA margin, %	6.8	5.3	2.7
Operating profit (EBIT), SEK million	659	506	252
Adjusted EBITA[1], SEK million	758	597	516
Adjusted EBITA margin[1], %	7.1	6.0	5.2
Profit for the year, SEK million	321	226	78
Order backlog, SEK million	9,370	8,148	8,478
Order intake, SEK million	11,258	9,903	11,258
Average number of employees, FTE	5,962	5,820	5,901

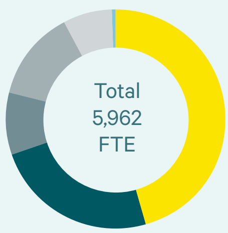
1) Adjusted for expenses affecting comparability. For definitions, refer to page 106.

SALES BY BUSINESS AREA



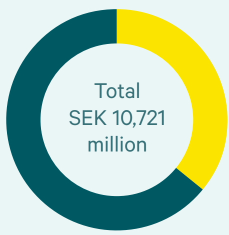
- Assemblin Electrical (Sweden), 37.2%
- Assemblin Heating and Sanitation (Sweden), 27.2%
- Assemblin Ventilation (Sweden), 12.6%
- Assemblin Norway, 14.9%
- Assemblin Finland, 8.1%

EMPLOYEES PER BUSINESS AREA



- Assemblin Electrical (Sweden), 2,729
- Assemblin Heating and Sanitation (Sweden), 1,438
- Assemblin Ventilation (Sweden), 541
- Assemblin Norway, 790
- Assemblin Finland, 439
- Assemblin Group staff units, 24

SALES BY ASSIGNMENT TYPE



- Service assignments, 41%
- Contracting/project assignments, 59%

CEO COMMENT

With knowledge and the willingness to change

Assemblin has developed in a successful direction for several years, and 2021 was no exception. We reported continued growth in profitability and strong order intake, while accelerating our acquisition rate and capturing a market-leading position in smart buildings.

Five exciting years as Assemblin

In 2021, the Assemblin brand celebrated its fifth anniversary. Over these five years, we have developed into one of the Nordic region's most reputable installation companies, succeeding over time in increasing both customer and employee satisfaction while delivering good growth, strong cash flows and a strong profitability growth. Today, Assemblin is a skilled, progressive and stable company in an exciting growth market. What particularly distinguishes us is our considerable technological focus and decentralised business model that we have been able to combine with a healthy culture and disciplined governance. We are convinced that this provides a committed, driven and responsive organisation that is highly adaptable, which is important in ensuring sustainable growth. Other factors that characterise Assemblin are our strong focus on quality, profitability and cash flow, as well as our investments in green and intelligent buildings.

It has been an amazing journey – both challenging and fun. Although we have achieved a great deal during Assemblin's first five years, much remains to be accomplished and developed in the exciting market of installations.

> ***Today, Assemblin is a skilled, progressive and stable company in an exciting growth market.***

Keeping green technologies and smart buildings in focus

Assemblin has long experience and strong expertise in the principal areas of building technology – electricity, ventilation, heating and sanitation, as well as automation. We also hold strong positions in several niche segments offering strong growth, such as automation and intelligent buildings, cooling technology, sprinkler systems and security.

We have for some time been investing purposefully in green technological solutions and intelligent buildings, both through acquisitions and in-house development. In 2021, we launched the market's most developed debiting and charging platform for electric cars, Assemblin Charge. We have also acquired expertise in green technologies such as solar cells, solar storage, geothermal and district heating, but also in automation and smart buildings. Through our wholly-owned recently aquired subsidiaries Fidelix, Ecoguard and Larmia we are able to offer some of the market's best BMS and IMD systems. Today, Assemblin holds a leading position in the smart buildings segment – a position we seek to nurture as we are convinced that buildings and communities will be more connected in the future.

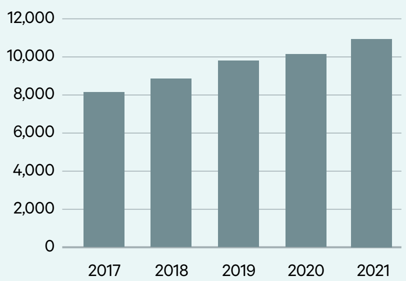
Climate change concerns all of us

Focus on the climate issue is increasing, not least through the EU's Green New Deal, which includes areas such as phasing out fossil fuels and energy-efficient buildings – all with the aim of being the world's first climate-neutral region by 2050. As an

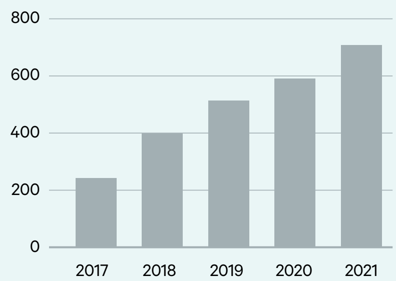
›

Development over five years

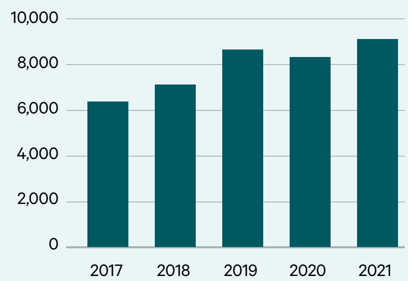
SALES, SEK MILLION



ADJUSTED EBITA[1], SEK MILLION



ORDER BACKLOG, SEK MILLION



1) Adjusted for expenses affecting comparability. For definitions, refer to page 106.

Assemblin's competitive advantages

- Operations in an attractive growth market driven by positive developments in smart and sustainable buildings, as well as urbanisation and other trends in society.
- A leading Nordic installation supplier with a complete project and service offering, focusing on green technologies and intelligent buildings.
- A decentralised operations model based on technical competence with central support to promote local enterprise.
- Focus on operational efficiency and quality, with continued potential for margin growth.
- Proven acquisition and integration strategy in a fragmented market.
- Diversified operations with a resilient, cash-generating financial profile and high-revenue visibility.
- Innovative digital tools and a clear sustainability agenda as differentiating factors for driving the green transition.

This is how we want to generate value for our stakeholders

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 key stakeholders, but also for society at large.

- ***Best for our customers***
We will achieve this by delivering innovative, smart and sustainable installations that make buildings work and people feel comfortable.

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

- ***Best for our shareholders***
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.

- ***Best for society and the environment***
We will achieve this through energy-efficient solutions with a limited environmental impact, helping citizens prosper in healthy buildings with a favourable indoor climate.

Underlying mega-trends including digitalisation, climate change and societal development bring both challenges and opportunities for us.

installation company, we can play an important role in this transformation because technical systems in buildings play a key role in reducing the consumption of energy and resources. In addition to the investments in intelligent and green technologies that we made in 2021, we have continued to work to reduce our own climate footprint with the objective of achieving climate neutrality by 2040 and halving our climate impact compared with 2020 by 2030[1]. When it comes to our direct CO_2 emissions, the greatest impact is from our large vehicle fleet, which we are in the process of transitioning. In 2021, we also improved our own climate reporting, and we are working actively to be able to meet our customers' requirements for climate reporting at the project level, which is a particularly exciting area.

Challenges and opportunities

For two years now, we have lived and worked with an ongoing Covid-19 pandemic that has affected us in various ways, primarily through a high frequency of short-term absence, logistics challenges, component shortages and ballooning material prices, but also a tangible risk of inflation. Although these problems could be felt during parts of 2021 and even in early 2022. In general, we have managed the challenges that we have faced well thanks to early initiatives, good planning and impressive efforts by our amazing employees. We now hope that the virus' momentum has been halted and that we can return to a more normalised situation.

Since the end of February 2022, the geopolitical turbulence around the world caused by the Russian unprovoked invasion of Ukraine has increased. Even though we as a Nordic company are not dicreclty affected, this will affect, for example, material supply and further influcence prices. We follow follow this development closely in order to take the necessary measures if needed.

In the longer term, we are focusing on developing and restructuring our operations as external conditions change. Underlying mega-trends such as digitalisation, climate change and societal development entail both challenges and opportunities for all of us, and to be relevant in the future, it is important to navigate correctly. We work hard to be well positioned and to ensure that we have the appropriate skills, which is achieved through active development and recruitment work, but also by means of several acquisitions.

Acquisitions – an important part of our growth and skills supply strategies

Assemblin actively seeks skilled, stable and profitable acquisition candidates. Our acquisition process has been successful thanks largely to our flexible integration strategy, which entails the pace of integration being adapted to each company's circumstances, with its business in focus. Accordingly, the companies we acquire are phased into Assemblin at their own pace, gradually being offered customer networks, skills exchange, support resources, purchasing benefits, systems, etc. Today, the perception of Assemblin as a responsive and flexible owner has contributed to our often being contacted by companies seeking to examine the possibility of joining Assemblin.

Over 2021, we accelerated our pace of acquisition, completing 17 transactions with a total 755 employees and combined annual sales of nearly SEK 1,574 million. All of these companies have contributed expertise in our core areas in select markets, or have strengthened our offering in new areas.

Increased profitability, strong order intake and strong cash flows

The energy level is currently favourable throughout the operations. After a strong end to 2021, sales increased to SEK 10,721 million (10,009), corresponding to growth of 7.1 percent. We were also able to report a continued growth in earnings. Adjusted EBITA increased to SEK 758 million (597), and the adjusted EBITA margin strengthened to 7.1 percent (6.0).

Following some uncertainty in the market, the trend shifted towards the end of 2021 and order intake for the full year increased to SEK 11,258 million (9,903), contributing to a record order backlog of SEK 9,370 million (8,148) at the end of the year. Order intake was favourable in all business units, comprising numerous small and medium-sized project and service assignments, demonstrating the strength of our decentralised business model. We also managed to maintain our strong cash generation and were able to report a favourable cash flow from the current operations of SEK 619 million (823).

On the whole, we are very pleased with this year's profits and that all curves are pointing in the right direction. Although we still have some way to go before achieving our long-term ambitions, I perceive substantial internal commitment to our continued journey.

With knowledge and the willingness to change

With our promising development, stable platform, ambitious aspirations and a strong year behind us, we have every reason to be proud. At the same time, we are well aware that we have much work ahead of us if we want to participate in the ongoing transformation of society. Succeeding with the transition demands not only expertise but also curiosity, sensitivity and a willingness to change. Collaboration with others is also an important success factor. At Assemblin, many exciting development initiatives are afoot with far-sighted customers and suppliers. These include testing everything from drilling robots, and real-time follow-up of installation processes to AI solutions that truly make buildings intelligent.

We will be involved in more development projects like this in the future. In this context, I would of course like to thank all of our customers, employees and suppliers for everything that we have achieved in 2021 – although I would also like to add that I look forward to our continued journey in tandem. Let's conceive and build the installation solutions of tomorrow together.

Stockholm, March 2022

Mats Johansson,
President and CEO of Assemblin

1) Read more in our *Sustainability Report*.

Operations

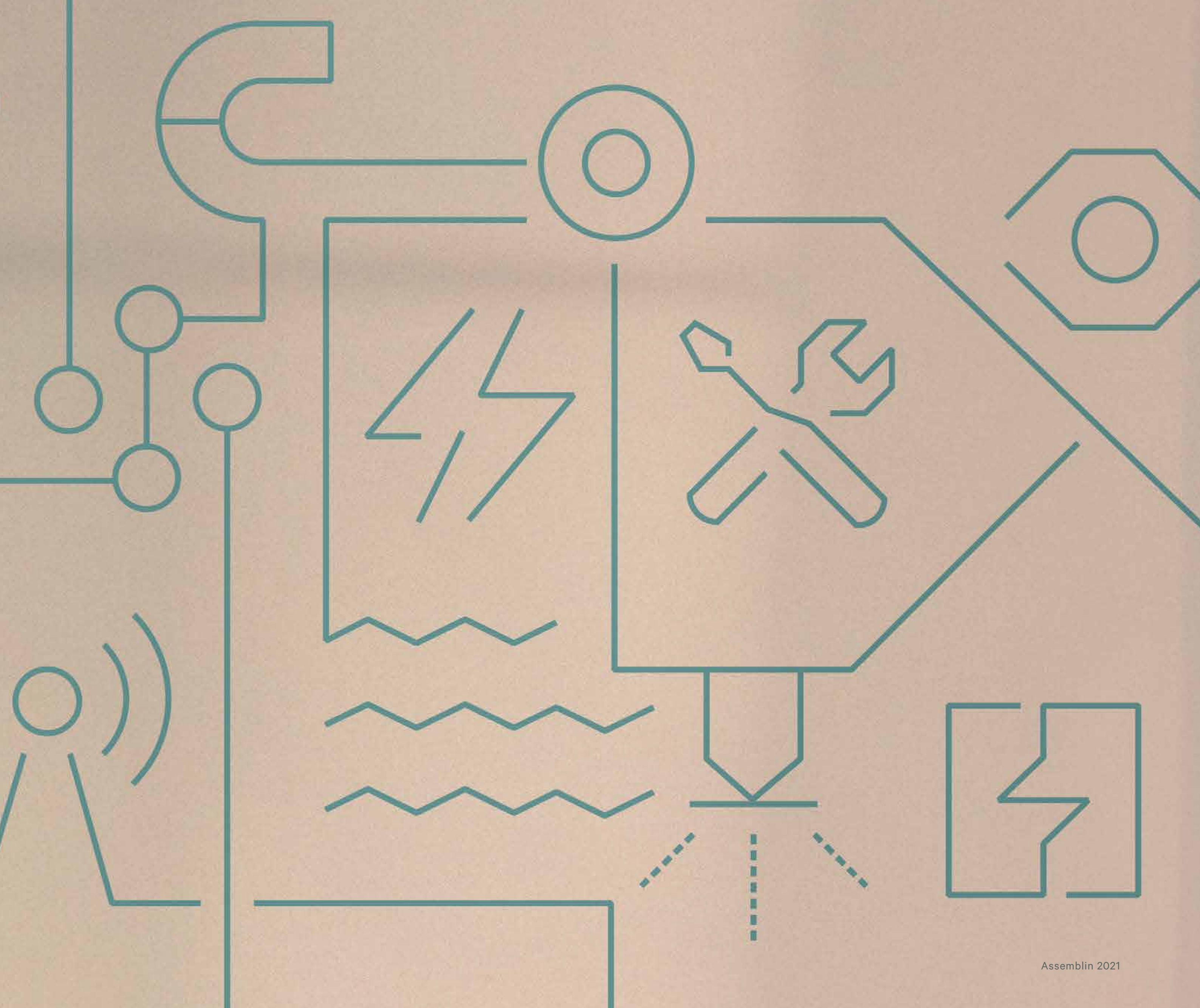
About our business description

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 *2021 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

Vision, ambition and strategy	12
Market development	14
Reference projects	17
Customers and offering	18
Operational organisation	20
Acquisitions	22
Business areas	23



VISION, AMBITION AND STRATEGY

A strong strategic platform for sustainable development

Assemblin has a well-established strategic platform and a clear agenda for continued development and value creation.

Our vision, mission and values

In 2018, Assemblin established a new vision, mission and common values, which are well established throughout the operations. Assemblin's vision is to provide intelligent and sustainable technical installation and service solutions – by people and for people. This vision is supported by a clear mission: to safeguard the efficient use of air, energy and water in buildings and thereby increase the comfort and well-being of the people who spend time there.

Our common values are: we can, we want to and we care. *We can* expresses pride in our combined skills and experience, as well as our drive to always improve. *We want to* expresses Assemblin's clear commitment to creating smart and sustainable solutions that exceed customer expectations, and *we care* expresses our commitment to one another, our external stakeholders and society, as well as to the environment in the broadest sense.

Ambitions and objectives

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 for our key stakeholders (customers, employees and shareholders), as well as for society as a whole. We have translated this objective into four value-generating ambitions:

- **Best for customers** – we shall be the customer's first choice of installation partner.
- **Best for employees** – we shall be the sector's most attractive employer.
- **Best for investors** – we shall deliver stable and profitable growth with controlled risk.
- **Best for society** – we shall conduct sustainable operations with minimal negative impact on the environment and society.

In 2021, Assemblin established three long-term financial objectives and a climate objective (see next page). Important tools in managing the operations internally are Assemblin's three-year business plan and annual operations plans, containing targets adopted by the Board of Directors in several areas. For more information on Assemblins' corporate governance, please see the separate *Corporate Governance Report*.

Long-term strategies and strategic initiatives

To achieve our vision and long-term ambitions, we have formulated overall strategies in the areas of customer/market, operational activities, acquisitions, digitalisation and climate. Within the framework of these strategies, Assemblin conducts a number of Group-wide initiatives currently perceived as particularly important in ensuring continued success:

- **Developing the service operations**
Continued growth in services through an adapted services organisation and dedicated service managers, qualified service technicians, developed governance and review, and coordinated sales.

- **Continued focus on profitable growth**
Assemblin's positive profitability trend will be maintained by means of an attractive offering and good follow-up and by focusing on improved profitability at the branch and project levels.

- **Accelerated acquisition rate**
Assemblin continuously assesses acquisition candidates with stable, profitable and reputable operations, as well as matching our culture well.

- **Accelerated growth through investments in new expanding segments**
For some time, Assemblin has purposefully invested in growth in intelligent buildings and solutions in green technologies, as well as other niche market segments with good margins, such as cooling technology, sprinkler systems and security.

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

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

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

STRATEGIES FOR SUCCESS

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

Customer and marketing strategy

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

Acquisition strategy

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

Operational strategy

With the understanding that most installation assignments are local, and to ensure market-leading expertise, Assemblin maintains a strong, decentralised and technology-oriented organisation. However, to take advantage of economies of scale, minimise risks and to ensure efficiency and a healthy culture, there is a clearly defined Group-wide platform based on a framework with shared values, shared policies and structured business risks management.

Climate strategy

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

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.

REVIEW OF THE GROUP'S LONG-TERM OBJECTIVES

Area	Description	Objective	Outcome 2021	Outcome 2020	Outcome 2019	Comments
Growth	Increased net annual sales. Growth is to be achieved both organically and through acquisitions.	>8%	7.1%	0.3%	12.3%	See section *Financial statements*
Profitability	Adjusted EBITA margin by year.	>8%	7.1%	6.0%	5.2%	See section *Financial statements*
Cash generation	Cash generation ratio.	>100%	113%	149%	101%	See section *Financial statements*
Climate	Climate neutrality 2040, with intermediate target to halve emissions from our own operations (scope 1, 2 and business travels) by 2030[1].	933 kg/FTE	1,738 kg/FTE	1,866 kg/FTE	1,632 kg/FTE	See section *Sustainability Report*

1) With 2020 as a base.

MARKET DEVELOPMENT

A stable market with strong driving forces

Assemblin is one of the leading players in the Nordic installation market, which is an exciting market with underlying growth.

The installation market and its players[1]

Assemblin is active in the Swedish, Norwegian and Finnish installation and service markets, which are valued at a total SEK 239 billion (229). The market is highly fragmented with 25,000 local companies. Most are small and privately owned, and often niched in one specific segment of technology within a small geographical area. At the Nordic and national level there are only a few actors with the capacity to handle large, complex multi-technical assignments,. The four largest installation companies (Assemblin, Bravida, Caverion and Instalco) have a total market share of 20 percent, of which Assemblin's share increased to 4.7 percent (4.4) in 2021.

Market segments

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

The *geographical categorisation* is often by country, with Sweden being the largest market, followed by Norway and Finland.

The largest categories in individual *areas of technology* are electricity, heating and sanitation as well as ventilation, although the greatest market growth is taking place in automation/smart buildings and certain niche segments (mainly security and alarms, sprinkler systems, cooling technology as well as climate smart solutions).

The different categories by *assignment type* are renovation/rebuilding, new construction and service/maintenance. There is a considerable need for renovation in the Nordic property portfolio and, accordingly, the renovation/rebuilding segment is the largest.

Customer structure and contract types

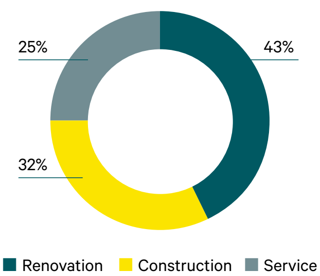
Technical installations are performed in all types of buildings: residential buildings, industrial facilities, offices, warehouses, hotels and restaurants, as well as buildings for public activities such as education and health care, as well as in infrastructure projects to some extent.

Installation assignments are often divided into contract assignments (including new construction projects and major renovations) and service assignments (including service, maintenance and minor renovation assignments). For *contract assignments*, the customer base is diversified and includes a large number of customers, including large and small construction companies, property developers and property owners, industrial and energy companies, public institutions and other actors. For new construction and major renovation projects, the majority of installation assignments are procured through a tender procedure. For new construction and renovation projects, the most common types of agreement are those with a fixed price, those with a current account or partnering model, where the cost is based on a jointly defined target price with incentives for all parties to fall below the target price.

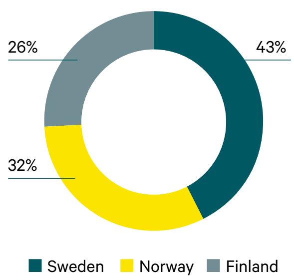
1) Facts in this section are sourced from the Prognosesenteret construction market analysis firm. Market value is measured as the total estimated sales for the market.

MARKET SEGMENTS IN 2021

SIZE BY SEGMENT



SIZE BY COUNTRY



Mega-trends that increase the demand for intelligent, sustainable installation solutions

The installation companies' position in the value chain is growing increasingly strong, reinforced by buildings becoming increasingly technology-intensive, automated and digital, combined with increased needs for energy-efficient and resource-efficient solutions from a life cycle perspective. The installation companies also benefit from a number of underlying mega-trends that are driving long-term growth, the most important of which are the ongoing energy transition in buildings, the upgrade to smart buildings, urbanisation and other trends in society.

ENERGY REALIGNMENT
(climate and sustainability)

In Europe, buildings account for about 40 percent of total energy consumption, meaning that improved energy efficiency in buildings will be crucial to achieving the ambitious climate targets set by many developers, but also those set at the national and regional levels. Building portfolios in the Nordic region are also relatively old and in need of renovation to meet current energy requirements. In this context, installation companies play an important role by providing energy and resource-efficient technical installation solutions, intelligent BMS systems, as well as installation and service of heat pumps, solar panels, systems for other renewable energy sources and energy storage. In addition, the ongoing electrification of several energy systems, such as transport, is driving increased investment in electrical infrastructure, including the rapid expansion of infrastructure for the charging of electric vehicles.

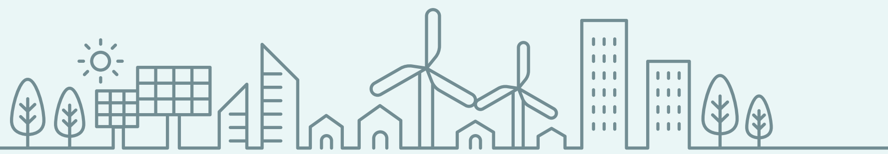
INTELLIGENT BUILDINGS
(new technologies)

The rapid technical development is part of the solution in the energy transition, giving rise to new opportunities in the installation industry. Advances in automation systems, the Internet of Things (IoT) and artificial intelligence (AI) enable automated and remote control and optimisation of technical installation systems. At the same time, sensors are becoming less expensive, more advanced and more widely used, making it possible to gather, analyse and use more data, in turn enabling and driving demand for smart buildings. This means that several technical systems in a building (such as ventilation, heating and lighting) can be connected, remotely controlled and integrated with intelligent software to, for example, optimise a building's energy consumption in real time. More sensors, increased data collection and remote access to technical installations also increase the transparency of system performance and allow service technicians to ensure that they function optimally.

URBANISATION AND OTHER TRENDS IN SOCIETY

The population in Sweden, Norway and Finland is estimated to increase by approximately 17.5 percent between 2019 and 2070.[1] The proportion of inhabitants living in cities is steadily increasing as the population moves from the countryside into the cities.[2] Increased population in urban areas and limited available space drives the demand for larger and more complex buildings that require more installation work and, consequently, more systems maintenance and service. Changed consumer demand, general movement in the property market and a comprehensive change in the use of office space as a result of the Covid-19 pandemic are examples of societal trends that support growth in the Nordic installation and service market.

1) European Commission, Ageing report.
2) The Prognosesenteret construction market analysis firm's "Installation market data" (April 2021).



In *service assignments*, the relationship is usually established directly with the client, such as developers and property owners, industrial and energy companies, public institutions and other actors, although assignments are sometimes dealt with through an intermediary, such as a facilities management company. A service agreement is often formulated as a framework agreement or as a call-off agreement on a current account.

> ***Assemblin is now experiencing increased interest and favourable demand in Sweden, Norway and Finland.***

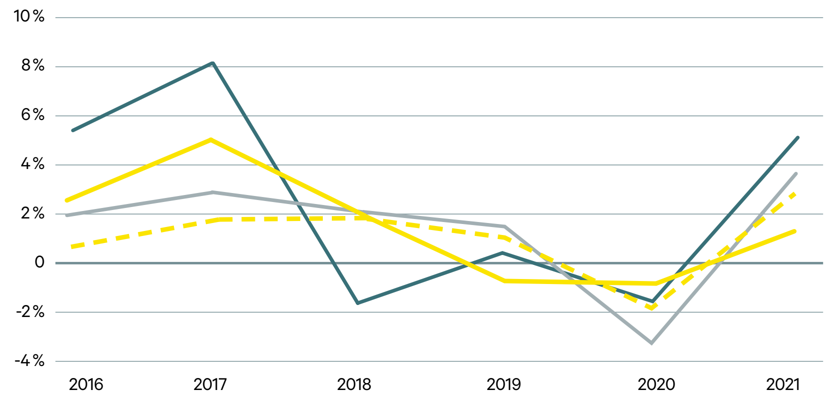
Important selection criteria

In selecting an installation company, lowest price is not always the decisive factor. According to a market study conducted by Assemblin in the autumn of 2021, the most important selection criteria are the technicians' skills, expertise and documented experience. Other important parameters are the capacity for using digital tools, flexibility, safety focus, favourable local relations, the capacity to perform the work according to schedule and multi-technical capacity.

Market development in 2021 and prospects for 2022

Growth in the Nordic installation and service market correlates largely with the underlying construction market, albeit with some delay and with lower volatility, which is mainly explained by service and renovation assignments frequently offsetting periods of lower construction activity. As the Nordic construction sector was not impacted by official closures, it performed relatively well during the challenging Covid-19 pandemic, despite a temporary shortfall in capacity due to increased short-term absence. After a period with some uncertainty in the market, a recovery took place towards the end of 2021 and order intake rose. Assemblin is now experiencing increased interest and favourable demand in Sweden, Norway and Finland. The prospects also appear favourable in the longer term, not least because renovation needs in the existing Nordic property portfolios are considerable, but also because the underlying driving forces in the market are strong. According to the Prognosesenteret construction market analysis firm, the average annual growth rate for 2020–2023 is estimated at about 4 percent.

MARKET DEVELOPMENT 2016–2021



GDP Sweden | Nordic construction market | Nordic installation market | Nordic installation market for renovation and service

A relatively stable market

Over the past five-year period, GDP growth in Sweden has been relatively stable until 2020, when it fell because of the Covid-19 pandemic, but recovered again in 2021. Performance in the construction sector was strong until 2018 when it slowed due to decreased production of new homes. Following some recovery in 2019, it then fell again slightly in connection with the economic downturn of 2020 but recovered in 2021.

The installation industry has performed relatively well in recent years, despite increased external concerns. The market for new projects has shown the same pattern as the construction market, albeit with a slight delay and smaller fluctuations. Growth in home renovation and extension projects and services was stable at about 2 percent until the Covid-19 outbreak, but regained momentum in 2021.

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

GREEN SOLUTIONS IN CLIMATE-SMART MULTI-STOREY CAR PARKS

In the new residential area Sege Park in Malmö, a six-storey, wood-framed car park is being built that is equipped with several climate-smart solutions. Here, Assemblin is contributing electrical installations, including a battery solution that makes it possible to store energy from the solar cells installed on the roof.

The project uses materials that can be recycled or that have already been recycled. The building is being equipped with 1,500 m^2 of green façades irrigated by means of a storm water reservoir beneath the building. This collects both rainwater from the roof of the car park, as well as storm water from surrounding streets, thus relieving the municipal drainage network when there is a downpour.

Parkering Malmö and Lloyd's Arkitektkontor are behind the project, which is part of an EU investment in regional development called ACCESS, Advancing Communities towards low-Carbon Energy Smart Systems. Malmö is one of four designated locations in the North Sea area where various pilot projects are in progress.

MULTI-TECHNICAL ASSIGNMENT WITH HIGH DEMANDS ON SAFETY AND COORDINATION

The AstraZeneca plant in Södertälje is one of the world's largest pharmaceutical manufacturing units with approximately 4,800 employees. A major project took place here in 2020–2021 that included a large-scale switch to new cooling towers, coolant coolers and liquid cooling units, to provide a higher cooling effect and lower power consumption. Assemblin was responsible for the installation of electrical, ventilation, cooling, heating, sanitation and control systems, as well as for metal work.

Work environment and safety were an important factor throughout the project, partly due to the large-dimension pipes and structures that were to be dismantled and replaced with new ones. Multiple contractors were involved and, as a safety measure taken by AstraZeneca, each contractor had their own physical lock that was hung on a switch or shut-off valve, for example, to minimise the risk of injury.

The requirements to not disrupt ongoing production and to comply with the restrictions associated with the Covid-19 pandemic posed particular challenges. Thanks to good planning and collaboration between the parties, however, it was possible to perform the project in a safe and smooth manner.

Illustration: Parking facility, Malmö

Photo: Linn Blomqvist

Examples on exciting assignments

Illustration: Construction City

Illustration: 3D Estate / Link Architecture

SUSTAINABILITY PROFILE IN THE LARGEST PROJECT FOR ASSEMBLIN NORWAY

Construction City will be Norway's largest office property, housing major and minor players in the construction, civil engineering and property sectors with some 4,500 work stations in total.

The project also has ambitious sustainability objectives. Among other things, half of the materials used in the building will be recycled or reused materials. Climate emissions from materials are to be 40 percent lower compared with an equivalent building.

In 2021, Assemblin in Norway secured the contracting assignment regarding heating and sanitation work. This was after participating in the planning phase together with Construction City Bygg (CCB) and Construction City Eiendom (CCE).

In total, the contract is valued at approximately NOK 210 million, making it the largest individual contract to date for Assemblin Norway.

ELECTRICAL AND SECURITY INSTALLATIONS IN MAJOR PARTNERSHIP PROJECT

Natrium is the name given to the new building at the University of Gothenburg that will bring together the Faculty of Science under one roof, while also strengthening its links with the medical and research programmes at the Sahlgrenska Academy.

The new building covers eight floors and includes an atrium section. The project also includes the reconstruction of the existing "Medicinarelängan" (Medical Row). This is being conducted as a partnership project with Skanska as the client and Akademiska Hus as the developer.

Having participated in the planning and design phase, Assemblin was, in 2021, also contracted for the production phase. The assignments includes the installation of lighting, power, telecommunications/data, fire alarms and solar cells.

The project has an estimated total order value of approximately SEK 130 million. Assemblin will also be responsible for security installations for a value of approximately SEK 11 million.

CUSTOMERS AND OFFERING

A competent and innovative installation partner at the cutting edge

With its great commitment to, and focus on, the environment and new technologies, Assemblin creates smart and efficient installation solutions for connected and sustainable buildings and communities.

A complete installation partner with a focus on the environment and new technologies

Assemblin has established itself as a competent installation partner with superior expertise in numerous areas of technology. During 2021, we invested heavily in BMS and property automation, as well as in fast-growing niche segments, that sets us apart from our principal competitors. Another area on which Assemblin is also increasingly focusing involves energy-efficient and environmentally-friendly solutions that help reduce a property's climate footprint and improve its environmental performance.

Although we enjoy working together in multi-technical assignments, we also undertake technology-specific assignments. Although most of our assignments are small and local, our operations also offer the skills and experience necessary to assume responsibility for large and complex assignments.

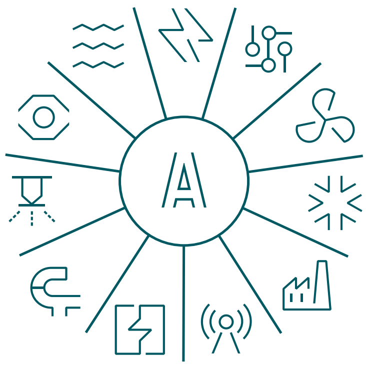
Expertise and commitment

Assemblin's technology-oriented and decentralised organisation enables us to attract employees with superior expertise and skills and to guarantee a culture characterised by entrepreneurship and local committment. At the same time, we have the size and development resources required to be able to deliver the best and most innovative solutions. We continuously monitor market developments and keep abreast of the latest technologies, methods, materials and standards.

Our assignments are adapted to our customers' requirements and needs, but the goal is, alongside with our clients, to design, install 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 established procedures.

Solutions for different types of buildings and customers

We have extensive experience of different types of contracts and buildings and can contribute throughout the process – from concept and planning to installation and subsequent maintenance and service. Our customer base is diversified with more than 20,000 customers in various sectors. Prominent clients include smaller and larger construction companies, but also public operations, property owners and industrial companies.



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

Exciting product brands

Assemblin's installation operations offer a number of strong product brands with turnkey solutions. The automation companies **Fidelix** and **EcoGuard** are the largest and most established. Other examples include **Larmia**, which offers BMS platforms combining functionality and security with an elegant design, and **Totalplåt**, which conducts high-precision custom manufacture rectangular ventilation hoods for various projects. Our brand portfolio also includes a number of niche installation companies, among which energy and geothermal specialist **TomAllenSenera** is the largest.

Leading expertise in green property technology

As an installation company, we play an important role in society's development, particularly with regard to the ongoing climate realignment. This is a task we take very seriously. Assemblin is the obvious partner for customers seeking to invest in green technical installations, reduce their energy use and/or optimise their operations. We offer leading expertise in green, energy-efficient property technology and automation solutions and we constantly monitor market developments to be able to offer the latest and most environmentally friendly solutions. In 2021, we launched the market's most complete solution for electric car charging at home and at the office – Assemblin Charge. We also sharpened our offering in green electrical technology with expertise in solar cells and solar batteries, but also in heat pumps and district heating technology.

Read more about our green offering here:

Green deliveries

Customers are increasingly demanding green deliveries. These assignments are often associated with a request to adapt a construction project to a certain environmental standard or to achieve a low-energy building, although independent requests are also received for environmentally friendly transport, recycling, sorting at source, etc. Assemblin is open to all requests and can design our deliveries to meet these requirements.

We are also very proud that our standard deliveries are becoming ever greener as we realign our operations and vehicle fleet. Bolstered by a stated climate objective and a concrete climate plan, we are working slowly but surely towards greener deliveries and a more sustainable society.

Systems and products for smart, connected buildings

Aided by intelligent property technology combined with modern digital solutions, we can connect systems that automatically adapt heating, cooling and lighting to external and internal conditions, such as weather and the number of people in a building. Assemblin has a high level of expertise in property and industrial automation. In 2021, we also completed the acquisition of the automation group Fidelix, which offers some of the market's best systems for building automation (BMS) and individual metering and debiting (IMD):

- **Fidelix:** the automation systems of the future through cloud-based intelligent BMS for the control and optimisation of commercial properties.
- **Larmia:** Extensive experience of BMS platforms, fine-tuned over many years, for complex and technology-intensive properties gives Larmia a special position in the market.
- **EcoGuard:** complete, high-quality and secure solutions that combine meters, sensors and detectors for intelligent apartments.

Read more about our services for intelligent buildings here:

OPERATIONAL ORGANISATION

Commitment, efficiency and quality

Assemblin combines the strength of decentralised enterprise with a shared framework that minimises risk and safeguards professionalism, efficiency and a healthy culture.

Decentralised operations

Assemblin's operations are 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. Support is provided by specialist functions at regional and business area levels. At Group level, in addition to specialist staff functions, coordinating forums for HR, purchasing, digitisation, risk management and internal control are in place. For more information on governance and review, please see the separate *Corporate Governance Report*.

Culture and governance

In Assemblin's decentralised organisation, practices and processes vary between different business areas and areas of technology. However, to ensure that all operations are conducted in a controlled and correct manner, a Group-wide framework is applied that describes what unites all operations within Assemblin and clarifies minimum levels in important areas.

Assemblin also embodies a shared culture that builds on uniform values, guiding principles, structured business risks management and a sound ethical standpoint. The ethical standpoint is described in a shared Code of Conduct. To ensure that all employees have read and understood the contents of the Code of Conduct, shared mandatory courses are provided for all Assemblin employees.

Leadership and employee development

As a service-producing company, employee performance is crucial to our success and we therefore work actively with employee and leadership development. In order to create a beneficial and sound work climate in which people thrive, work together and respect one another, take initiatives and impel Assemblin forward, leadership plays a central role. To clarify what characterises a good manager, a special management leadership model has been developed. The satisfaction and commitment of managers and employees alike are captured in different ways, primarily through the ongoing dialogue with employees but also through various surveys. To be an attractive employer, Assemblin works actively to foster a safe, sound and inclusive work environment. Structured development and training efforts are conducted in each business area. These are described in greater detail in the separate *Sustainability Report*.

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 satisfied.

Commitment and curiosity drive us forward. By continuously developing ourselves and our operations, we create intelligent 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.

Assemblin's leadership model

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

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

New technologies and digital solutions provide improved quality and increased efficiency

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 appropriate systems adapted to the specific operations. To achieve this, a central IT function exists at the Group level that, in close collaboration with the business areas, is responsible for coordination, as well as for developing and managing the shared IT infrastructure and selected systems. IT units in each business area are responsible for business area-specific systems support.

In recent years, Assemblin has modernised its IT platform, applying the latest cloud technology to support the mobile organisation. The area of information security has also been in focus. In 2021, a number of security measures were taken to minimise the risks of cyber attacks, data intrusion and data loss.

> **In 2021, a number of security measures were taken to minimise the risk of cyber attacks, data intrusion and data loss.**

More efficient production aided by digital solutions, robots and artificial intelligence

For a few years now, extensive efforts has been in progress to increase internal efficiency and quality by means of new technologies and artificial intelligence. All of Assemblin's employees are provided with mobile devices, which is often considered a prerequisite for a large-scale digital transition. Today, these mobile units are used as tools in both projects and service assignments, but also to simplify time reporting and other personnel matters, incident management, etc.

In Assemblin's project operations, commonly used information platforms such as BIM 360 and Revit are increasingly used by the different parties involved in projects for the efficient exchange of information. In 2021, the use of these systems increased in importance. Assemblin Ventilation introduced a new method for the real-time labelling of installation stages as completed by means of a large-scale BIM-based module, simplifying and improving reporting in ongoing projects.

Another exciting development is the possibility of using robots for heavy lifting and benefiting from opportunities offered by artificial intelligence. In 2021, Assemblin Ventilation and a supplier successfully tested the semi-automated assembly robot Jaibot for mounting ventilation ducts at height in part of the new healthcare building at the Malmö hospital campus. Examples of the early application and use of artificial intelligence include optimising energy consumption by connecting property systems to external weather data feeds.

Photo: Hilti

The Jaibot robot takes care of the tedious task of drilling holes in the ceilings of the new healthcare building on the Malmö hospital campus, helping reduce the burden on Assemblin's installers.

The drilling robot creates a better work environment

Assemblin aims to be the best at benefiting from the opportunities offered by new technologies and we are keen to develop our operations by testing new technical solutions.

An example is Jaibot, the robot that Assemblin used to work more efficiently and safely on its project at the new healthcare building on the Malmö hospital campus. Among other things, the semi-automatic robot was used in installing ventilation in one part of the new healthcare building. In this project, the robot drilled holes in ceilings, a task associated with several safety risks for human installers. The body is exposed to the vibration generated by the tool, the installer is exposed to large amounts of dust and work above shoulder height wears badly on the joints. There is also a risk of falling and the work environment is extremely noisy.

While the robot is drilling, installers can concentrate on their principal task, installing, thus avoiding dangerous or exhausting tasks.

For the robot to know what to do, the holes to be bored are marked out in a CAD model, which is then exported to the robot. By connecting to the BIM system, data regarding the number of mounts and assembly materials is also linked in, resulting in more accurate dimensioning and optimisation of the mounting structures.

ACQUISITIONS

Accelerated acquisition rate

Assemblin is participating actively in the consolidation process that is taking place in the installation markets. The acquisitions bring additional expertise and a stronger market position in select locations, as well as contributing to Assemblin's growth and development.

Supplementary and strategic acquisitions

Acquisitions are an important element in Assemblin's growth strategy. Assemblin actively seeks well-run, profitable companies with superior skills and cultural similarities. Acquisitions can be complementary, to strengthen Assemblin's market position in selected locations, or strategic, to increase Assemblin's expertise in a new area of technology or in a new location.

An efficient acquisition process

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 and a structured dialogue, including meetings with different Assemblin representatives, is established. Following an assessment, the presentation of a tender and negotiations, the final decision on all acquisitions is made by Assemblin's Board of Directors. To support the acquisition and analysis process, the central acquisition function was strengthened in 2021.

Flexible integration process

Once the transaction has been completed, the process of integration commences in accordance with a well-documented process in each business area. The integration process aims to realise the synergies that exist between the companies, to safeguard the transfer of expertise and development of "best practice" and to offer the acquired unit the support of Assemblin's specialist functions.

An important lesson is that, to be successful, the integration process must be flexible and the pace of integration must be adapted to the individual acquired unit (except for a minimum standard immediately implemented). The goal is for the employees and customers of the acquired company to feel secure and get to know Assemblin gradually. This approach has proven highly successful and has resulted in many companies that are seeking a new ownership solution voluntarily seeking contact with Assemblin.

Increased acquisition rate

In 2021, Assemblin's acquisition rate increased. A total of 17 companies were acquired in Sweden, Norway and Finland, which provided Assemblin with approximately 755 skilled new employees and estimated SEK 1,574 million in annual sales. The largest acquisitions to be completed were the Finnish companies Fidelix and Tom Allen Senera. Fidelix, with sales of approximately SEK 547 million and 330 employees, offers BMS solutions for commercial buildings and IMD solutions for residential buildings. Tom Allen Senera, with sales of approximately SEK 340 million and 92 employees, offers turnkey energy systems that combine geothermal heating with heat exchangers, cooling and other energy systems.

UNIT ACQUIRED	Business area	Type	Date	Share of votes	Number of employees	Estimated annual sales in SEK million
Åby Eltjänst AB	Assemblin Electrical	Company	January	100%	34	50
EA Installationer AB	Assemblin Electrical	Company	January	100%	43	49
TIS Tervell Installation och Service AB	Assemblin Electrical	Company	January	100%	23	30
Vantec System AB	Assemblin Heating & Sanitation	Company	January	100%	16	50
NOR Klima T. Svendsen AS	Assemblin Norway	Company	January	100%	3	30
J.Wretvall Rörservice AB	Assemblin Heating & Sanitation	Company	April	100%	31	96
Hemsedal VVS AS	Assemblin Norway	Company	April	100%	12	35
Electrotec Energy AB	Assemblin Electrical	Company	June	100%	10	24
Hallingdal Varme & Sanitaer AS	Assemblin Norway	Company	July	100%	24	45
Soumen Teollisuuskylmä Oy	Assemblin Finland	Company	August	100%	25	90
Norrköpings Låsverkstad AB	Assemblin Electrical	Company	September	100%	4	9
Senera Oy (TomAllenSenera)	Assemblin Finland	Company	September	100%	92	340
Fidelix Holding Oy	Assemblin Finland	Company	September	100%	330	547
Säkra Fastigheter i Sverige AB	Assemblin Electrical	Company	September	100%	15	28
Roslagens Värmemontage AB	Assemblin Heating & Sanitation	Company	September	100%	48	85
Grillby & F100 Rör AB	Assemblin Heating & Sanitation	Company	October	100%	20	46
Eltex Sähkö ja Automaatio Oy	Assemblin Finland	Company	October	100%	25	20
					755	**1,574**

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

Business Area Electrical (Sweden)

“In 2021, we strengthened our position in security, solar cells, energy storage and electric car charging – exciting growth areas on which we will continue to work in 2022. We also managed to strengthen our margin and improve our working capital, and we increased our order backlog, which generates security and stability.”

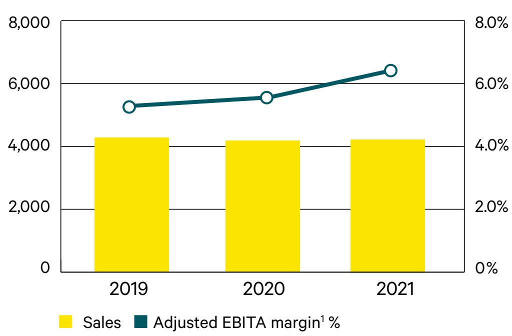
Fredrik Allthin,
President and Business Area Manager, Assemblin Electrical

In 2021, Assemblin Electrical had 2,729 employees and annual sales that increased to SEK 4,054 million.

Share of consolidated sales **37.8%**

KEY FIGURES	2021	2020	2019
Net revenues, SEK million	4,054	4,010	4,151
Adjusted EBITA[1], SEK million	264	229	222
Adjusted EBITA margin[1], %	6.5	5.7	5.3
Order backlog, SEK million	3,149	3,131	3,029
Order intake, SEK million	3,864	4,153	4,507
Average number of employees, FTE	2,729	2,783	2,796
Share of service assignments, %	48	47	46

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability.
For definitions, refer to page 106.

Operations

Assemblin Electrical is one of Sweden’s leading electrical installers with expertise primarily in electrical engineering, as well as property and industrial automation but also in security and industrial services. A special area of focus is green electric including solar panels, energy storage and charging solutions for electric vehicles. These operations include qualified planning and design expertise, as well as experience of complex projects. The head office is located in Västberga, Stockholm, but operations are conducted in 6 regions through slightly more than 60 locations across Sweden. Most of the operations have been certified in accordance with ISO 9001 (quality) and ISO 14001 (environment).

Assemblin Electrical completes numerous installation and service assignments, primarily for construction companies, property owners, the manufacturing industry and energy companies. Examples of major projects currently in progress are the new healthcare building on the Malmö hospital campus, the Högsbo specialist hospital and the Life Natrium research building, all on behalf of Skanska, as well as an operations centre in the Selet district of Örebro (on behalf of Serneke).

For the full year, the proportion of services increased to 48 percent (47). Major service customers include the Swedish Defence Materiel Administration (FMV), SSAB, Billerud Korsnäs, Södra and Vattenfall (Forsmark/Ringhals nuclear power stations).

Developments in 2021

Sales increased to SEK 4,054 million. Sales were impacted negatively by restructuring of unprofitable operations primarily in Stockholm, completed in 2020, and the divestment of electrical workshops, although these were offset by acquisitions. The adjusted EBITA margin was strengthened to 6.5 percent (5.7) driven by previously implemented profitability improvement measures and profitable acquisitions.

During the year, six companies were acquired (Åby Eltjänst, Tervell Installation & Service, EA Installationer, Electrotec Energy, Norrköpings Låsverkstad and Säkra Fastigheter) with 129 employees and estimated total annual sales of SEK 190 million. In April, three electrical workshops with 45 employees and annual sales of approximately SEK 90 million were divested.

Order intake was strong and amounted to SEK 3,864 million (4,153), contributing to an order backlog at the end of the year of SEK 3,149 million (3,131). Major new project assignments include the research building Life Natrium in Gothenburg (on behalf of Skanska), the Blåklinten legal centre in Kristianstad (on behalf of Thages in Skåne) and the NKT Lighthouse cable tower in Karlskrona (on behalf of NKT) and an ongoing service contract for SSAB in Luleå.

During the year, an organisational change was implemented, resulting in a reduction of the number of regions. Assemblin Electrical strengthened its offering primarily in security and green electricity by, among other things, launching a unique concept for charging electric cars. A new digital reporting tool for customers was developed and several new training courses were launched, particularly for project managers and lead installers. A number of unprofitable profit centres were closed down at the same time as new branches in Karlshamn and Kristianstad were opened.

Business Area Heating and Sanitation (Sweden)

In 2021, we managed to further strengthen our profitability while growing 11 percent, which is very gratifying. Our operations are strong and stable, and the challenge for next year will be to continue improving productivity and developing our customer offering.

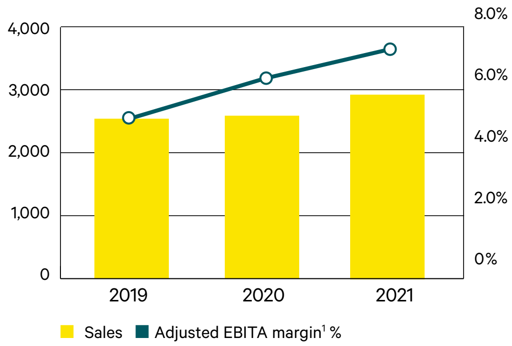
Andreas Aristiadis,
President and Business Area Manager, Assemblin Heating and Sanitation

In 2021, Assemblin Heating and Sanitation had 1,438 employees and annual sales that increased to SEK 2,966 million.

Share of consolidated sales **27.7%**

KEY FIGURES	2021	2020	2019
Net revenues, SEK million	2,966	2,672	2,642
Adjusted EBITA[1], SEK million	225	170	139
Adjusted EBITA margin[1], %	7.6	6.4	5.3
Order backlog, SEK million	1,912	2.048	2,005
Order intake, SEK million	2,811	2,624	3,007
Average number of employees, FTE	1,438	1,406	1,475
Share of service assignments, %	38	36	35

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability. For definitions, refer to page 106.

Operations

Assemblin Heating and Sanitation offers design, installation, service and maintenance of technical systems for heating, sanitation, industrial pipes, heat pumps, sprinkler systems and district and geothermal heating in Sweden. Operations are conducted in approximately 50 locations around Sweden divided between five regions. Assemblin Heating and Sanitation is headquartered in Västberga, Stockholm. Through its nationwide organisation and strong local roots, Assemblin Heating and Sanitation holds a strong market position, and is one of Sweden's largest heating and sanitation companies. Parts of the operations are certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (work environment) and, since 2021, some of the operations have been certified in accordance with ISO 44001 (partnering).

Although most customer assignments are small and local, Assemblin Heating and Sanitation also has the capacity to handle large, complex assignments. While the largest customers are mainly small and large construction companies, Assemblin Heating and Sanitation also delivers to other private and public-sector actors and, to a certain extent, to private individuals, including through an online shop. The largest projects currently in progress are installations at the new healthcare building in the Malmö hospital campus (on behalf of Skanska), in apartments at Nya Kiruna Centrum (the new central district of Kiruna, on behalf of Bostäder Kiruna), in new student housing at Campus Albano in Stockholm (on behalf of Svenska Bostäder) and at an office building for Geely in Gothenburg (on behalf of BRA Bygg).

The share of services increased, at the end of the year amounting to 38 percent (36). Major ongoing service assignments include Coor and Akademiska hus.

Developments in 2021

In 2021, Assemblin Heating and Sanitation reported sales of SEK 2,966 million (2,672), entailing growth of 11.0 percent, which was mainly acquisition driven. Profit strengthened and the adjusted EBITA margin increased to 7.6 percent (6.4). The major improvement in profitability is partly due to measures taken previously to enhance profitability, but also to good profitability in acquired operations.

Order intake for the full year increased to SEK 2,811 million (2,624), contributing to the order backlog at the end of the year-end amounted to SEK 1,921 million (2,048). Major new assignments in 2021 include heating and sanitation installations at Postnord's new offices (on behalf of Postnord) and in the NKT Lighthouse cable tower in Karlskrona (on behalf of NKT).

In 2021, four acquisitions were made (JW Rör, Roslagens Värmemontage, Grillby & F100 Rör and Vantec) with total annual sales of approximately SEK 277 million and 115 employees.

Several development initiatives were implemented during the year, including through the implementation of a new calculation system, the launch of a new training programme in partnering and parts of the operations were certified in accordance with ISO 44001 collaboration.

Business Area Ventilation (Sweden)

"Assemblin Ventilation is currently undergoing an exciting phase of transformation, in which we, alongside our customers and suppliers, are testing new approaches to our work and digital tools. In 2021, this work accelerated while we also delivered an improved margin and maintained our level of sales, with which I am very pleased."

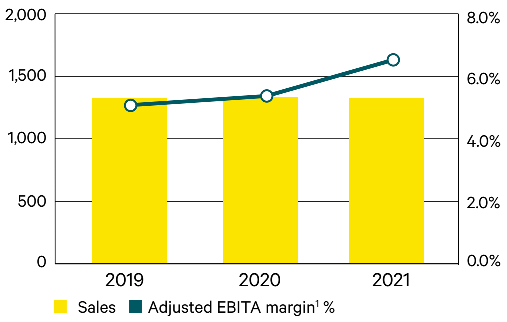
Håkan Ekvall,
President and Business Area Manager, Assemblin Ventilation

In 2021, Assemblin Ventilation had 541 employees and annual sales of SEK 1,385 million.

Share of consolidated sales **12.8%**

KEY FIGURES	2021	2020	2019
Net revenues, SEK million	1,373	1,384	1,367
Adjusted EBITA[1], SEK million	85	80	73
Adjusted EBITA margin[1], %	6.2	5.8	5.3
Order backlog, SEK million	1,627	1,633	1,805
Order intake, SEK million	1,385	1,192	1,956
Average number of employees, FTE	541	553	544
Share of service assignments, %	24	22	20

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability. For definitions, refer to page 106.

Operations

Assemblin Ventilation is one of Sweden's leading ventilation installers with extensive experience of installation and service in ventilation and cooling technologies. Assemblin Ventilation is headquartered in Malmö in southern Sweden. In 2021, the operations were expanded to a further five locations, with operations now being established at some 25 university locations divided between six regions. All locations offer qualified design expertise, while Linköping and Malmö also have their own production units for the manufacture of rectangular duct systems. This is something that sets Assemblin Ventilation apart and that safeguards control and efficiency in installation projects. The operations are also at the forefront of digital development and, in recent years, the approach has been modernised by means of new technologies, in terms of both internal processes, as well as in production.

The assignment portfolio includes several medium-sized and large-scale assignments. The largest customers include construction companies, as well as public-sector operators, such as the Swedish Transport Administration, Region Skåne and Region Östergötland. Among the largest installation projects currently in focus are those at the new healthcare building on the Malmö hospital campus (on behalf of Skanska), the tunnel project Förbifart Stockholm (on behalf of the Swedish Transport Administration), the urban transformation in Kiruna (on behalf of Nåiden Bygg), the new NKT Lighthouse cable tower in Karlskrona (on behalf of NKT) and the new offices of the Swedish Courts Administration in Jönköping (on behalf of Serneke).

In 2021, the proportion of services increased to 24 percent (22). Major ongoing service assignments include the ESS research facility in Lund, Bäckebol and assignments for L&T and ICA.

Developments in 2021

For the 2021 full year, Assemblin Ventilation reported sales of SEK 1,373 million (1,384). Profitability strengthened and the adjusted EBITA margin increased to 6.2 percent (5.8).

Order intake increased to SEK 1,385 million (1,192), contributing to an order backlog amounting to SEK 1,627 million (1,633) at the end of the year. Major new assignments in 2021 included installations in the new NKT Lighthouse cable tower project in Karlskrona (on behalf of NKT), the Örtofta sugar mill (on behalf of Nordic Sugar) and Börsen HI Kiruna (on behalf of Skanska).

In its business development efforts, Assemblin Ventilation has in recent years invested in measures contributing to a more automated data flow, all the way from calculations and assembly to contractors and customers. In-house production can also be connected to the data flow. In 2021, the CamVent business system (developed in-house) was upgraded with a new module for the assembly registration being implemented on a large scale. This supplementary module allows the project management team at Assemblin and the customer to follow, in real time, how production is progressing. In one assignment, a new robot was also tested for part of the work of mounting ventilation roof hoods. In the service operations, a new training course in professional service business was launched.

Business Area Norway

In 2021, we delivered a continued high margin and strong order intake, which is only possible by maintaining reliable deliveries, a sound project portfolio, good project management and competent employees. I am therefore very proud that we succeeded in further advancing our positions during the year, both as an employer and as a supplier.

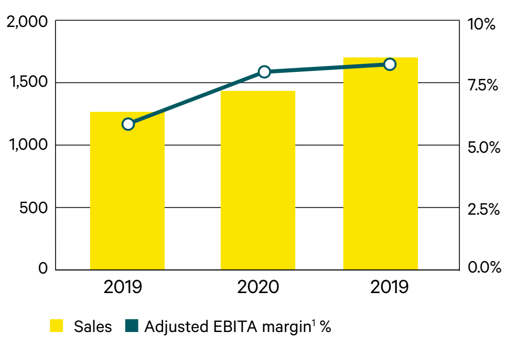
Torkil Skancke-Hansen,
President and Business Area Manager, Assemblin Norway

In 2021, Assemblin Norway had 790 employees and annual sales of SEK 1,628 million.

Share of consolidated sales **15.2%**

KEY FIGURES	2021	2020	2019
Net revenues, SEK million	1,628	1,493	1,285
Adjusted EBITA[1], SEK million	135	124	70
Adjusted EBITA margin[1], %	8.3	830	5.4
Order backlog, SEK million	1,875	1,103	1,367
Order intake, SEK million	2,167	1,360	1,296
Average number of employees, FTE	790	735	704
Share of service assignments, %	48	45	36

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability.
For definitions, refer to page 106.

Operations

Assemblin Norway offers leading expertise in heating and sanitation technology, electrical engineering and ventilation. The head office is located in Drammen (outside Oslo) and operations are maintained in slightly more than 15 locations in and around Oslo, Innlandet, Hallingdal and Spitsbergen. Most of the operations have been certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (work environment).

Assemblin in Norway is the country's fourth largest installation company, and is distinguished by its focus on larger, complex installation assignments in the Østland region, but also by its focus on quality and implementation, as well as its digital maturity and leading position in sustainability. Combined with an experienced and stable management team, this has contributed to Assemblin delivering the highest profitability among the large installation companies in Norway for several years.

The customer portfolio includes the larger construction companies as well as smaller local contractors. Examples of major project assignments currently in progress include heating and sanitation installations in the new Oslo Storbylegevakt healthcare building (on behalf of Skanska), the new Oksenøya Senter school building (on behalf of Veidekke) and the Middelthunsgate housing project (on behalf of Veidekke).

Assemblin Norway has a dedicated service organisation that increased its share of the operations' sales to 48 percent (45). in 2021. Examples of major assignments include agreements with Forsvarsbygg, the Municipality of Lillestrøm, the Municipality of Nordre Follo and St. Joseph Hospital.

Developments in 2021

During 2021, Assemblin Norway increased its sales by 9.1 percent to SEK 1,628 million (1,493). Growth was partly organic but was also driven by previously completed acquisitions. The adjusted EBITA margin amounted to 8.3 percent (8.3).

Order intake increased to SEK 2,167 million, contributing to a record order backlog amounting to SEK 1,875 million (1,103) at the end of the year. Major new project assignments include the new Construction City project (on behalf of Construction City Bygg), the Regeringskvartalet government offices (on behalf of Veidekke) and Gregers Kvartal (on behalf of AF Group). Examples of new service assignments include agreements with Avinor, Forsvarsbygg, the Municipality of Oslo, the Municipality of Lillestrøm and Østfold Hospital (St. Joseph).

During the year, three companies were acquired (Norklima, Hallingdal Varme og Sanitær and Hemsedal VVS) with total annual sales of approximately SEK 110 million and 40 employees.

During the year, Assemblin Norway introduced a new HR and payroll system and began implementing a new cloud-based project management system. Another exciting development project is a major investment in improved climate reporting, in which Assemblin Norway is the first installation company to offer customers climate reporting at the project level. The business has also focused more on attracting more women.

Business Area Finland

In 2021, we made major investments in the Finnish operations, and I am convinced that these investments in green technology and intelligent solutions were entirely appropriate. We now have a very exciting offering and a good platform with which we can continue working. It is with great confidence that, as of February 2022, I hand over the helm of our Finnish operations to Tero Kosunen, who is currently President of Fidelix.

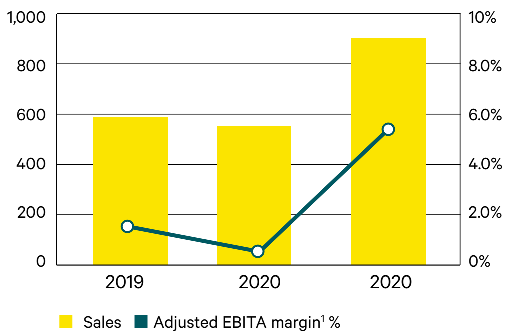
Mats Johansson,
Acting President and Business Area Manager, Assemblin Finland

In 2021, Assemblin Finland had 439 employees and annual sales of SEK 882 million.

Share of consolidated sales **8.2%**

KEY FIGURES	2021	2020	2019
Net revenues, SEK million	882	567	598
Adjusted EBITA[1], SEK million	49	3	12
Adjusted EBITA margin[1], %	5.6	0.6	1.9
Order backlog, SEK million	808	233	272
Order intake, SEK million	1,031	574	492
Average number of employees, FTE	439	319	357
Share of service assignments, %	27	33	44

SALES AND PROFITABILITY



1) Adjusted for items affecting comparability. For definitions, refer to page 106.

Operations

In 2021, Assemblin's Finnish operations were recast through a number of acquisitions, entailing strong growth for Assemblin Finland and establishing one of the market's strongest platforms for smart and sustainable solutions. The business now offers cutting-edge expertise in electrical engineering, heating and sanitation, ventilation, cooling technology, energy optimisation, heat pumps and solutions and products for intelligent buildings, not least IMD and BMS. The operations are now organised into three units, Assemblin, Fidelix and Tom Allen Senera, with headquarter in Helsinki.

Installation and service solutions are offered under the Assemblin brand and focusing on Helsinki, Tampere and Turku, primarily for construction companies, property owners and public enterprises.

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

Tom Allen Senera is an installation company niched towards efficient energy solutions, often based on geothermal heating. Operations are primarily conducted in and around Helsinki. Tom Allen Senera offers solutions for both smaller, private properties, as well as for larger properties with more complex needs. The operations include a dedicated service company called Maalämpöhuoltokeskus Oy.

Developments in 2021

Sales in Assemblin Finland increased by 55.6 percent to SEK 882 million (567), which can mainly be explained by the large acquisitions completed during the financial year. This was also the main reason why the EBITA margin strengthened to 5.6 percent (0.6). The proportion of services decreased to 27 percent (33), which is explained by a lower proportion of services in the acquired companies. Order intake increased to SEK 1,031 million (574) and the order backlog at the end of the year was SEK 808 million (233).

In addition to the acquisitions of Fidelix and Tom Allen Senera, Assemblin Finland made another two acquisitions (Soumen Teollisuuskylmä Oy and Eltex Sähkö ja Automaatio Oy). In total, the acquired companies contribute annual sales of approximately SEK 1,000 million and 472 competent employees. A condition for the acquisition of Fidelix to be approved by the Finnish competition authorities was that a part of Assemblin's existing automation operations was divested, meaning that operations corresponding to SEK 100 million in annual sales and 60 employees were divested.

Over the year, considerable effort was invested into restructuring the operations and integrating the acquired companies. In connection with the resignation of the former Business Area Manager Assemblin's CEO stepped in as the Acting Business Area Manager. Despite major changes, employee engagement and satisfaction in Assemblin's original operations increased.

Sustainability Report

About Assemblin's Sustainability Report

The Board of Directors of Assemblin Group AB, corporate identity number 559077-5952, hereby submits the Sustainability Report for the Assemblin Group for the period 1 January to 31 December 2021. 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 based on the methodology in the international standard Greenhouse Gas Protocol, 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. Newly acquired companies are not included in the reporting of key sustainability figures.

CONTENTS

The year's sustainability work in brief	30
Structure and governance	31
Stakeholder dialogue and priorities	33
Global standards	35
Follow-up of sustainability work in 2021	36
Select key sustainability figures	40
Definitions	41
Auditor's statement	41

The Sustainability Report forms part of Assemblin's *2021 Annual and Sustainability Report,* which is available in its entirety from the Company's website. This explains why pagination commences on page 29. The report can be read separately, but contains occasional references to other parts of the Annual Report.

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

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

It's happening now. *I have followed developments in the area of sustainability for several years, but I have never experienced such tremendous interest in sustainability issues as now. This applies to the area of climate in particular, which is one of the greatest global challenges of our times. This development was reflected in our updated materiality analysis, with our two climate-related material sustainability aspects (numbers 2 and 12) being ascribed a high priority.*

For a few years now, we have had a good structure in our sustainability work.

The increased focus on sustainability *is a development that we view very positively, and which spurs us on. Although we have had good structure in our sustainability work and sustainability reporting for a few years, we will be investing even greater effort here in the future. Follow-up and reporting are a prerequisite for understanding how we perform in different areas and for being able to make fact-based decisions that guide the operations appropriately.*

As Head of Sustainability, *it is extremely exciting to represent one of the most ambitious companies in an industry that can accelerate the transition into a sustainable society. Assemblin strives to maintain a leading position in sustainability. We participate actively in the ongoing climate transition, both by adapting our own operations and by continuously developing solutions and products for smart, sustainable buildings and urban communities. You can read about this and much more in this Sustainability Report.*

Åsvor Brynnel,
Head of Communications and Sustainability, Assemblin

Sustainability in brief

56%
EMPLOYEES TRAINED IN THE CODE OF CONDUCT[1]

17
EMPLOYEE LOYALTY, ENPS[1]

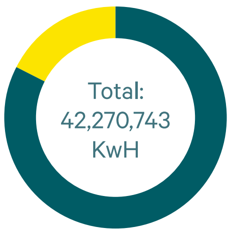
11.2
INJURY FREQUENCY[1]

6.2%
SICK-LEAVE[1]

18%
ISO 45001-AFFILIATION

54%
ISO 9001, ISO 14001 AFFILIATION

- **Increased focus on green solutions** – such as energy efficiency, solar cells, storage and optimisation of electricity, district heating, heat pumps, energy-intelligent cooling systems and intelligent buildings.
- **Launch of Assemblin Charge**– the market's most complete concept for charging electric cars and managing payment flows.
- **Preparations for climate reports in projects** – pilot project in Norway for climate reporting of selected products.
- **Good results in customer and employee surveys** – completed surveys reflect increased customer satisfaction and employee well-being.
- **Measures for a safe working environment** – continued focus on safety and activities to mitigate contagion.
- **Reinforced corporate governance** – further measures, including the establishment of a Remuneration Committee.



ENERGY USE IN THE OPERATIONS
- Vehicle fuel (Scope 1): 82.5 %
- Electricity and heating (Scope 2): 17.5 %

1) These key figures do not include newly acquired companies.

SUSTAINABILITY AT ASSEMBLIN

In 2018, based on our operations and geography, Assemblin identified 13 sustainability aspects that are considered to be the most significant for us to work with. Of these, areas 1, 2, 5, 7, 9 and 12 are perceived as particularly high priorities.

STRUCTURE AND GOVERNANCE

A value-adding and responsible installation company

Assemblin's objective is to act as a value-adding and responsible installation company in relation to our key stakeholders and in relation to society as a whole.

Sustainability at Assemblin

Assemblin's ambition is to be the Nordic region's best installation company – both today and in the future. Our fundamental stance is that we must generate value, not only for our key stakeholders, but also for society at large. The value we generate through our business model is illustrated in our value creation model (see page 5). To ensure sustainable value creation over time, Assemblin must also assume responsibility for the short- and long-term consequences of its operations. The insight that responsibility is a prerequisite for sustainable growth in value is an important starting point for Assemblin's sustainability work.

To make a clear connection to our value creation and to establish a common thread in our reporting, we have chosen to take the stakeholder perspective as the starting point in our sustainability work. For this reason, we have defined four overarching sustainability strategies describing how Assemblin takes responsibility from the customer, employee, investor and societal perspectives. We have also chosen to structure our material sustainability aspects based on this perspective – although, to also facilitate comparisons with other classifications, we have linked them to the international GRI, SDG and 3BL standards on page 35. For each material sustainability aspect, we have formulated a principle position as stated in Assemblin's Sustainability Policy, which is published on our *external website*.

Risks and opportunities

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

In 2019, Assemblin conducted a climate change analysis, which showed our climate risks to be limited since our type of operations has a relatively low exposure to climate change, and our adaptability to be good (see more below). In accordance with Assemblin's established risk process, an internal risk assessment is conducted twice a year, in which sustainability risks are also mapped, prioritised and analysed. In the mapping of risks conducted in 2021, the most significant short-to-medium term sustainability was assessed to be international crises and pandemics. Among the other, greater sustainability risks, workplace accidents, the risk of business ethics abuses, cyber risks and shortcomings in the handling of chemicals can be mentioned. As Assemblin's deliveries are to a large extent performed by the company's own staff and are conducted in the Nordic region, where work environment legislation is far-reaching, the risks of exploitation of labour and of minors, for example, are very small.

More information about Assemblin's general risk management, corporate governance and internal control can be found in the separate *Corporate Governance Report*. The Group's foremost risks from a business perspective and how these are managed are presented in the *Board of Directors' Report*.

Although Assemblin has no production requiring registration or permits, the operations do have a permit for transporting hazardous waste.

OVERVIEW – ASSEMBLIN'S SUSTAINABILITY WORK

Assemblin's overarching objective is to act as 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 creating value (see page 5) clarifies how this is linked to our business model and how value creation is achieved.

Stakeholder group	Overarching sustainability strategy	Significant sustainability aspects[1]	Measures in 2021
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 36 provides further information about our work in 2021 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 work environment, as well as an open and inclusive work climate.	4 Development and education 5 Focus on health and safety (work environment) 6 Human rights, diversity and gender equality	On pages 36–37 additional information is presented regarding our work in 2021 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 38 provides further information about our work in 2021 regarding aspects 7–9.
SOCIETY We must be a responsible and value-adding corporate citizen	We assume 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 community engagement	Pages 38–39 provide further information about our work in 2021 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 and 2021 but were not altered.

Assemblin's climate change analysis and climate strategy

To prepare the operations for different future scenarios, a specific assessment of short-, medium- and long-term climate risks and opportunities was conducted in 2019. The assessment was inspired by the international TCFD framework and included both physical and adjustment risks that could result from climate change. Because Assemblin can relatively easily phase out its direct dependence on fossil energy sources, mainly by transitioning its vehicle fleet, and since we have flexible operations with little property that can be destroyed, our climate risks were judged to be limited. Our type of operations is perceived to have a relatively low-exposure to climate change and our ability to adapt is good. At the same time, the need for installation services is perceived as increasing in connection with renovation and rebuilding needs as a consequence of damage caused by extreme weather etc., which represents an opportunity for Assemblin. We can also expect increased demand for energy efficiency projects and automation projects, projects for reusing grey-water and rainwater, charging infrastructure and solar cells, as well as increased investment in hydroelectric power plants and wind farms.

The results of the climate change analysis form the basis for the climate strategy adopted by Assemblin's Board of Directors at the end of 2019. The climate strategy means that Assemblin must keep pace with climate development and the ongoing transition to a fossil-free society. We must take advantage of the business opportunities that arise and limit risks to acceptable levels by taking the necessary measures at an early stage. More information about Assemblin's climate strategy can be found on our *external website*.

> ***Our type of operations is perceived to have a relatively low-exposure to climate change and our ability to adapt is good.***

Sustainability organisation, governance and goals

Alongside Group Management, Assemblin's CEO bears the ultimate responsibility for sustainability work at Assemblin. In line with Assemblin's decentralised organisation, however, responsibility for operational sustainability work is decentralised to the individual business areas, although, to ensure a holistic perspective and coordination, a central Sustainability Committee, directly subordinate to Group Management, is established. 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. In 2021, the Sustainability Committee met on three occasions. During the year, the Sustainability Committee established two separate working groups – a working group on climate reporting in projects and a working group on the EU taxonomy.

Key starting points for Assemblin's sustainability work include external and internal regulations on sustainability, as well as the international standards with which Assemblin has voluntarily chosen to comply. Particularly important governing documents are Assemblin's Sustainability Policy, Code of Conduct and values, which are published on our *external website*. Another important starting point are the goals towards which Assemblin is navigating. Externally, Assemblin has communicated financial objectives, as well as a long-term climate objective and a climate strategy, although our internal business plan also includes targets in several areas, such as a reduced frequency of occupational injuries, increased employee commitments and greater gender equality.

Monitoring and reporting

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

Since 2017, Assemblin presents a selection of sustainability-related key figures in an annual external Sustainability Report. The results for 2021 are presented at the end of this Sustainability Report. As Assemblin has no securities listed on any EU trading venue and does not therefore meet the requirements for reporting in accordance with the taxonomy, Assemblin has chosen not to publish the proportion of operations eligible under the taxonomy for 2021.

ASSEMBLIN'S SUSTAINABILITY COMMITTEE

1. Group Management team
2. Sustainability Committee
3. Representatives of all business areas

1 According to the Board of Directors' instructions to Assemblin's CEO, he bears the ultimate responsibility for sustainability work at Assemblin alongside Group Management.

2 Since 2018, a Group-wide Sustainability Committee has existed, chaired by the Group's Head of Communication and Sustainability.

3 In addition to the Group's Head of Communications and Sustainability, the Sustainability Committee also includes the Group's Chief Legal Counsel and eight representatives from the business areas, each with a different area of responsibility (HR, work environment, quality, environment, operational development).

INTERNAL REGULATIONS ON SUSTAINABILITY

- Sustainability Policy
- Code of Conduct and values
- Code of Conduct for Suppliers
- Antitrust Policy
- Anti-bribery and corruption Policy
- 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)

STAKEHOLDER DIALOGUE AND PRIORITIES

Priority sustainability aspects from an external perspective

Stakeholder dialogue and external monitoring

To be able to develop the operations and make the right priorities, we need to understand the needs, expectations and views of our stakeholders. This requires active external monitoring and a systematic stakeholder dialogue, which is achieved at several levels in the company. The most important tools in the dialogue are in-person meetings, quantitative and qualitative surveys and local "pulse" checks. In 2021, two major surveys were conducted, one among Group employees and one among customers.

During the financial year, increased interest in the climate issue was noted, mainly in the dialogue with customers and investors, and there was also increased demand for green technology and smart building solutions. Among our shareholders, interest in diversity and inclusion also increased, as well as in circular business models.

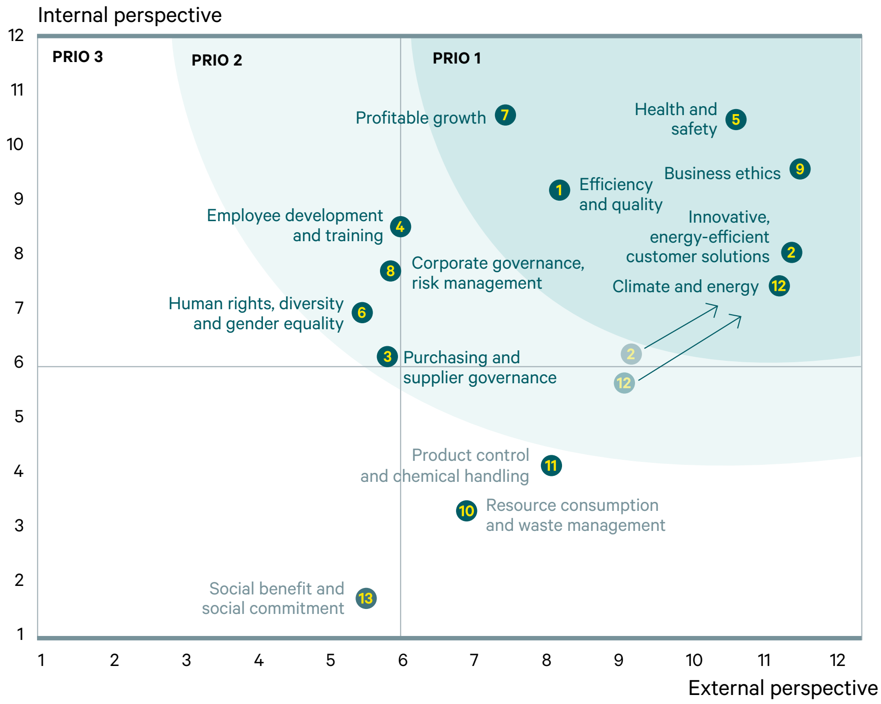
Materiality analysis and plan for sustainability work

The results of the completed stakeholder dialogue, the external analysis and the annual risk survey are important starting points for the materiality analysis conducted at regular intervals. The purpose of the materiality analysis is to identify the sustainability issues on which it is currently most relevant for Assemblin to focus. In 2021, the more comprehensive materiality analysis conducted in 2020 was updated, increasing our significant sustainability aspects from four to six.

With the analysis as its starting point, each year, the Sustainability Committee prepares a proposal for a shared sustainability plan for the ensuing financial year. Support for the proposal is sought among Group Management and the Board of Directors. In addition to the measures included in the shared sustainability plan, each business area may highlight additional aspects in its efforts. The 2021 sustainability plan prioritised work with safety at workplaces, the transition of the vehicle fleet, corporate governance, profitability and efficiency aided by new technologies, climate reporting in projects and preparations for the EU's new taxonomy.

Among other things, the Group-wide activity plan for 2022 focuses on a strengthened offering within renewable energy, climate reporting in projects, the realignment to the new EU taxonomy and the introduction of a new whistle-blower service. The plan also includes measures for increased diversity and inclusion.

MATERIALITY ANALYSIS IN 2021



Our priority sustainability aspects

1 Efficiency and quality
To ensure that we complete our deliveries correctly, at the right time, with the right level of quality and at the right price, we need appropriate and efficient working methods and processes.

2 Innovative, sustainable and energy-efficient customer solutions
Demand for climate-intelligent, resource-efficient solutions is increasing throughout society.

5 Health and safety (working environment)
Large parts of Assemblin's operations are performed in dangerous environments, meaning that workplace safety is a top priority.

7 Profitable growth
To provide security for employees, customers, shareholders and suppliers and to safeguard continued success, it is important to deliver profitable growth that is sustainable in the long term.

9 Business ethics
In decentralised operations, it is important to safeguard a superior ethical standard, preventing bribery and corruption and combating behaviours that limit competition.

12 Climate and energy
Climate change is one of the greatest challenges of our time, requiring measures and adaptations from all actors in society.

Ranking of significant sustainability aspects

In 2020, a more extensive 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 analysis was based on a survey, the results of which were 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 2021, the materiality analysis was updated on the basis of new insights from the stakeholder dialogue, which resulted in aspects 2 and 12 being prioritised.

ASSEMBLIN'S KEY STAKEHOLDERS AND ISSUES IN FOCUS IN 2021

Principal dialogue format	Issues in focus in 2021
CUSTOMERS	
• Ongoing customer dialogue • Delivery follow-up • Customer surveys • Market surveys • Relationship-promoting activities • Marketing	• Specific customer requirements • Efficient, safe processes • Safety and working environment • Business ethics • Product control • Smart and sustainable installation solutions
EMPLOYEES	
• Ongoing employee dialogue • Internal information channels (intranet, newsletter, text message, e-mail, etc.) • Employee surveys • Social activities	• Remunerations and salary benefits • Safety and working environment (incl. measures regarding the Corona pandemic) • Development opportunities • Exciting projects
SHAREHOLDERS	
• Board meetings • Ongoing dialogue with shareholder representatives • Network meetings	• Profitable growth and strong cash flow • Corporate governance and risk management • Business ethics • Climate adaptation • Cyber risks
SUPPLIERS	
• Ongoing supplier dialogue • Local supplier meetings • Delivery follow-up • Supplier assessments	• Prices and conditions • Safety and working environment • Business ethics
TRADE UNIONS	
• Meetings • Negotiations • Representation on the Boards of Directors of subsidiaries	• Safety and working environment (incl. measures regarding the Corona pandemic) • 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	• The climate issue • Safety and working environment (incl. measures regarding the Corona pandemic) • Gender equality and integration • Sustainability in general (Climate reporting)
SOCIETY	
• Sustainability reporting • Information and contact channels on the website and in social media	• 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), Plåt- och Ventföretagen (association of sheet metal and ventilation companies), the industry initiative "Håll Nollan" (Keep it at Zero) and the Construction Industry's Ethics Council. In Norway, Assemblin is a member of the Confederation of Norwegian Enterprise (NHO), Rørentreprenørerne Norge (association of plumbing contractors) and Nelfo (association of installation companies), as well as a gold sponsor in the industry network "Ingeborg". In Finland, Assemblin is a member of industry associations Teknologiateollisuus, LVI-TU and STTA, and has also signed up as a "Climate Partner" in Helsinki.

FOCUS ON LEADERSHIP INCREASES EMPLOYEE SATISFACTION

Our employees' perception of Assemblin as an employer is captured in the ongoing employee dialogue, particularly in connection with the annual development interviews, but also through regular surveys and "pulse" checks. Every two years, a comprehensive employee survey is conducted throughout the operations with the help of an external survey company. In the survey conducted in the autumn of 2021, 72 percent of employees participated. The results differ between work teams, but in general it can be stated that the levels of well-being and commitment are high. Compared with the 2019 survey, the team efficiency index, work environment index and leadership index rose, while the commitment index remained at the same level. The largest increase was in the leadership index.

The important employee loyalty (eNPS) decreased slightly but remained at a high level of 17, which can be compared with the benchmark for construction installations, which is 12.

The results of the survey are analysed both centrally and locally, and action plans are drawn up in each work team and business area.

INCREASINGLY SATISFIED CUSTOMERS

In the autumn of 2021, Assemblin conducted a market survey, in which 78 customers in Sweden and Norway were interviewed. A similar survey was conducted in 2018, and the results show that Assemblin's customers are more satisfied today. According to the survey, Assemblin performs particularly well in terms of technical expertise, flexibility, good local relations, multi-technical expertise and the use of digital tools for increased project efficiency. These benefits are perceived to be an effect of Assemblin's decentralised and technology-oriented organisational structure, as well as its substantial focus on smart and sustainable solutions.

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	Finance, 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	Finance, 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 community engagement	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 operations are the UN's goals 6, 7, 8, 11, 12 and 13.

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.

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.

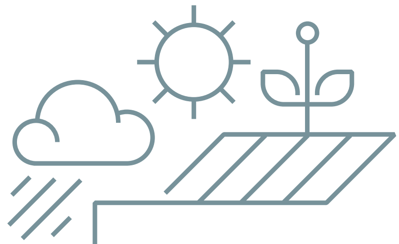
GOAL 7 Through energy-efficient heating and cooling systems, smart control, power optimisation, installation of solar cells, battery storage and participation in the development of the infrastructure required for an increased share of renewable energy, we can contribute to UN goal 7.

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.

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.

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.

The analysis was based on Assemblin's significant sustainability aspects, as well as on the risks and opportunities identified.



Sustainability work 2021

A summary of how Assemblin worked with its 13 material sustainability aspects in 2021. The indication of priority reflects the results of the materiality analysis (see page 31), with the focus being on the most prioritised sustainability aspects.

ACCEPTANCE OF RESPONSIBILITY AS A SUPPLIER

1 Efficiency and quality PRIO 1

Our products and services must always be delivered in the right way at the right time, and at the quality and price agreed. We take a structured approach and our deliveries must always meet to our customers' requirements and relevant industry standards. All assignments must be performed by authorised personnel, and we have the certifications required for the services we perform and products we install.

The starting point in our deliveries is our customers' requirements and demands, which are specified in the customer agreements. At the same time, we can never compromise on legal requirements, industry standards and certificates, or our own principles. 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 53.7 percent of the operations (Assemblin Electrical, partly Assemblin Heating & Sanitation, as well as Assemblin Norway) have also chosen to join this certification.

To improve delivery and increase internal efficiency, Assemblin has, for some years now, accelerated the digital agenda. All employees can log their hours and completion of tasks using their own phones or tablets. At the same time, the use of shared platforms and automatic information transfer between different actors and elements in the construction and installation process is increasing, not least with the help of various tools for building information modelling (BIM), of which Assemblin has extensive experience. In 2021, BIM-based production work increased. Assemblin Ventilation was the first installation company to roll out software which fully includes the installation work.

2 Innovative, sustainable and energy-efficient solutions PRIO 1

Assemblin's technology-oriented operations mean that we have amassed market-leading expertise in property technology. We seek to generate added value in all of our assignments, and long-term sustainable installation solutions that enhance the cost-efficiency of the project but that also minimise the building's life cycle 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.

For a few years now, Assemblin has consciously built expertise in green technology and smart buildings. Green technology involves the installation of renewable energy sources, charging infrastructure and resource-efficient products, but also energy optimisation and climate-intelligent control. Smart buildings involve automation solutions for properties and industrial facilities aided by various control systems and sensors, particularly BMS and IMD. In 2021, Assemblin made several investments through acquisitions, primarily in geothermal heating, district heating, solar cells, BMS and IMD. Assemblin also launched its own charging concept for electric cars, Assemblin Charge. Sustainable, intelligent installations will remain an area of particular focus for Assemblin, even in the future. More information about our value-adding offering can be found in the *Offering* section in the Annual Report.

3 Purchasing and supplier governance PRIO 3

In Assemblin's decentralised operations, purchasing is mainly conducted 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 purchases of indirect materials 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. Services commonly purchased include insulation work and consulting services.

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 and is available on our external website. 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	2021	2020
EDI (electronic purchasing)[1]	77–89%	72–84%
Purchases from framework agreement suppliers[2]	82–100%	89–100%
Number of major supplier follow-ups	3	17

Newly acquired companies are not included in these key figures.
1) Excluding Assemblin Finland
2) Undertaking to comply with our Code of Conduct for Suppliers

ACCEPTANCE OF RESPONSIBILITY AS AN EMPLOYER

4 Employee development and training PRIO 2

We will offer all employees development opportunities through a comprehensive training system, a structured apprenticeship system and a clear career ladder. Our organisation is highly decentralised and we believe in freedom under responsibility, which contributes to meaningful personal development.

Assemblin shall be an attractive employer. Training and further developing employees and leaders is important for a high level of employee satisfaction and to in safeguarding our skills needs. All of the business areas provide well-structured introductory and training programmes, as well as mentoring programmes and in-house internships. Some business area-specific courses are held in-person while others are web-based. Following a period with in-person courses being cancelled due to the Covid-19 pandemic, it was possible to complete a greater number of courses in 2021.

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).

To promote a common culture, there is also Group-wide training programme, Assemblin Academy, which offers qualified leadership and project management training as well as Group-wide web courses in particularly important areas such as ethics, anti-corruption and cyber-security. For more information on Assemblin's mandatory web-based courses, see sustainability aspect 9.

To measure and monitor employee satisfaction, individual annual performance appraisals as well as a regular group-wide employee survey are conducted. In the survey conducted in 2021, it was found that employee satisfaction remained at a high level. The results are analysed by each business area, region and branch/department, and action plans are drawn up based on the local results. For more details of the results, see page 34.

KEY FIGURES	2021	2020	2019
Average number of employees, FTE	5,962	5,820	5,901
Loyalty (eNPS)	17	N/A	18
Leadership index	74	N/A	72
Commitment index	76	N/A	76
Employee survey, response rate	72	N/A	77

Newly acquired companies are not included in these key figures (with the exception of the number of employees).
For definitions and distribution between business areas, see pages 40–41.

5 Health and safety (work environment) PRIO 1

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

In all business areas, active wellness efforts are conducted in the form of regular health examinations, sponsored training, campaigns and competitions. All employees are also offered some form of health and accident insurance and have access to some form of preventive health services. 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 2021, sick leave remained at a high level due to more people, on the advice of the authorities and Assemblin, for parts of the year, staying at home during the Covid-19 pandemic, even if their symptoms were very mild. Personnel turnover increased from the previous year's low level. Assemblin's personnel turnover is perceived to be on a par with that of the industry, which is characterised by relatively high mobility.

Many of Assemblin's employees work in dangerous environments, and certain tasks are particularly risky. This can be attributed to, for example, work at heights, work in hot spaces, exposure to sharp objects, exposure to electrical current, reception checks or stress. Safety in the work environment is therefore a high-priority issue for Assemblin, which has a clear zero vision regarding workplace accidents – the goal is for no one to be injured at work. 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 18.2 percent of the operations have also chosen to seek formal certification.

AGE DISTRIBUTION
EMPLOYEES ASSEMBLIN

- ”Generation 2020” (1997–), 14%
- ”Millennials” (1977–1997), 49%
- ”Generation X” (1965–1976), 22%
- ”Boomers” (–1964), 15%

Work environment training is conducted continuously in the operations. Another important aspect of the safety work involves the continuous monitoring and analysis of risk observations, incidents and accidents at several levels in the Company. All employees have their own telephone or tablet with which they can easily report observations and deviations digitally. Incidents reported as a serious accidents increased in 2021. Minor accidents and risk observations also increased, partly because Assemblin's largest business area also reported this type of key figure as of 2021, but also because of general improvements in reporting. Assemblin's injury statistics are on a par with comparable companies with a high proportion of employees in production.

At the national level, annual safety campaigns are conducted, shedding light on various themes in work environment and safety. In 2021, safety weeks were held in Finland in May, in Norway in September and in Sweden in October. In Sweden, Assemblin is affiliated with the industry initiative “Keep it at Zero”. Since 2019, Assemblin has had a Group-wide standard for personal protective equipment.

KEY FIGURES	2021	2020	2019
Average number of employees, FTE	5,962	5,820	5,901
Sick-leave, %	6.2	6.8	4.6
– of which long-term sick leave, %	1.7	1.1	1.6
Voluntary personnel turnover, %	11.2	8.7	14.1
Serious accidents, frequency of occupational injuries (IF/LTIFR),	11.2	9.1	7.6
Minor accidents, number	312	180[1]	273
Incidents and risk observations (“near misses”), number	475	430	62
Fatal accidents, number	0	0	0

Newly acquired companies are not included in these key figures (with the exception of the number of employees).
For definitions and distribution between business areas, see pages 40–41.
1) In 2020, Assemblin Electrical did not report minor accidents and incidents separately, affecting the comparison between the years.

6 Human rights, diversity and gender equality PRIO 3

We fully support human rights and freedoms, and we involve employees and their representatives in decisions regarding the company's affairs. We work for greater diversity and inclusion and do not accept any form of discrimination or harassment.

Assemblin supports the principles of human rights, labour law, the environment, corruption, etc. that are expressed in the international UN framework “Global Compact”, although the Group has no formal affiliation to the framework. 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 and decreased slightly in 2021 at the same time as the proportion of women among senior executives increased. Assemblin tries to draw attention to and encourage female employees in various ways, and in 2021 in-depth interviews were conducted with some female employees. The results of these interviews form the basis for a plan of action that will be launched in 2022. Assemblin Norway is a gold sponsor in the industry initiative “Ingeborg”.

Assemblin does not accept any form of child labour, slave labour or human trafficking. In the countries where Assemblin operates, these are also prohibited by law. Assemblin is not affected by the UK's Modern Slavery Act of 2015.

KEY FIGURES	2021	2020	2019
Proportion of women, total, %	5.4	5.7	5.5
Proportion of women, senior executives, %	16.2	13.2	13.7
Proportion of women, Board of Directors, %	28.5	33.3	33.3

For definitions and distribution between business areas, see pages 40–41.

ACCEPTANCE OF RESPONSIBILITY AS AN INVESTMENT

7 Stable growth and good profitability PRIO 1

We will ensure stable development by focusing on profitable growth and managing our financial resources correctly.

The fact that we conduct our operations in a controlled manner is a prerequisite for a stable financial trend, which in turn means that we are able to meet our commitments, which provides security for our employees, customers, shareholders and suppliers alike. For-profit operations entail financial value creation for several target groups and for society through, for example, payments of salaries to employees and of compensation to suppliers, of dividends to shareholders and of taxes and fees to society. In tax matters, applicable tax law and prevailing practices are applied in the countries in which we operate.

For a period, Assemblin has enjoyed favourable growth, increased profitability and strong cash flow – a positive trend that was also strengthened in 2021. Comments on our financial development can be read in the section *Financial statements*.

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

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

8 Corporate governance, risk management and transparency PRIO 2

We shall take advantage of the opportunities that exist in the market through active external monitoring while, at the same time, limiting our risks through good corporate governance and structured efforts regarding risks. Our corporate communications shall be correct and reliable. All data processing shall be conducted securely and in accordance with the requirements specified in our Communication Policy, IT Security Policy and Privacy Policy.

Assemblin's shareholders, financiers and, to some extent, also its customers, place demands on Assemblin's corporate governance, risk management, internal control and disclosures. These processes and the financial reporting are adapted to the requirements imposed by the international securities market in which Assemblin has listed euro bonds, and by the Swedish Code of Corporate Governance. At the assignment of Assemblin's shareholders, these processes were fine-tuned in 2021 to also meet the requirements imposed by Nasdaq Stockholm. National accounting principles are applied in the financial reporting and the international accounting standards IFRS are also applied for the Group. Assemblin's most significant organisational bodies, as well as the division of responsibilities and governance principles are described in the *Corporate Governance Report*.

Assemblin's Sustainability Committee reports on its work to Group Management on an ongoing basis, and sustainability work is also followed up at each Board meeting. The ongoing sustainability reporting is supplemented twice a year with more comprehensive reporting that includes selected key sustainability figures.

9 Sound business ethics PRIO 1

Our operations shall be pervaded by a sound ethical approach in accordance with our Code of Conduct. We have a special Code of Conduct for our suppliers.

Although Assemblin's operations are highly decentralised, common values are applied, as well as guiding principles and a Code of Conduct that clarifies the ethical and moral approach throughout the Group. The values and the Code of Conduct have been translated into all local languages and instilled through courses and our ongoing internal communications. Assemblin also applies standards in several areas that are summarised in Group-wide governance documents. To ensure that relevant target groups familiarise themselves with, and comprehend, the content of the most important of these, mandatory web-based courses and web-based introductions are provided. In 2021, the proportion of employees who completed these courses decreased due to personnel turnover. Assemblin also maintains an anonymous whistle-blower system for employees. All reported cases are investigated and, if any misconduct is uncovered, it may form the basis for dismissal and/or a police report. In 2021, 2 (1) notifications were submitted via the whistle-blower service. Although both cases were of a minor nature, they were nonetheless investigated. One could be dismissed and the other resulted in a minuted interview with an employee that employee's immediate manager. In 2022, a new whistle-blower system will be launched, that will also be available to suppliers and customers.

A special Code of Conduct has been developed for Assemblin's suppliers, which is an important tool in Assemblin's supplier governance.

Degree of implementation of web-based courses and introductions

MANDATORY COURSES	31 Dec 2021	31 Dec 2020
Code of Conduct, CoC[1]	55.8	58.9
IT regulations and IT security/cyber-security[1]	54.6	53.0
Bribery & corruption[2]	71.2	82.8
Competition-limiting behaviours[2]	76.7	77.3
Communication and insiders[2]	74.8	84.4

Newly acquired companies are not included in these key figures.
1) Mandatory for all employees.
2) Mandatory for white-collars and/or managers.

ACCEPTANCE OF RESPONSIBILITY AS A SOCIAL ACTOR

10 Efficient resource consumptions and waste management PRIO 3

We shall actively reduce the amount of waste and residual products through recycling and prudent waste management.

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 recycling companies. At most local offices, Assemblin has its own fractions for waste sorting. Old IT equipment is recycled or resold through an intermediary.

11 Product control and chemical handling PRIO 3

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

Assemblins' assignments include ventilation equipment, heating and water pipes, electrical cables and other technical equipment. 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 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.

According to the European chemicals legislation REACH, Assemblin is classified as a downstream user. 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.

12 Climate and energy (CO_2 emissions) PRIO 1

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

Assemblin is a geographically dispersed, service-producing player with limited needs for premises and a relatively large vehicle fleet. In our installations, we use composite products that we buy from wholesalers and directly from manufacturers. Since 2020, Assemblin applies a climate agenda with goals, sub-goals and concrete plans for a transition to carbon-neutral operations in line with the national climate goals in the EU and the Nordic countries.

Co_2 emissions from vehicle fuel (Scope 1)

Most of the service vehicles and company cars included in Assemblin's vehicle fleet are gas-, diesel- or HVO-fuelled or electrically powered. In the long term, Assemblin's objective is to phase out fossil-powered vehicles and all business areas have the stated ambition of increasing the proportion of electric cars and plug-in hybrids. However, the conversion requires local charging stations and a gradual phase-out as the existing car fleet becomes obsolete, meaning that the transition is expected to take a few years. In Norway, charging stations have been installed at all offices and, in 2021, charging stations were installed at several offices in Sweden and at one office in Finland. The number of plug-in hybrids increased, as did fully electric vehicles. Although a large number of electric cars have been ordered, delivery times are extensive.

An additional measure that Assemblin is able to undertake is training its employees in economical driving (Eco-driving). In 2021, CO_2 emissions per vehicle, kilometre and employee (FTE) decreased thanks to decreased use of fuels, more efficient vehicles and an increased proportion of electric cars and plug-in hybrids. The reduction in car travel was also an effect of increased use of public transport as Covid-19 restrictions were eased.

CO_2 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 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 CO_2 impact from heating at our own premises. For operations in rented premises, energy for heating is difficult to determine. Thanks to a shift to renewable electricity at offices in Norway and Finland, total energy consumption in terms of electricity and heating decreased in 2021. Of the electricity we purchase ourselves for our offices, the share of renewable electricity was 99.0 (69.6) percent.

CO_2 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 CO_2 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 meant an increased focus on purchased goods. Assemblin has therefore appointed a Nordic working group that monitors development and advances these matters, and a pilot project is in progress at Assemblin Norway in which we are already able to produce climate reports for some of our purchases in collaboration with selected wholesalers and suppliers.

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, although this was very low during a period subject to restrictions due to Covid-19. However, travel by rail and air increased in 2021, resulting in increased CO_2 emissions from business travel.

KEY FIGURES	2021	2020
Number of vehicles (service vehicles and company cars)	3,400	3,564
Total energy consumption, MWh	42,271	46,393
– of which, for fuel (Scope 1), MWh	34,867	38,741
– of which, for electricity and heating (Scope 2), MWh	7,403	8,199
Total CO_2 emissions under Scopes 1, 2 and travel, kg/FTE	1,738.2	1,865.6
– of which, CO_2 emissions from fuel (Scope 1), kg/FTE	1,692.5	1,827.8
– of which, CO_2 emissions from electricity and heating (Scope 2), kg/FTE	26.5	29.9
– of which, CO_2 emissions from business travel (part of Scope 3), kg/FTE	19.2	7.9

Newly acquired companies are not included in these key figures.
For definitions and distribution between business areas, see pages 40–41.

13 Social benefit and community engagement PRIO 2

We will contribute to social development through local community involvement, mainly in the locations where we conduct operations.

For Assemblin, societal benefit is primarily a matter of designing environmentally friendly solutions that contribute to people's well-being, and of creating secure and challenging job opportunities, although it is also a matter of local community involvement. Our decentralised organisation gives us a strong local foothold, and we contribute in various ways to the local communities where we operate through various activities and initiatives. Examples of local community involvement include our sponsorship and support of sports clubs and associations, environmental projects and mentoring programs. Major community activities in 2021 include Assemblin Norway, which continued to support a village in rural Zimbabwe and the Swedish business areas, which together helped rebuild a school for special-needs children in Svalöv (Skåne). In Sweden, Assemblin also participated in the annual "Musikhjälpen" campaign, which, in 2021, raised money to combat child labour.

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 2021, the number of apprentices increased by 6.5 percent. Assemblin also contributes to society through tax payments, the largest of which pertain to corporation tax, employer contributions and payroll tax (see more under sustainability aspect 1).

NUMBER OF APPRENTICES	2021	2020	2019
Number of apprentices	340	319	387

Newly acquired companies are not included in these key figures.
For definitions and distribution between business areas, see pages 40–41.

Account of select 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 2021 (2020)	Group [1]	Assemblin Electrical	Assemblin Heating & Sanitation	Assemblin Ventilation	Assemblin Norway	Assemblin Finland
EMPLOYEE-RELATED KEY FIGURES						
Average number of employees, FTE	5,962 (5,820)	2,729 (2,783)	1,438 (1,406)	541 (553)	790 (735)	439 (319)
– of which, proportion women, %	5.4 (5.7)	4.8 (5.1)	4.9 (4.9)	9.0 (8.9)	5.3 (4.9)	8.2 (7.9)
Number of senior executives, FTE	49 (52)	14 (15)	9 (9)	5 (5)	8 (8)	6 (8)
– of which, proportion women, %	16.2 (13.2)	7.1 (7.1)	22.2 (22.2)	40.0 (40.0)	25.0 (12.5)	0.0 (0.0)
Average age, total [2]	39.9 (39.9)	34.0 (36.0)	41.6 (41.0)	42.7 (42.6)	37.0 (37.0)	40.0 (40.0)
Sick leave, % [2]	6.2 (6.8)	5.6 (7.3)	5.5 (5.6)	5.7 (5.9)	7.0 (6.4)	6.0 (4.9)
– of which, on long-term sick leave, % [2]	1.7 (1.1)	1.5 (0.4)	1.0 (1.4)	1.2 (1.4)	3.6 (2.9)	1.9 (1.1)
Personnel turnover, voluntary, % [2]	11.2 (8.7)	11.0 (N/A)	14.0 (9.0)	12.0 (11.0)	2.6 (N/A)	13.7 (11.1)
Serious accidents, frequency of occupational injuries (IF/LTIFR) [2]	11.2 (9.1)	10.9 (8.2)	7.9 (9.8)	12.5 (5.2)	10.8 (13.4)	36.9 (14.2)
Minor accidents, number [2]	312 (180)	149 (N/A)	73 (87)	49 (50)	26 (28)	15 (15)
Incidents (near misses) and risk observations, number [2]	475 (430)	350 (347)	48 (20)	55 (37)	7 (5)	15 (21)
Fatal accidents, number [2]	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
FINANCIAL KEY FIGURES						
Sales, SEK million	10,721 (10,009)	4,054 (4,010)	2,966 (2,672)	1,373 (1,384)	1,628 (1,493)	882 (567)
Adjusted operating earnings (EBITA), SEK million	758 (597)	264 (225)	225 (166)	85 (78)	135 (119)	49 (3)
Adjusted EBITA margin, %	7.1 (6.0)	6.5 (5.6)	7.6 (6.2)	6.2 (5.6)	8.3 (8.0)	5.6 (0.5)
ENVIRONMENTAL KEY FIGURES						
Total energy consumption from fuel and electricity (Scopes 1 + 2), MWh [2]	42,270.7 (46,939.3)	21,111.7 (22,591.7)	12,085.6 (13,865.7)	4,402.8 (5,806.9)	3,984.0 (3,999.6)	565.1 (605.9)
– of which, vehicle fuel (Scope 1), MWh [2]	34,867.3 (38,740.8)	16,666.4 (16,698.5)	10,999.3 (12,693.1)	3,769.9 (5,282.6)	2,864.9 (3,485.9)	490.3 (511.2)
CO_2 impact from vehicles, (Scope 1), kg/FTE [2]	1,692.5 (1,827.8)	1,639.7 (1,582.2)	2,353.7 (2,554.7)	1,801.1 (2,599.7)	1,091.0 (1,479.6)	454.58 (426.8)
CO_2 impact from electricity and heating (Scope 2), kg/FTE [2]	26.5 (29.9)		40.2 (0.9)[3]		28.0 (52)	66.6 (181)
CO_2 impact from business travel (part of Scope 3), kg/FTE [2]	19.2 (7.9)	6.8 (7.7)	49.7 (6.7)	9.6 (6.7)	21.9 (12.3)	1.9 (N/A)
OTHER KEY PERFORMANCE INDICATORS						
Degree of completion, CoC training [2]	55.8 (58.9)	64.1 (64.8)	57.4 (58.7)	59.9 (60.1)	17.4 (17.3)	76.9 (98.3)
Environmentally certified operations, ISO 14001, %	54 (59)	94 (100)	19 (25)	0 (0)	85.0	0 (0)
Quality-certified operations, ISO 9001, %	54 (59)	94 (100)	19 (25)	0 (0)	85.0	0 (0)
Work environment-certified operations ISO 45001, %	18 (19)	0 (0)	19 (25)	0 (0)	85.0	0 (0)
Number of apprentices [2]	340 (319)	105 (82)	127 (144)	4 (N/A)	101 (92)	3 (1)

1) The Group also includes Group staff units, which are not, however, reported separately in this statement.
2) Newly acquired companies are not included in these key figures.
3) In 2020, heating was not included in the number which explains the difference.

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, as well as climate calculations and other key figures, employees in acquired companies that do not yet report sustainability data to the Group have been excluded.

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

Sick-leave
Total sick leave (short-term absence and long-term absence). 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 pages 38–39.

CO_2 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 CO_2 based on fuel type. The information is commented on under the heading Climate and energy on pages 38–39.

CO_2 impact from electricity and heating (Scope 2)
The key figure corresponds to GRI 301-1C. Billing and/or consumption data on purchased electricity and CO_2 calculations based on the energy companies' reported key figures on the environmental impact of electricity have been used as a basis for the calculation. The information is commented on under the heading Climate and energy on pages 38–39.

CO_2 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 pages 38–39.

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 statement regarding the Statutory Sustainability Report

KPMG

To the Annual General Meeting of Assemblin Group AB, 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 29–41 and that it is prepared in accordance with the Annual Accounts Act.

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

Opinion
A statutory Sustainability Report has been prepared.

Stockholm, 31 March, 2022
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Corporate governance report

About Assemblin's Corporate Governance Report

The Board of Directors of Assemblin Group AB, corporate identity number 559077-5952, hereby submits the Corporate Governance Report for the Assemblin Group for the period 1 January to 31 December 2021. 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 *2021 Annual and Sustainability Report,* which is available in its entirety from the Company's website. This explains why pagination commences on page 43. The report can be read separately, but contains occasional references to other parts of the Annual Report.

CONTENTS

Key fundamentals	44
Key organisational bodies	43
Internal control	48
Board structure	49
Auditor's statement	49
Presentation of the Board of Directors	50
Presentation of Group Management	51

KEY FUNDAMENTALS

Basic prerequisites

The ownership situation and financing structure are decisive for the regulations on which corporate governance at Assemblin is based.

Group structure

The Parent Company in the Assemblin Group is the Swedish limited liability company Assemblin Group AB (formerly Assemblin Financing AB (publ)) with corporate identity number 559077-5952 and headquartered in Stockholm (address: Västberga Allé 1, SE-126 30 Stockholm, Sweden). The Articles of Association were amended by an Extraordinary General Meeting in November, and are available at Assemblin's website.

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, Assemblin Oy, Fidelix Oy and Tom Allen Senera Oy with their respective subsidiaries (a total of more than 70 companies).

A clear set of rules

Assemblin is a Swedish public limited company with Eurobonds listed on The International Stock Exchange (TISE (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. Although no formal affiliation has been established, 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*.

Deviations from the Code

Although Assemblin applies the Swedish Code of Corporate Governance (the "Code"), because it has a limited circle of shareholders, the following deviations 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.

✪ 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 UN's "Global Compact" (albeit with no formal affiliation)

✪ KEY INTERNAL REGULATIONS

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

__As Assemblin's principal__ shareholders in the third quarter announced a strategic evaluation of their holding in Assemblin, a number of measures were taken in the work of the Board of Directors that included establishing a separate Remuneration Committee. The purpose was to ensure that Assemblin's Corporate Governance meets the standard required by all types of shareholders.

__I can now affirm__ that Assemblin's corporate governance matches the high demands that may be made of a larger group with operations in the Nordic region and headquartered in Sweden, even with a spread of ownership and listed bonds. We have a clear division of responsibilities and roles between equal corporate bodies, a comprehensive operational regulatory framework and well-functioning procedures for risk management and internal control. We already have well-established procedures for Board work and a structured dialogue with Group Management.

Assemblin is well positioned for future opportunities and challenges.

__In addition to ownership-related and ongoing issues__, such as financial reporting, acquisitions, risk management and ongoing management matters, the Board of Directors' held highly stimulating strategy discussions in 2021. With a great deal happening in society right now, it is important to master the direction of development and to benefit by this to safeguard continued value creation for the company's stakeholders. In this situation, Assemblin's investments in areas in green technologies and smart buildings are entirely appropriate. After a year pervaded by a high level of activity, a large number of acquisitions and improved profitability, I would like to express my great praise for the company's employees and management. Assemblin is well positioned for future opportunities and challenges.

Mats Wäppling,
Chairman of the Board, Assemblin

KEY ORGANISATIONAL BODIES

Work of Assemblin's key organisational bodies

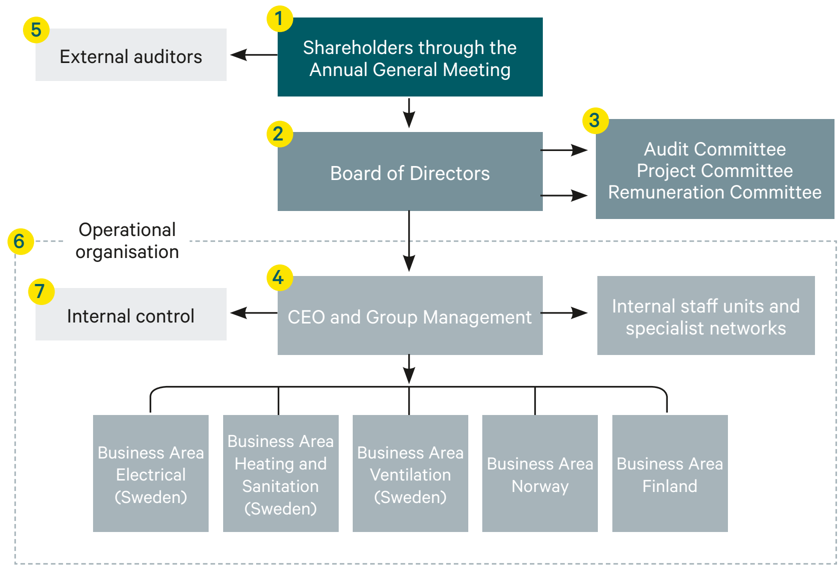
Shareholders exercise control and governance through well-defined organisational bodies and with a clear corporate governance structure.

1 Shareholders and Annual General Meeting

Assemblin Group AB has 159,293,714 shares outstanding that each entitle the holder to one vote. At the end of 2021, Assemblin's principal shareholder was Triton Fund IV (via Ignition MidCo S.a.r.l.). Some shares in the Company are indirectly held by senior executives in Assemblin.

The Company's shareholders are entitled to exercise their influence at the Annual General Meeting, which is the highest decision-making body, in key matters regulated in the Swedish Companies Act and the Articles of Association. The Annual General Meeting must be held no later than six months after the end of the financial year. An Extraordinary General Meeting is held if the Board of Directors, Assemblin's auditors, or anyone holding at least 10 percent of the total number of shares requests this. The most recent Annual General Meeting of Assemblin Group AB was held on 11 May 2021 in Stockholm.

CORPORATE GOVERNANCE STRUCTURE AND KEY ORGANISATION BODIES



2 Board of Directors

The Board of Directors is the Company's highest executive body. 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 Board of Directors bears an overall responsibility for Assemblin's organisation and administration. The principal duties of the Board of Directors include establishing Assemblin's long-term targets and strategy, as well as its governance and follow-up, continuously assessing the Group's financial situation and ensuring that the Company maintains good internal control. The Board of Directors is also tasked with appointing and continuously assessing the Group's CEO.

Each year, the Board of Directors establishes Rules of Procedure for its work, which also regulate the responsibilities and duties of the Chairman of the Board and the Board Committees. According to the Rules of Procedure, a statutory Board meeting shall be held immediately following the Annual General Meeting, at which members of the Board's committees and signatories for the company are appointed.

In accordance with Assemblin's Articles of Association, the Board of Directors may comprise three to ten members. The Chairman of the Board bears a special responsibility to organise and lead the work of the Board of Directors and to ensure that the Board of Directors completes its tasks effectively and in compliance with applicable laws and regulations. The Chairman of the Board shall ensure that Board meetings are held when necessary, that the work of the Board of Directors is assessed annually and that the decisions made by the Board of Directors are implemented effectively. The composition of the Board of Directors is presented on page 49 and its members are presented individually on page 50. In addition to the Board Members, Assemblin's CEO, CFO and Company Laywer participate in the Board meetings.

In 2021, eight regular Board meetings were held, as well as a few extraordinary meetings. 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. In August, a decision was taken to also establish a Remuneration Committee. The Board's assessment of its work was entailed by the Chairman of the Board, with external assistance, having the Board Members assess the work individually.

3 Board Committees

To streamline the work of the Board of Directors, the Board has established an Audit Committee, a Project Committee and, as of 2021, a Remuneration Committee, whose work is regulated by the Board's Rules of Procedure with associated instructions. The committees serve as bodies that prepare matters for consideration by the Board of Directors.

Audit Committee

The Audit Committee is primarily tasked with monitoring the company's accounting and financial reporting, internal control, risk management and any related party transactions, as well as the Group's short- and long-term cash flow development and financing

opportunities. The Committee also monitors the auditors' work and their impartiality.

In 2021, the Audit Committee comprised three members, with Susanne Ekblom chairing the Committee. Assemblin's CFO also participated in the Committee's meetings in a reporting capacity. During the financial year, the Audit Committee held seven meetings. Assemblin's external auditors participated on three occasions, including to discuss the financial reporting, the Q3 Interim Report, annual accounts, the focus of the audit as well as 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.

In 2021, the Project Committee comprised two board members, with Mats Jönsson chairing the Committee. Assemblin's CEO also participated in the Committee's meetings. Meetings of the Project Committee were held on four occasions.

Remuneration Committee

The Remuneration Committee is tasked with preparing proposals regarding principles of remuneration, as well as senior executives' remunerations and other terms of employment. The Remuneration Committee shall also monitor and assess programmes of variable remuneration for senior executives and safeguard compliance with the guidelines adopted by the Annual General Meeting.

The Remuneration Committee was established on 30 August 2021 and, until the end of the year, had two members, with Mats Wäppling chairing the Committee. The Committee held three meetings during the year.

Remuneration of the Board of Directors and senior executives

In 2021, a separate Remuneration Committee was established to address matters of remuneration, including principles for bonus systems and incentive programmes for senior executives. Remunerations and terms of employment for senior executives must be reasonable and market-based in order to attract skilled managers. Remuneration comprises fixed salary, variable compensation and other benefits. Variable remuneration totals a maximum of 75 per cent of the fixed annual salary. The remuneration of Group Management and the Board of Directors is reported in Note 7 in the separate F*inancial statements* section.

4 CEO and Group Management

The Board of Directors appoints Assemblin's President and CEO, who is responsible for the company's day-to-day management, accounting and asset management being conducted in accordance with applicable legislation, as well as in line with the instructions and directives of the Board of Directors. The CEO shall also ensure that the Board of Directors receives the materials needed to be able to make well-founded decisions, and convenes Board meetings on behalf of the Chairman of the Board.

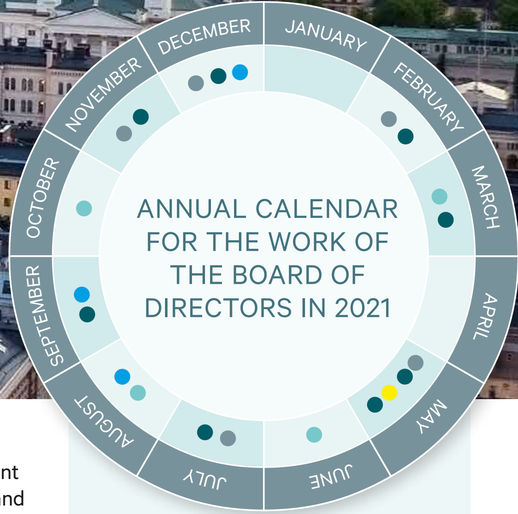
Mats Johansson has been the CEO of Assemblin since 2018. To lead the operational work, he has appointed a Group Management team, which comprised eight individuals in 2021 (in addition to the CEO, five Business Area Managers, the CFO and the Head of Communications and Sustainability). The members of Group Management are presented on page 51. During 2021, Group Management held six regular meetings, as well as monthly earnings reviews. Matters addressed at these meetings included the earnings trend and forecasts, the market situation, business and acquisition opportunities, Group-wide initiatives, key recruitments, work environment and safety issues, as well as other important and current issues. Matters of particular focus in 2021 included monitoring the development of the Covid-19 pandemic, strengthening corporate governance, monitoring purchasing prices, the introduction of the EU taxonomy and work on a new business plan.

5 External auditors

According to the Articles of Association, the Annual General Meeting shall appoint at least one and at most two independent external authorised 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), Studsvik 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 review 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. The external auditor participates in at least two Board meetings annually. The auditors also participate in a number of meetings of the Audit Committee. Audit fees paid for 2021 are reported in Note 6 in the separate *Financial statements* section.

Parts of Assemblin's operations are



also examined from the perspectives of environment, 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 and management

Assemblin's operations are strongly decentralised and the natural starting point for all operations is the local branch/department, which is responsible for earnings, personnel, sales and customer relationships, supported by regional and central specialist functions. 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. This shared framework, combined with a set of shared values, defines what is common to all of Assemblin's operations and that unites the Group.

Of particular importance for the operational governance of Assemblin's decentralised operations is a shared business plan and a clear delegation of responsibilities, both of which are 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.

The delegation of responsibilities is summarised in a decision matrix and rules of authorisation, which clarify who is entitled to make decisions on various matters. In addition to strategic and operational matters, these set investments and divestment ceilings, determine who may sign rental and leasing agreements, financing agreements, guarantees and contractual commitments. Bids for contracting assignments exceeding SEK 20 million must be approved by the relevant Business Area Manager, bids exceeding SEK 50 million must be approved by Assemblin's CEO and bids exceeding SEK 100 million require the approval of the Board of Directors. For acquisitions, there is a well-established process, and share acquisitions must be approved by the Board.

7 Internal control and risk management

The Group's Board of Directors determines the Company's risk appetite and bears the overall responsibility for ensuring that the Company's internal control and risk management work is conducted in accordance with current regulations and Assemblin's Internal Control Policy and Risk Management Policy.

Internal control work is based on the international framework COSO and is conducted in accordance with an annual self-assessment process, monitored by the Group's CFO together with Assemblin's Risk Manager. Results and any deviations are reported to the Board of Directors, the Audit Committee and Group Management.

Risk management is conducted in accordance with a specific risk management process, entailing risks in all key processes being mapped and assessed annually based on their 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 2021 are described in the separate *Financial Statements*.

Work with internal control and risk assessment regarding financial reporting is described in more detail on next page.

1. The Committee of Sponsoring Organizations of the Treadway Commission

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

Ordinary Board meetings

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

March
Adoption of the Annual and Sustainability Report.

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

Statutory Board meeting, 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 internal targets for 2021.

INTERNAL CONTROL

Internal control of financial reporting

As with all internal control work at Assemblin, control with regard to financial reporting builds on the principles[1] developed by COSO: control environment, risk assessment, control activities, information/communication and review.

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

Control environment

The purpose of Assemblin's control environment is to foster a sound risk culture through a shared ethical approach and values, relevant expertise, an effective organisational structure with well-defined authorisations and division of responsibilities, as well as appurtenant guidelines and instructions. Particularly important governance documents with regard to financial reporting are the Board of Directors's Rules of Procedure, the instructions to the CEO, the instructions to the Board's committees, the instructions for financial reporting and the Finance Policy. Other fundamental documents include Assemblin's Group-wide Finance Handbook, with principles, guidelines and outlines of key financial processes, the financial accounting and reporting, and the Group's delegation of authority.

Based on the policies, procedures and instructions established by the Board of Directors, the CEO is responsible for formulating internal processes and supplementing them with other governing documents deemed necessary. The Group's CFO is responsible for the work on financial reporting and ensures that this is prepared in accordance with current accounting standards and relevant legal and listing requirements. The CEO and CFO report regularly to the Audit Committee and the Board of Directors in accordance with established procedures. The Board's Audit Committee bears a special responsibility for assuring the quality of the financial reporting and for monitoring Group Management's work with internal control.

Risk assessment

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

> ***The financial reporting process is subject to continuous assessment and the need for control activites is reassessed 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

To ensure that financial information is handled and published correctly, the Board of Directors has adopted a Communications Policy and an Insider Policy. Compliance is facilitated by the fact that Assemblin has centralised communication and finance functions and that the authority to communicate about the Group's financial information and consolidated earnings is restricted to a small number of people. According to Assemblin's procedures, interim financial reports must be approved by the Audit Committee and the Board of Directors before being distributed.

To safeguard an understanding of the handling of consolidated financial information (and other insider information), a special web introduction has been developed that is compulsory for white-collar workers. 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.

Monitoring and supervision

The Audit Committee continuously monitors the internal controls to safeguard the quality of Assemblin's key financial processes. In accordance with Assemblin's internal control policy, the Group's CFO and Risk Manager monitor the internal control of financial reporting twice annually by means of a self-assessment process and central sample testing. Earnings and any deviations are reported to the Board of Directors, the Audit Committee and Group Management. Assemblin's external auditors also report regularly the results of their audit to the CFO and the Audit Committee. Both the internal reporting and the auditors' reporting 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. Although, in 2021, the Board of Directors evaluated the need for a specific internal audit function – based on Assemblin's current position and needs, it was concluded that the existing internal control work is sufficient.

1) The Committee of Sponsoring Organizations of the Treadway Commission

BOARD STRUCTURE & AUDITOR'S STATEMENT

Board structure and meetings in 2021

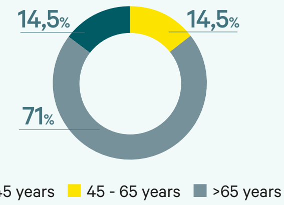
Composition of the Board of Directors

The objective is for the composition of the Board of Directors to be appropriate with regard to Assemblin's operations, stage of development and ownership, and for the members' overall expertise, experience and background to be diverse and broad. At the Annual General Meeting in May 2021, six ordinary members were elected, and at an Extraordinary General Meeting in August, an additional Board Member was elected. Accordingly, at the end of 2021, the Board of Directors comprised seven members, of whom 28 (33) percent were women, 100 (86) percent were considered independent in relation to the Company and 57 (43) percent independent in relation to both the Company and its principal shareholders. The members of the Board of Directors are described in greater detail on page 50.

PROPORTION OF WOMEN

28,5%

AGE DISTRIBUTION



Average attendance at ordinary Board meetings 100%

ATTENDANCE, DEPENDENCE AND REMUNERATION OF BOARD MEMBERS

	Elected, year	*Attendance at meetings*				*Position of dependence*	
		Board of Directors	Audit Committee	Project Committee	Remuneration Committee	Independent of the Company	Independent of major shareholders
Total number of regular meetings		**8**	**7**	**4**	**3**		
Mats Wäppling Chairman of the Board	2016 (member) 2017 (Chairman)	8	-	4	3	Yes	Yes
Susanne Ekblom	2019	8	7	-	-	Yes	Yes
Mats Jönsson	2017	8	7	4	-	Yes	No
Young Kim	2015	8	7	-	3	Yes	No
Per Ingemar Persson	2021 May	7	-	-	-	Yes	Yes
Anders Thulin	2017	8	-	-	-	Yes	No
Fredrik Wirdenius	2021 September	3	-	-	-	Yes	Yes

To streamline its work, the Board of Directors has established three committees. Attendance at the year's meetings of the Board of Directors and its committees was good. Most meetings were held online.

Auditor's statement regarding the Corporate Governance Report

KPMG

To the Annual General Meeting of Assemblin Group AB, corporate identity number 559077-5952

Engagement and responsibility

The Board of Directors is responsible for the Corporate Governance Report for 2021 presented on pages 43–51 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 examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

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

Stockholm, 31 March, 2022
KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Presentation of the Board of Directors

Mats Wäppling (Matts Väppling)[1]

Born 1956. Chairman of the Board since 2017 and Board Member since 2016. Chairman of the Remuneration Committee and a member of the Project Committee.

Education and work experience: M.Sc. Engineering, Royal Institute of Technology (KTH), Stockholm. Previous positions include President and CEO of Sweco, Deputy CEO of NCC and Deputy CEO and several other positions within Skanska..
Other current assignments: Chairman of the Board of PKM Invest AB. Board Member of Mats Wäppling AB. Chairman of the Board of the Totten 2:60 tenant-owner housing association and Board Member of the Bryggerihusen 14 tenant-owner housing association.

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

Susanne Ekblom

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

Education and work experience: BSc in Business Administration from Stockholm University. Previous positions include President and CEO of Vectura Fastigheter, CFO of Investor, CFO of SVT and several positions within Scania..
Other current assignments: Board Member of Elinder&Sten Arkitekter AB and Sjunde AP-fonden. Owner, Board Member and consultant at Susanne Ekblom AB. Board Member of the Stallmästaren nr 16 tenant-owner housing association.

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

Mats Jönsson

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

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

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

Young Kim

Born 1985. Board Member since 2015. Member of the Audit Committee and Remuneration Committee.

Education and work experience: M.Sc. Technical Physics from the Royal Institute of Technology (KTH), Stockholm. Young has previous experience from investment banking at Credit Suisse and Stella Capital Advisors.
Other current assignments: Investment Professional at Triton. Board Member of Aleris Holding AB.

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

Per Ingemar Persson

Born 1956. Board Member since 2021.

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

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

Anders Thulin

Born 1963. Board Member since 2017.

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

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

Fredrik Wirdenius

Born 1961. Board Member since 2021.

Education and work experience: M.Sc. Engineering, Royal Institute of Technology (KTH), Stockholm. Previous positions include President and CEO of Vasakronan, as well as several positions within Skanska.
Other current assignments: Chairman of the Board of 3E Property AB, HållBo AB and Wilhelm AB (publ). Owner, Board Member and consultant at Fredrik Wirdenius AB. Board Member of AxFast AB (publ), Kungsleden Aktiebolag, Nobelhuset AB and Scandic Hotels Group AB.

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

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

Presentation of Group Management[1]

Mats Johansson

Born 1967. President and CEO since 2018 and Acting President of Assemblin Finland until February, 2022.

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

Fredrik Allthin

Born 1970. President of Assemblin Electrical since 2016.

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

Andreas Aristiadis

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

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

Åsvor Brynnel

Born 1966. Head of Communications and Sustainability since 2017.

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

Philip Carlsson

Born 1978. CFO since 2017.

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

Håkan Ekvall

Born 1966. President of Assemblin Ventilation since 2013.

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

Tero Kosunen

Born 1978. President Fidelix since 2017 and President of Assemblin Finland since February 2022.

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

Torkil Skancke Hansen

Born 1969. President of Assemblin Norway since 2009.

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

1) During 2021, Mats Johansson was Acting President of Assemblin Finland which meant that the Group Management consisted of seven persons.

Financial statements

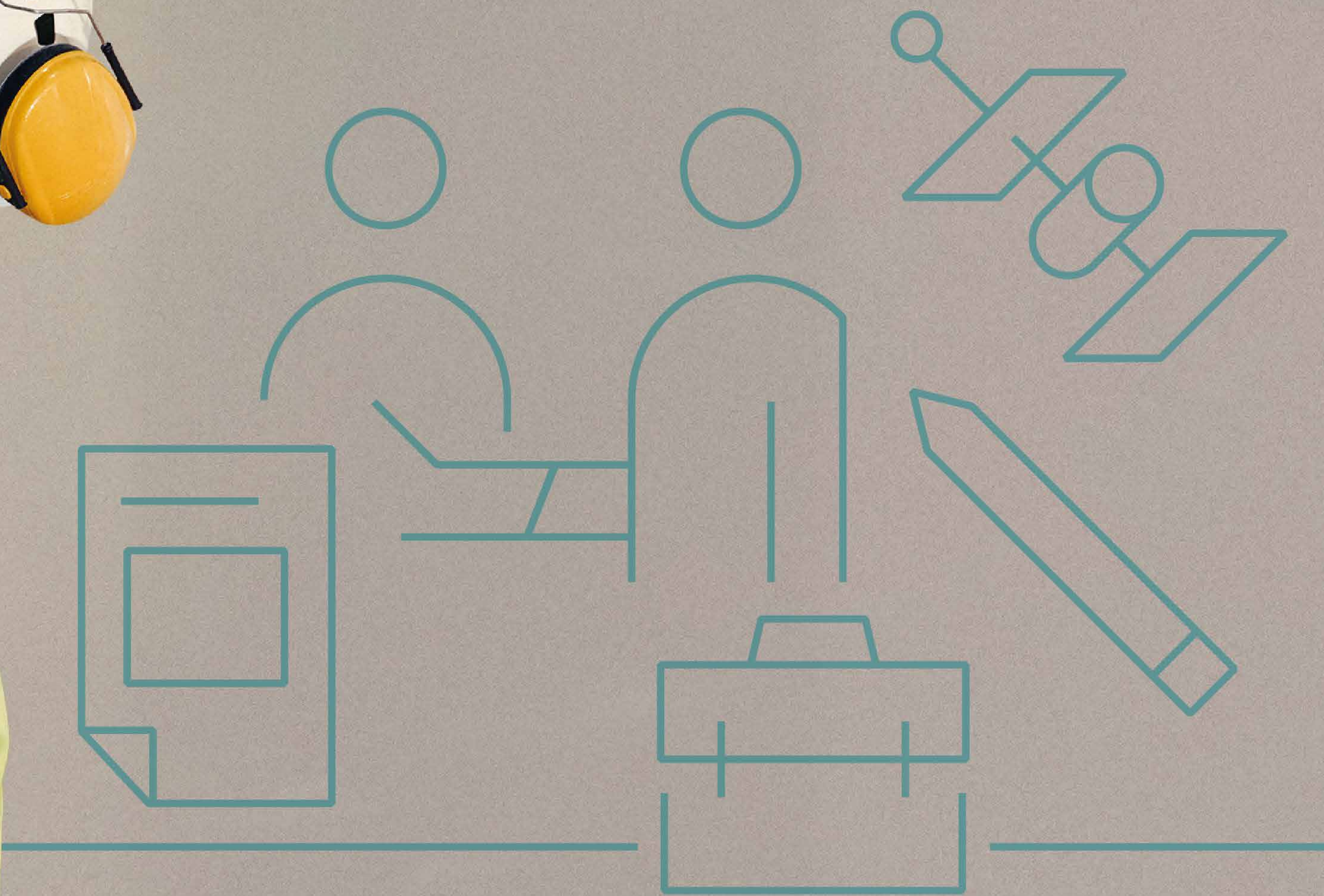
The Board of Directors of Assemblin Group AB, corporate identity number 559077-5952, hereby submits its annual and consolidated accounts for the period 1 January to 31 December 2021. As of 2018, the Board of Directors also submits a separate Sustainability Report (see page 28) and, as of 2019, a separate Corporate Governance Report (see page 42).

The financial statements form part of Assemblin's *2021 Annual and Sustainability Report,* which is available in its entirety from the Company's website. This explains why pagination commences on page 52. The accounts can be read separately, but contains occasional references to other parts of the Annual Report.

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

CONTENTS

Board of Directors' Report	54
Consolidated statement of earnings	58
Consolidated statement of comprehensive income	58
Consolidated statement of financial position	59
Consolidated statement of changes in equity	60
Condensed statement of cash flow	61
Parent Company income statement	62
Parent Company statement of the financial position	63
Parent Company statement of changes in equity	64
Parent Company statement of cash flow	64
Notes to the financial statements	65
Attestation by the Board	100
Auditor's report	101
Multi-year overview	103
Key figures	104
Reconciliation of key figures	105



"

***For 2021 too,** we were able to report an increased margin, passing 7 percent for the first time, which is largely due to operational improvements and good acquisitions. Sales also increased, despite having sold our electrical workshops in the preceding year and downsizing less profitable units, particularly in Stockholm. It was also gratifying that our major focus on cash flow continued to yield results, and with a cash generation rate of more that 100 percent, additional working capital was freed up.*

***At the same time, we increased the acquisition rate**. Thanks to our decentralised organisation with good local roots, a good reputation and a flexible integration strategy, we have made several great complementary acquisitions throughout the Nordic region. We also completed some major strategic acquisitions, particularly Fidelix and Tom Allen Senera, which have contributed to us now holding the strongest position in the market for sustainable and intelligent installation solutions. In addition to expertise and experience, the year's acquisitions contributed annual sales of about SEK 1,574 million.*

We have wind in our sails heading into 2022.

***We have wind in our sails** heading into 2022, with a record-breaking order book and a market that fosters organic growth. We also see a continued strong pipeline of possible acquisitions in several areas of technology. We must of course remain vigilant of the challenges we face, particularly in terms of increasing international tensions, which could cause some disruption to production and shortages of product components. However, our local, agile and flexible operations enable us to quickly adapt to new conditions, and to continue generating value for our shareholders, customers and employees.*

Philip Carlsson,
CFO, Assemblin

BOARD OF DIRECTORS' REPORT

Increased profitability and accelerated acquisition rate

In 2021, Assemblin strengthened its offering in green technology and automation solutions, primarily through acquisitions.Profitability increased and cash flow remained strong.

Significant events during the year

- In 2021, major investments were made in developing Assemblin's offering in green technology and intelligent buildings, partly through acquisitions but also by developing the existing operations. Among other things, a unique system for charging electric cars was launched under the Assemblin Charge brand.
- An accelerated acquisition rate resulted in the completion of 17 acquisitions with a total of 755 new employees and annual sales equivalent to SEK 1,574 million.
- To finance the major acquisitions of 2021 and ensure continued good liquidity, Assemblin issued additional bonds corresponding to EUR 100 million, while the principal owners provided a shareholder contribution equivalent to EUR 20 million.
- Assemblin's substantial focus on profitability combined with profitable acquisitions entailed a continued strengthening of margins and a record adjusted EBITA margin of 7.1 percent (6.0).
- Net sales increased to SEK 10,721 million (10 , 009). Order intake increased to SEK 11,258 million (9,903), contributing to the order backlog at the end of the period amounting to SEK 9,370 million (8,148).
- Group-wide employee survey conducted every two years, showed an increased employee index and a continued high loyalty index. During the autumn, a market survey was also conducted among existing and potential customers, in which Assemblin ranked high.
- In 2021, Fredrik Wirdenius and Per Ingemar Persson were elected as new Board Members and Leif Gustafsson stepped down from the board.
- At an Extraordinary General Meeting in November, new Articles of Association were adopted and the Parent Company changed name to Assemblin Group AB.
- The effects of the corona pandemic subsided but meant increased short-term absence, especially during the first and fourth quarters, as well as some concern about temporary component shortages, rising purchase prices and inflation risk..

Assemblin in brief

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

Market, sales and order intake

Net sales for the full year increased to SEK 10,721 million (10,009), entailing growth of 7.1 percent, of which a negative 3.6 percentage points were organic growth, 10.6 percentage points were acquisition-driven and 0.1 percentage points were currency-driven. Sales increased in Norway and Finland, as well as in the Swedish heating, sanitation and electrical operations. The proportion of services increased to 41 percent (40) of consolidated sales.

After a weaker period, a recovery occurred throughout the Nordic region towards the end of the year, which resulted in an increased order intake of SEK 11,258 million (9,903) and a record order backlog at the end of the year of SEK 9,370 million (8,148).

Earnings and profitability

EBITA for the full year increased to SEK 728 million (533) and adjusted EBITA increased to SEK 758 million (597). Items affecting comparability consisted mainly of expenses associated with acquisitions and integration processes, expenses for the ongoing strategic review, expenses in connection with a bond issue in early 2021, a non-recurring refund of pension funds, capital gains on operations divested in the third quarter, as well as the revaluation of contingent purchase considerations.

The EBITA margin strengthened from 5.3 to 6.8 percent and the adjusted EBITA margin from 6.0 to 7.1 percent. All of the business areas contributed to the strengthened profitability for the full year. The strengthened adjusted EBITA margin over the full year was driven by measures to enhance profitability, and by acquisitions.

Net financial items and financial position

Net financial items for 2021 were negative in the amount of SEK 254 million (196). The change compared with the preceding year is explained by an increase in the bond debt in the first quarter.   Tax for the full year amounted to SEK 82 million (84), corresponding to 20 (27) percent of the profit before tax. Profit after tax for the period amounted to SEK 322 million (226). Cash flow from operating activities decreased to SEK 619 million (823), mainly driven by changes in working capital and tax paid. At the end of the year, net debt amounted to SEK 3,736 million (2,676). The change is explained by loans raised in connection with acquisitions of subsidiaries corresponding to SEK 1,626 million (300), as well as by shareholder contributions received of SEK 252 million (0) and cash flow for the peroid.

Cash and cash equivalents amounted to SEK 655 million (721). Unutilised available credit facilities at the end of the year totalled SEK 636 million (450).

Acquisitions and divestments in 2021

During the year, 17 acquisitions were made in Sweden, Norway and Finland. The acquired companies bring a total of 755 competent new employees to Assemblin and annual sales corresponding to SEK 1,574 million. At the same time, three electromechanical workshops in Sweden and part of Assemblin's automation operations in Finland were divested. The divested operations corresponded to a total of 105 employees and annual sales corresponding to SEK 190 million.   For more information on the acquired companies, see Note 12.

Employees and organisation

The average number of employees (recalculated as full-time equivalents, FTE) rose to 5 , 962 (5,820), which was mainly attributable to the acquired operations.The acquired companies were incorporated into Assemblin's existing organisational structure. The head of Business Area Finland resigned during the year and was temporarily replaced by Assemblin's CEO.

KEY FIGURES, SEGMENTS	Net revenues, SEK million		Adjusted EBITA[1], SEK million		Adjusted EBITA margin[1], %		Average number of employees, FTE		Share of service, %	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Assemblin Electrical Engineering	4,054	4,010	264	229	6.5	5.7	2,729	2,783	48%	47%
Assemblin Heating and Sanitation	2,966	2,672	225	170	7.6	6.4	1,438	1,406	38%	36%
Assemblin Ventilation	1,373	1,384	85	80	6.2	5.8	541	553	24%	22%
Assemblin Norway	1,628	1,493	135	124	8.3	8.3	790	735	48%	45%
Assemblin Finland	882	567	49	3	5.6	0.6	439	319	27%	33%
Group-wide functions and eliminations	-183	-118	0	-10			24	24		
Total	10,721	10,009	758	597	7.1	6.0	5,962	5,820	41%	40%

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

ASSEMBLIN'S TOP RISK REPORT, DECEMBER 2021

Compared with the end of 2020/beginning of 2021, the risk of a recession and the impact of the pandemic are deemed to have decreased, while the risk of component shortages, material price increases and skills shortages have increased. Presented below is the Top Risk Report addressed by the Board of Directors in December 2021. The risks are not presented in order of priority.

RISK	CATEGORY	COMMENTS	MAIN CONTROLS
Changed material prices	**1. Market and business risk**	The pandemic and energy prices have brought challenges to the industry, in terms of both assets and prices, that could cause rapid major price swings.	Continuous market surveillance and operational control. Good planning. Customer agreements with variable pricing.
Significant shift in the economic trend	**1. Market and business risk**	Dramatic decline due to reduced new construction, reduced public investment or other socio-economic disruptions.	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.
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.
Unethical behaviour among employees or suppliers	**2. Business risk**	Unethical conduct by individuals in violation of Assemblin's regulations, e.g. regarding bribes or illegal price collusion.	Clear and well-communicated principles, as well as tailored training events and active cultural work.A structured on-boarding process for new employees and suppliers, as well as continuous review.
Lack of skills and expertise (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.
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".
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.
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.
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.

Risks and risk management

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

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

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

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

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

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

Sustainability

Assemblin has prepared a specific Sustainability Report for 2021, detailing, among other things, Assemblin's work with the environment, quality and the work environment, as well as the Company's stance on human rights and the fight against corruption. This report also includes information about the Group's material sustainability aspects, sustainability risks and how sustainability work is managed. The report also presents key sustainability indicators of relevance for the operations. The report encompasses the entire group and is presented as a separate section in Assemblins' integrated Annual and Sustainability Report for 2021. The report is available from Assemblin's external website.

Parent Company

At the end of 2021, the name of the Group's Parent Company was changed to Assemblin Group AB (559077-5952) (from the former Assemblin Financing AB (publ)). The Parent Company's loss after tax totalled SEK 94 million (67). As of 31 December 2021, its total assets amounted to SEK 8,111 million (6,740). In 2021, the Parent Company received shareholder contributions of SEK 262 (0) million from Ignition MidCo S.à.rl and Group contributions from subsidiaries of SEK 107 (21) million. Equity in the Parent Company amounted to SEK 4,176 million (4,018) million.

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

- In January, Assemblin Finland Oy acquired the operations of Sähköpalvelu J. Vainionpää in Turku, with annual sales of approximately SEK 15 million and about 10 employees.

- In January, Assemblin Ventilation acquired the ventilation and automation company Ehlin & Larsson in Västerås, with about 24 employees and annual sales of approximately SEK 40 million.

- On 1 February, Tero Kosunen took over as Business Area Manager for Assemblin Finland, also making him a member of Assemblin's Executive Management Team as of that date.

- The Board of Directors and the Executive Management team are monitoring the effects of the Russian invasion of Ukraine. The direct impact on Assemblin is minor. Although, at the time of finalising the Annual Report, the future consequences are difficult to assess, component shortages could worsen and prices could further increase.

- In early March, Assemblin Electrical Engineering acquired the automation company Jonicom i Kungsbacka AB with annual sales of about SEK 40 million and 25 employees.

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 pandemic subsided towards the end of the year and we are now experiencing a stronger market. 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. Assemblin is well positioned for continued growth, not least through the major investments we have made in green property technology and attractive growth segments, such as security, sprinklers, district heating, geothermal heating and automation solutions. Today, Assemblin has a strong offering for sustainable and intelligent properties, allowing us to contribute to our customers' and to society's climate realignment. Accordingly, we deem the prospects for continued growth, good profitability and stable cash flows to be favourable.

Proposal for appropriation of profits

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

Retained earnings	4,279,325,720
Profit for the year	-93,643,147
Total	4,185,682,574

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

To be carried forward	4,185,682,574
Total	4,185,682,574

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 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020
Net sales	2, 3	10,721	10,009
Cost of production		-8,526	-8,179
Gross profit		2,195	1,830
Sales and administrative expenses		-1,623	-1,324
Other operating income		87	–
Operating profit	4, 5, 6, 7, 8	659	506
Financial income		39	33
Financial expenses		-293	-228
Net financial items	9	-254	-196
Profit before tax		405	310
Tax	10	-82	-84
Profit for the year		322	226
Profit for the year attributable to:			
Parent Company shareholders		322	226
Non-controlling interests		0	–
Profit for the year		322	226
Earnings per share before dilution, SEK	30	2.02	1.42
Earnings per share after dilution, SEK	30	2.02	1.42

Consolidated statement of comprehensive income (SEK million)

	Note	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020
Profit for the year		322	226
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		59	-69
Changes in fair value of hedge reserve		15	-20
Tax attributable to items that have or can be transferred to profit/loss for the year		-9	12
Items that may not be reclassified to profit/loss for the year			
Revaluations of defined-benefit pension plans	8	-12	-10
Tax attributable to items that cannot be transferred to profit/loss for the year		3	2
Other comprehensive income for the year	11	55	-85
Comprehensive income for the year		377	141
Comprehensive income for the year attributable to:			
Parent Company shareholders		377	141
Non-controlling interests		0	–
Comprehensive income for the year		377	141

Consolidated statement of financial position (SEK million)

	Note	31 Dec 2021	31 Dec 2020
Assets	12, 13, 19		
Goodwill	14	4,774	2,970
Other intangible assets	14	174	28
Property, plant and equipment	15	90	87
Right-of-use assets	5	695	699
Financial investments	16, 17	78	39
Non-current receivables	18	4	2
Deferred tax assets	10	157	146
Total fixed assets		5,972	3,971
Inventories		127	67
Contractual assets	20	450	383
Current tax assets	10	18	14
Trade receivables	21	1,643	1,278
Prepaid expenses and accrued income	22	168	146
Other receivables	18	154	102
Cash and cash equivalents		655	721
Total current assets		3,214	2,711
Total assets		9,186	6,681
Equity	11		
Share capital		1	1
Other capital contributions		366	366
Acquisition reserve		-992	-992
Provisions		-1	-66
Profit brought forward, incl. profit for the year		605	31
Equity attributable to Parent Company shareholders		-22	-661
Non-controlling interests		0	–
Total equity		-22	-661
Liabilities	12, 13, 19		
Non-current interest-bearing liabilities	5, 17, 23	3,627	2,627
Lease liabilities	5, 17	513	562
Provisions for pensions	8	788	746
Other provisions	24	113	116
Deferred tax liability	10	54	21
Other non-current liabilities		238	142
Total non-current liabilities		5,333	4,215

Consolidated statement of financial position (SEK million)

	Note	31 Dec 2021	31 Dec 2020
Current interest-bearing liabilities	23, 17	4	1
Lease liabilities	5, 17	247	207
Trade payables	17	1,081	780
Current tax liability	10	190	159
Contractual liabilities	20	946	833
Other liabilities	25	256	108
Accrued expenses and deferred income	26	1,076	970
Current provisions	24	76	70
Total current liabilities		3,876	3,128
Total liabilities		9,208	7,343
Total equity and liabilities		9,186	6,681

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

Consolidated statement of changes in equity (SEK million)

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

Consolidated statement of cash flow (MSEK)

	Note	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020
Operating activities			
Loss before tax		405	310
Adjustments for non-cash items, etc	27	336	376
Tax paid		-106	-8
Cash flow from operating activities before changes in working capital		634	678
Changes in working capital			
Increase/decrease in inventories		-8	6
Increase/decrease in operating receivables		-193	174
Increase/decrease in operating liabilities		185	-35
Cash flow from operating activities		619	823
Investing activities			
Acquisitions of subsidiaries	12	-1,626	-300
Sale of business		81	–
Acquisitions of intangible assets		-3	-2
Acquisitions of tangible assets		-18	-14
Sale of tangible assets		7	8
Dividends received		22	–
Increase in financial assets		-3	-2
Decrease in financial assets		1	2
Cash flow from investing activities		-1,538	-308
Financing activities			
Shareholder contributions		252	–
Proceeds from borrowings	27	1,328	–
Set-up fee, bond		-25	–
Amortisation of loans	27	-514	-2
Amortisation of lease liabilities	27	-202	-185
Cash flow from financing activities		839	-188
Cash flow for the period		-81	327
Cash and cash equivalents at start of year		721	407
Exchange rate difference in cash and cash equivalents		15	-13
Cash and cash equivalents at end of year		655	721

Parent Company income statement (SEK m)

	Note	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020
Net sales		38	21
Gross profit		38	21
Administrative expenses		-116	-45
Operating profit	4, 6, 7	-78	-25
Financial income		163	101
Financial expenses		-282	-165
Net financial items	9	-118	-64
Profit/loss after financial items		-197	-88
Appropriations	28	107	21
Profit before tax		-90	-67
Tax	10	-4	0
Profit for the year	29	-94	-67

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

Parent Company balance sheet (SEK m)

	Note	31 Dec 2021	31 Dec 2020
Assets	13, 19		
Participations in Group companies	30	5,206	5,098
Receivables from Group companies		1,607	1,607
Deferred tax asset		0	0
Total fixed assets		6,814	6,705
Receivables from Group companies		1,292	34
Current tax assets	10	–	0
Other receivables	18	4	0
Prepaid expenses and accrued income	22	1	0
Cash and bank balances		1	1
Total current assets		1,297	35
Total assets		8,111	6,740
Equity	11		
Restricted equity			
Share capital		1	1
Unrestricted equity			
Profit brought forward		4,279	4,084
Profit for the year		-94	-67
Total equity		4,186	4,018
Liabilities	13, 19		
Non-current interest-bearing liabilities	17, 23	3,627	2,624
Provisions for pensions	8	0	0
Total non-current liabilities		3,627	2,625
Trade payables	17	17	2
Liabilities to Group companies		210	72
Current tax liability	10	4	–
Other liabilities	25	1	1
Accrued expenses and deferred income	26	65	23
Total current liabilities		297	98
Total liabilities		3,924	2,722
Total equity and liabilities		8,111	6,740

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

Parent Company statement of changes in equity (SEK m)

	Share capital	Profit brought forward, incl. profit for the year	Total equity
Opening equity, 1 Jan 2020	1	4,084	4,085
Profit for the year*		-67	-67
Closing equity, 31 Dec 2020	1	4,017	4,018
Opening equity, 1 Jan 2021	1	4,017	4,018
Profit for the year*		-94	-94
Bonus issue	0	0	–
Shareholder contributions		262	262
Closing equity, 31 Dec 2021	1	4,186	4,186

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

Parent Company statement of cash flow (SEK m)

	Note	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020
Operating activities			
Loss before tax		-90	-67
Adjustment for non-cash items, etc	27	-85	-19
Cash flow from operating activities before changes in working capital		-175	-86
Changes in working capital			
Increase/decrease in operating receivables		-1,156	17
Increase/decrease in operating liabilities		75	42
Cash flow from operating activities		-1,257	-27
Financing activities			
Proceeds from borrowings	27	1,327	–
Set-up fee, bond		-25	–
Amortisation of loans	27	-318	–
Shareholder contributions		252	–
Group contributions received		21	10
Cash flow from financing activities		1,257	10
Cash flow for the period		0	-17
Cash and cash equivalents at start of year		1	18
Cash and cash equivalents at end of year		1	1

Notes

Note 1 Significant accounting policies

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

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

The Annual Report and consolidated financial statements were approved for issue by the Board of Directors on 31 March 2022.

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. Unless otherwise indicated, all amounts in the Annual Report are rounded to the nearest million Swedish kronor (SEK million), which can result in a rounding difference.

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

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

Assessments made by Group Management when applying IFRS and that have significant effect on the financial statements, and estimates made that could entail significant adjustments in the financial statements for the subsequent year, are described in greater detail in Note 31.

Amended accounting policies attributable to new or amended IFRS
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 regarding Phase 2 of the reference interest rate reform, applicable as of 1 January 2021, include practical temporary relief options regarding certain requirements in IFRS standards. Assemblin's currency interest rate swap, bond and lease liabilities are expected to be affected by the reform to only a limited extent. As of 31 December 2021, Assemblin had no transactions for which the reference rate had been switched to an alternative rate. Should it be necessary to switch rates in the future, Assemblin's intention is to apply the relief options introduced in IFRS.

No other amendments of standards or interpretations applicable as of 1 January 2021 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. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures of accounting policies may affect the Group's disclosures of accounting principles. Other new standards and interpretations issued by the IASB are not expected to have any significant effect on the Group's financial statements.

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

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

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

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

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

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

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

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

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

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

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

Foreign currency translation

Transactions in foreign currency

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

Financial statements from operations abroad

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

Revenue

The Group's revenue consists primarily of revenue from construction and service assignments. Revenue recognition for construction and service assignments takes place as control is transferred to the customer. The construction agreements mean that the Group designs and installs technical systems for electricity, heating, sanitation and ventilation in customers' offices, arenas, shopping centres, homes and industrial premises. The Group creates an asset over which the customer gains control in pace with the asset being completed. This means that 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 profit or loss when incurred. Most of the Group's contracting is subject to fixed-price agreements, with variable compensation in only a few exceptional cases. Changes to agreements related to remodelling or supplementary work are recognised to the extent they have been agreed with the customer. Claims and incentive compensation are included in the project revenue only to the extent that it is highly unlikely that a significant reversal of accumulated reported revenue will occur.

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

A fundamental condition for reporting revenue over time is that the outcome can reasonably be measured against completion of the performance obligation. If it is not reasonably possible to measure the outcome of a project reliably, the income is reported at the corresponding amount as the accrued expense, that is, no earnings are recognised while awaiting the determination of the earnings. Reporting 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 profit or loss for the period in which the circumstances that gave rise to the audit became known to management.

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

Service assignments

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

Significant financing components

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

Financial income and expenses

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

Dividend income is recognised when the right to receive dividends has been established. Financial expenses consist of interest charged on loans, the effect of unwinding the present value of provisions, and exchange rate losses.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the interest rate that makes the present value of all estimated future inflows and outflows during the expected term equal to the carrying amount of the receivable or liability. Foreign exchange gains and losses are recognised net. Exchange rate changes regarding operating receivables and liabilities are reported in operating profit, while exchange rate changes regarding financial receivables and liabilities are reported in net financial items.

Tax

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

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

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

Deferred tax assets are reported if it is likely that these will be utilised against future taxable surpluses. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised.

Any future income tax that arises in connection with a dividend is reported on the same date as when the dividend is recognised as a liability.

Financial assets and financial liabilities: Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tangible assets

Property, plant and equipment

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

Additional expenses

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

Depreciation policies

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

Estimated useful life:

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

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

Leased assets

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

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

The values of the liability and the asset are adjusted in conjunction with a reassessment of the lease term. This occurs in conjunction with the passing of the final cancellation date in a previously assessed lease term, or alternately when significant events take place or when circumstances have changed significantly within the control of the Group and impact the existing assessment of the lease term.

Lease payments have been discounted by the incremental borrowing rate as regards leased premises, and by the implicit interest rate as regards vehicles. To determine the marginal lending rate, if possible, financing recently received by an outside party is used as a starting point. If no loans from third parties exist in the near future, a method is used that is based on a risk-free interest rate that is adjusted for credit risk. Adjustments are made for the specific terms of the agreement, e.g. term of the lease, country and currency.

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

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

Intangible assets

Goodwill

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

Other intangible assets

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

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

Amortisation policies

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

The estimated useful lives are:

- order backlog 1–2 years
- capitalised development expenditure 3–5 years

Impairment of non-financial assets

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

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

An impairment is recognised when the carrying amount of an asset or cash-generating unit (group of units) exceeds the recoverable amount. An impairment is recognised as a cost in profit or loss for the year. When an impairment requirement is identified for a cash-generating unit (group of

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

Reversal of impairment losses

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

Payment of capital to the owners

Dividends

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

Earnings per share

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

Employee benefits

Short-term benefits

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

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

Post-employment benefits

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

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

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

Changes to or reductions in a defined-benefit plan are recognised at the earliest of the following:

a) when the change or reduction in the plan occurs; or
b) when the company recognises related restructuring costs and termination benefits.

The changes and reductions are recognised directly in profit or loss for the year.

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

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

Termination benefits

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

Inventories

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

Provisions

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

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

Warranties

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

Restructuring

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

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

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

Parent Company's accounting policies

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

No changes to RFR 2 have been announced applicable to financial years commencing on or after 1 January 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 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	2021	2020
Net sales		
Installation assignments with associated services	6,326	6,039
Service assignments	4,394	3,970
	10,721	10,009

Note 3 Operating segments

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

- Electrical Engineering — offers comprehensive solutions for planning, installation, service and maintenance in electricity and automation The operations also cover services in security and industrial servicing. Some production occurs in the proprietary electrical workshops.
- Heating & sanitation — designs, installs and maintains technical systems for heating, sanitation, sprinklers, industry, energy and cooling in all types of buildings.
- Ventilation — specialists in construction, installation, service and maintenance of energy-smart ventilation facilities.
- Norway — possesses a high degree of expertise, primarily in electrical engineering, heating and sanitation, and ventilation technology.
- Finland — operations offer services in electricity, ventilation, heating and sanitation, and in automation and energy efficiency.

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

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

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

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

Group operating segments (SEK m)

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

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

Other disclosures								
Trade receivables	584	411	230	275	159	-	-15	1,643
Trade payables	384	256	170	205	94	48	-76	1,081
Contractual assets	145	70	68	86	82	-	-2	450
Contractual liabilities	391	267	144	98	54	-	-8	946
Net contractual liabilities	-246	-196	-76	-12	28	-	6	-496

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 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[2]	-3,780	-2,502	-1,305	-1,369	-564	-11	119	-9,412
Adjusted EBITA	229	170	80	124	3	-11	1	597
Adjusted EBITA margin, %	5.7%	6.4%	5.8%	8.3%	0.6%			6.0%
Amortisation and impairment of intangible assets								-27
Items affecting comparability[3]								-64
Operating profit								506
Financial income								33
Financial expenses								-228
Net financial items								-196
Profit before tax								310
Tax								-84
Profit after tax								226

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

Other disclosures								
Trade receivables	524	330	200	183	53	–	-12	1,278
Trade payables	313	207	121	133	20	54	-69	780
Contractual assets	138	87	67	68	24	–	-1	383
Contractual liabilities	370	259	102	85	22	–	-6	833
Net contractual liabilities	-232	-172	-35	-17	2	–	4	-450

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

Note 4 Operating costs by nature

	Group (SEK m)		Parent Company (SEK m)	
	2021	2020	2021	2020
Materials	-3,512	-3,278	-	–
Subcontractors and services purchased in production	-1,460	-1,450	-	–
Other external expenses	-663	-478	-96	-27
Personnel costs	-4,218	-4,071	-21	-18
Depreciation, amortisation and impairment	-295	-227	-	–
Total	-10,148	-9,503	-116	-45

Other operating income	**Koncernen (MSEK)**		**Moderbolaget (MSEK)**	
	2021	2020	2021	2020
Capital gain on divestment of operations	40	–	–	–
Reassessment of contingent purchase considerations	47	–	–	–
	87	–	–	–

Note 5 Leases

Group (SEK m)	2021			2020		
Expenses relating to right-of-use assets and lease liabilities	Premises	Vehicles	Total	Premises	Vehicles	Total
Depreciation	-90	-106	-196	-86	-96	-182
Impairment	-4	-	-4	-5	–	-5
Reversal of impairment	-	-	-	11	–	11
Interest expenses	-17	-7	-24	-18	-7	-25
Total expenses for the year	-112	-113	-224	-98	-103	-200

Total cash flow for leases is SEK 226 million (210).

Group (SEK m)	2021	2020
Lease expenses relating to contracts not classified as right-of-use assets		
Lease expense regarding short-term leasing	-8	-6
Lease expenses, low-value assets	-4	-3
Costs regarding variable lease expenses	-3	-3
Revenue from subletting of right of use	1	2
Total expenses for the year	-14	-10

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

Group (SEK m)	2021			2020		
Changes in reported values of right-of-use assets	Premises	Vehicles	Total	Premises	Vehicles	Total
At start of year	339	361	699	336	356	693
Supplementary contracts	66	158	224	88	133	221
Concluded contracts	-	-33	-33	–	-31	-31
Depreciation, amortisation and impairment	-95	-106	-201	-80	-96	-176
Exchange differences	4	2	6	-6	-2	-8
At year end	314	381	695	339	361	699

Note 6 Fees and reimbursements to auditors

	Group (SEK m)		Parent Company (SEK m)	
	2021	2020	2021	2020
KPMG				
Audit assignments	7	6	1	1
Audit activities in addition to audit assignments	1	2	1	2
Tax advice	0	0	–	–
Other assignments	8	0	7	0
Total	16	8	9	1

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

Note 7 Employees, personnel costs and remuneration to senior executives

Average number of employees	2021	of whom, men	2020	of whom, men
Parent Company				
Sweden	2		2	
Total Parent Company	2	100%	2	100%
Group				
Sweden	4,731	95%	4,764	94%
Norway	790	95%	735	95%
Finland	439	92%	319	92%
Total in subsidiaries	5,960	95%	5,818	94%
Group total	5,962	94%	5,820	94%

Gender distribution in Group management	2021 Proportion of women	2020 Proportion of women
Parent Company		
Board of Directors	29%	33%
Group		
Board of Directors	29%	33%
Other senior executives	13%	13%

Salaries, other remuneration and social security expenses (SEK m)	2021 Salaries and remuneration	2021 Social security expenses	2020 Salaries and remuneration	2020 Social security expenses
Parent Company	13	4	12	3
(of which pension costs)	2	0	2	0
Subsidiaries	3,128	869	2,968	871
(of which pension costs)	261	64	247	58
Group total	3,141	872	2,980	874
(of which pension costs)	263	65	249	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	Other employees	2020 Senior executives	Other employees
Parent Company				
Sweden	13	-	12	–
(of which bonuses and similar payments)	(4)	-	(4)	–
(of which pension costs)	(2	-	(2)	–
Subsidiaries				
Sweden	15	2,332	15	2,301
(of which bonuses and similar payments)	(3)	(65)	(4)	(35)
(of which pension costs)	(3)	(205)	(3)	(204)
Norway	4	527	4	479
(of which bonuses and similar payments)	(2)	(17)	(1)	(16)
(of which pension costs)	(0)	(30)	(0)	(28)
Finland	3	247	2	168
(of which bonuses and similar payments)	(0)	(4)	(0)	(2)
(of which pension costs)	(0)	(23)	(0)	(12)
Subsidiaries, total	22	3,106	21	2,947
(of which bonuses and similar payments)	(5)	(86)	(5)	(53)
(of which pension costs)	(3)	(258)	(3)	(244)
Group total	35	3,106	33	2,947
(of which bonuses and similar payments)	(9)	(86)	(9)	(53)
(of which pension costs)	(5)	(258)	(5)	(244)

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

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

Parent Company
Board fees of SEK 3 million (3) including social security expenses were paid from Assemblin Group AB. The senior executive group pertains to 7 (8) persons in Group Management.

Note 8 Pensions

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

	Group (SEK m)		**Parent Company (SEK m)**	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Obligations in the statement of financial position for:				
Pension benefits, defined-benefit	788	746	0	0
Other pension obligations, insured	-	–	-	–
Total pension obligations	788	746	0	0
Recognition in the income statement regarding:				
Costs for defined-benefit pension plans	30	33	-	–
Costs for defined-contribution pension plans	233	216	2	2
Total pension expenses	263	249	2	2
Costs are allocated among the following income statement items:				
Cost of production	131	130	-	–
Sales and administrative expenses	137	122	2	2
Financial expenses	-5	-3	-	–
Total profit	263	249	2	2

Note 8 Pensions *cont.*

Number of persons covered by IAS 19 calculations	Parent Company	Rest of Sweden	Norway	Finland	Total
2021 Active		355			355
Paid-up policy holders		1,022			1,022
Pensioners		465			465
Total		1,842			1,842
2020 Active		373			373
Paid-up policy holders		1,012			1,012
Pensioners		442			442
Total	–	1,827	–	–	1,827

Defined-benefit pensions (SEK m)	2021	2020
Present value of unfunded obligations	702	664
Total present value of defined-benefit obligations	702	664
Special payroll taxes	86	81
Net present value of the liabilities	788	746
Net carrying amounts for defined-benefit plans	788	746

Change in present value of obligations for defined-benefit plans (SEK m)	2021	2020
Obligations for defined-benefit plans as at 1 January	664	626
Cost of vested benefits during the period	34	34
Interest expense	8	9
Pension disbursements	-14	-14
Actuarial (gain)/loss, financial commitments	10	8
Obligations for defined-benefit plans as at 31 December	702	664

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 16.0 million (14.5) over the next few years. The defined-benefit plan is primarily attributable to men.

Assumptions for defined-benefit obligations	2021	2020
Discount rate as at 31 December	1.80%	1.10%
Future salary growth	2.70%	2.00%
Inflation	2.20%	1.50%

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 (1) to establish a discount rate of 1.80 percent (1.10).

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

Change in the assumptions regarding 2020	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%	-5.2%
Increase/decrease in inflation (0.5% change)	7.2%	-6.5%

Note 8 Pensions *cont.*

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

The premium at Alecta is calculated individually and is based on such factors as salary, previously vested pension and expected remaining length of service. Anticipated ITP 2 fees for Alecta over the coming year total SEK 19.7 million (25.4). The Group's share of the total fees for the pension system are 0.05 percent (0.07), while its share of the total number of active members in the system is 0.05 percent (0.06).

Annual fees for pension insurance contracted with Alecta totals SEK 68.6 million (59.3). The consolidation level shall normally be permitted to vary between 125 and 175 percent. In the event Alecta's consolidated funding level is less than 125 percent or exceeds 175 percent, measures are to be taken to return to the normal range. In the event of low consolidation levels, one measure could be raising the contracted price for new policies and expanding existing benefits. In the event of high consolidation levels, one measure could be a premium reduction. The premiums paid to Alecta are calculated applying assumptions regarding interest rates, life expectancy, operating costs and tax on returns from pension funds, so that the payment of a consistent premium amount until the day when the pension is sufficient to ensure that the entire targeted benefit, based on the insured current pensionable salary, is actually earned. The collective consolidation level consists of the market value of Alecta's actuarial calculations, which do not correspond with IAS 19. At year-end, Alecta's surplus in the form of the collective consolidation level totalled 172 percent (148).

Note 9 Net financial items

Group (SEK m)	2021	2020
Interest income	1	1
Dividend	19	–
Exchange differences	15	30
Other financial income	4	1
Financial income	39	33
Interest expenses	-241	-190
Exchange differences	-26	-16
Impairment	0	–
Other financial expenses	-25	-22
Financial expenses	-293	-228
Net financial items	-254	-196

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)	2021	2020
Interest income, Group Companies	97	99
Exchange differences	12	2
Financial income	110	101
Interest expenses	-207	-159
Exchange differences	-14	-1
Other financial expenses	-6	-5
Financial expenses	-228	-165
Net financial items	-118	-64

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)	2021	2020
Current tax expense		
Tax expense for the year	-95	-79
Adjustment of tax attributable to previous years	-10	-10
	-106	-89
Deferred tax		
Deferred tax relating to temporary differences	12	7
Deferred tax relating to tax loss carryforwards	18	-1
Adjustment of deferred tax attributable to previous years	-6	-1
	23	5
Total reported tax expense (+) tax revenue (-) tax expense	-82	-84

Reconciliation of effective tax

Group (SEK m)	2021	2020
Profit before tax	405	310
Tax under applicable tax rate for Parent Company	-85	-66
Effect of foreign operations with tax rates other than 20.6 percent (21.4)	1	-1
Non-deductible expenses	-42	-21
Income not subject to tax	31	11
Capitalisation of previously uncapitalised tax loss carryforwards	18	1
Utilisation of previously unutilised tax loss carryforwards	0	4
Adjustment of tax attributable to previous years	-4	-12
Other	0	0
	-82	-84

Parent Company (SEK m)	2021	2020
Profit before tax	-90	-67
Tax under applicable tax rate for Parent Company	18	14
Non-deductible expenses	-22	-14
Income not subject to tax	0	–
Total effective tax	-4	0

Note 10 Tax *cont.*

Deferred tax on temporary differences and tax loss carryforwards

Group (SEK m)	31 Dec 2021 Deferred tax asset	31 Dec 2021 Deferred tax liability	31 Dec 2021 Net deferred tax	31 Dec 2020 Deferred tax asset	31 Dec 2020 Deferred tax liability	31 Dec 2020 Net deferred tax
Intangible assets		-26	-26	–	-5	-5
Property, plant and equipment	12	-3	10	13	–	13
Inventory	0		0	0	–	0
Trade receivables	2	-1	1	1	–	1
Projects in progress	3	-9	-7	4	-4	0
Current liabilities	1		1	4	–	4
Pension provisions	92		92	87	–	87
Warranty provisions	5		5	5	0	5
Untaxed reserves		-12	-12	–	-11	-11
Other	9	-1	8	19	-1	19
Capitalised tax loss carryforwards	30		30	12	–	12
Netting	3	-3	0	0	0	0
Net deferred tax assets (+)/liabilities (-)	157	-54	103	146	-21	125

Sweden has a corporate tax rate of 20.6 percent (21.4 percent). Norway has a corporate tax rate of 22 percent (22). Finland has a corporate tax rate of 20 percent (20). Deferred tax assets in the Parent Company refer to a temporary difference in endowment insurance and amount to 0 (0).

Unrecognised deferred tax assets
At year end, the total tax loss in the Group was SEK 149 million (208), of which SEK 149 million (60) has been capitalised and mature according to the table below.

(SEK million)	2021
2021	–
2022	–
2023	9
2024	65
After 2024	51
No due date	23
Total tax loss	149
Of which capitalised	149

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

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

Note 10 Tax *cont.*

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
Property, plant and equipment	15	-2				13
Inventory	0	0				0
Trade receivables	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 11 Equity

The Parent Company	2021	2020
Shares outstanding		
Opening number of shares	500,000	500,000
Split	158,793,714	–
Number of shares at end of year	159,293,714	500,000

Share capital in Assemblin Group AB totals SEK about 509,740 (500,000) with a quotient value per share of SEK 0.0032 (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 2021 (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 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
Opening carrying amount, 1 Jan 2021	-46	-20	-189	-255
Translation differences in translation of foreign subsidiaries	59			59
Hedge reserve		15		15
Tax attributable to items that can be transferred to profit/loss for the year	-6	-3		-9
Revaluations of defined-benefit pension plans			-10	-10
Employer's contribution, defined-benefit pension plans			-2	-2
Tax attributable to items that cannot be transferred to profit/loss for the year			3	3
Closing carrying amount 31 Dec 2021	7	-8	-199	-200

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 2021

Unit acquired	Division	Type	Participation	Acquisition date	Number of employees	Estimated annual sales
Åby Eltjänst AB	Electricity	Company	100%	January	34	50
EA Installationer AB	Electricity	Company	100%	January	43	49
TIS Tervell Installation och Service AB	Electricity	Company	100%	January	23	30
Vantec System AB	Heating & Sanitation	Company	100%	January	16	50
NOR Klima T. Svendsen AS*	Norway	Company	100%	January	3	30
J. Wretvall Rörservice AB	Heating & Sanitation	Company	100%	April	31	96
Hemsedal VVS AS	Norway	Company	100%	April	12	35
Electrotec Energy AB	Electricity	Company	100%	June	10	24
Hallingdal Värme & Sanitaer AS	Norway	Company	100%	July	24	45
Soumen Teollisuuskylmä Oy	Finland	Company	100%	August	25	90
Norrköpings Låsverkstad AB	Electricity	Company	100%	September	4	9
Senera Oy (TomAllenSenera)	Finland	Company	100%	September	92	340
Fidelix Holding Oy	Finland	Company	100%	September	330	547
Säkra Fastigheter i Sverige AB	Electricity	Company	100%	September	15	28
Roslagens Värmemontage AB	Heating & Sanitation	Company	100%	September	48	85
Grillby & F100 Rör AB	Heating & Sanitation	Company	100%	October	20	46
Eltex Sähkö ja Automaatio Oy	Finland	Company	100%	October	25	20
					755	1,574

The acquisitions are deemed immaterial on an individual basis, which is why the information is presented at an aggregate level. The acquisition analyses regarding companies acquired in 2021 are preliminary. If the acquisitions had occurred on 1 January 2021, the Group's sales would have increased by about SEK 850 million (327) and the companies acquired would together have brought in an operating profit of approximately SEK 70 million (48).

In January 2022, Assemblin Oy acquired electrical contractor Sähköpalvelu J. Vainionpää through a transfer of assets. The Company generates annual sales of approximately SEK 15 million with 11 employees in Turku. In January, Assemblin Ventilation AB also acquired all of the shares in ventilation and automation company Ehlin & Larsson in Västerås, with some 24 employees and annual sales of approximately SEK 40 million. In early March, Assemblin El AB acquired all of the shares in the property automation company Jonicom i Kungsbacka AB with annual sales of about SEK 40 million and 25 employees.

Acquisitions and divestments in 2021

In the first quarter, Assemblin Electrical Engineering made three additional acquisitions (TIS Tervell Installation and Service AB in Karlstad; Åby Eltjänst AB in Norrköping and EA Installationer AB in Trelleborg) with combined annual sales of approximately SEK 129 million and 100 employees. In the same quarter, Assemblin Heating and Sanitation acquired, under VS Vantec System AB based in Götene with sales of SEK 50 million and 16 employees, and Assemblin Norway acquired the ventilation company Nor-Klima T. Svendsen AS (which has changed name to Assemblin Ventilation AS) with operations in Drammen and annual sales of approximately SEK 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. Assemblin took possession of the acquired companies on 1 April 2021.

In the second quarter, J. Wretvall Rörservice AB, with 31 employees in Stockholm and annual sales of SEK 90 million, was acquired by Assemblin VS AB, and Hemsedal VVS AS with annual sales of NOK 35 million and 12 employees and with offices in Hemsedal north-west of Oslo, was acquired by Assemblin Norway. In addition, Assemblin Electrical Engineering acquired Electrotec Energy AB with sales of SEK 24 million and 10 employees. Electrotec Energy offers solar cell installations from its base in Varberg.

In May, an agreement was signed for the acquisition of Senera Oy, Finland's leading systems supplier of energy solutions for properties. The acquisition requires the approval of the Finnish Competition and Consumer Authority. On 10 September 2021, Assemblin took possession of 100 percent of the shares in Senera Oy following approval by the Finnish Competition Authority. The acquisition includes the Tom Allen Senera brand. The Senera Group has annual sales of approximately SEK 340 million, 92 employees and has its headquarters in Vantaa. The Group includes subsidiaries Tom Allen Senera Oy, Maalämpöhuoltokeskus Oy and Suomen Lämpöpumppuverkkokauppa Oy. Senera was consolidated as of 1 September 2021.

On 23 September 2021, Assemblin took possession of 100 percent of the shares in the Finnish installation and service company Fidelix following a competition review initiated in December 2020. To approve the transaction, the Finnish competition authority required that part of the Finnish automation operations be divested. The acquisition includes the Fidelix, EcoGuard, Lansen System and Larmia brands. The Fidelix Group has annual sales of approximately SEK 547 million, 330 employees and has its headquarters in Vantaa. The Group includes the companies Säätölaitehuolto Oy, SLH-Kiinteistötekniikka Oy, EcoGuard AB, Fidelix Oy, Fidelix Sverige AB, Larmia Control AB and Zynergi AS (which has changed name to EcoGuard AS). The Fidelix Group will be consolidated as of 30 September 2021.

In the third quarter, Hallingdal Varme og Sanitaer AS with 24 employees and annual sales of SEK 45 million was acquired by Assemblin Norway, and Suomen Teollisuuskylmä Oy ("STK") was acquired by Assemblin Finland, a Finnish cooling technology company with a strong environmental profile. STK has annual sales of SEK 90 million and 25 employees and has its head office in Tampere, Finland.. In addition, Assemblin Electrical Engineering acquired Norrköpings Låsverkstad AB with annual sales of SEK 10 million and Säkra Fastigheter AB with annual sales of SEK 30 million and 15 employees. Säkra Fastigheter designs customised total security solutions in Stockholm. Assemblin Heating & Sanitation also acquired Roslagens Värmemontage AB, with 48 employees and annual sales of approximately SEK 80 million and working with district heating in the Mälardalen valley.

In the fourth quarter, Grillby & F100 Rör AB with 20 employees and annual sales of approximately SEK 46 million was acquired by Assemblin Heating & Sanitation, and Finnish electrical engineering company Eltex Sähkö ja Automaation Oy with annual sales of approximately SSEK 20 million och 25 medarbetare was acquired by Assemblin Finland.

Note 12 Acquisitions of businesses *cont.*

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.

Note 12 Acquisitions of businesses *cont.*

Assets and liabilities included in acquisitions (SEK m)	2021	2020
Intangible assets	65	0
Other intangible assets	167	33
Property, plant and equipment	25	8
Right-of-use assets	51	57
Other fixed assets	152	2
Trade receivables	192	49
Contract assets – revenue generated, uninvoiced	59	9
Other current assets	292	129
Provisions	-15	-9
Non-current liabilities	-352	-50
Deferred tax on surplus	-36	-7
Trade payables	-84	-29
Contract liabilities – invoiced revenue not generated	-34	0
Current liabilities	-239	-67
Net identifiable assets and liabilities	244	125
Group goodwill	1,727	395
Consideration settled, cash	1,706	387
Consideration entered as liability	265	133
Consideration	1,970	520
Purchase consideration paid	-1,706	-387
Cash and cash equivalents acquired	121	95
Adjusted purchase prices attributable to previous years	-11	-3
Acquisition expenses	-29	-6
Translation differences	-1	-1
Net effect on cash and cash equivalents	-1,626	-302

SEK 242 million (117) pertains to earnings-based purchase considerations and SEK 23 million (14) pertains to fixed purchase considerations.

Receivables
The gross value of the receivables corresponds with their fair value.

Goodwill
The value of goodwill includes the value of synergy effects in the form of more efficient production processes, as well as the technical knowledge of personnel. No part of the goodwill is tax-deductible.

Order backlog
Order backlog includes the value of existing orders on the acquisition date. The majority of the Group's order backlog has a short duration.

Expenditures related to acquisitions

Expenditures related to acquisitions totalled SEK 29 million (6) 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.

Amounts in SEK m	31 Dec 2021
Opening balance	155
Purchase considerations disbursed and revalued*	-84
Additional and acquired purchase considerations**	301
Closing balance	372

*Pertains to Kalmar VVS & EL-montage AB, Industri och Värmemontage Werme AB, KP Svets och & Smide AB, Vantec System AB, Electrotec Energy AB, Norrköpings Låsverkstad AB, FBI Fastighet o Butiksinstallationer AB, Soumen Teollisuuskylmä Oy, Senera Oy, Assemblin Innlandet AS and KK-Kylmäpalvelu Oy.

**Pertains to Vantec System AB, NOR Klima T. Svendsen AS, EA Installationer AB, Åby Eltjänst AB, TIS Tervell Installation och Service AB, J. Wretvall Rörservice AB, Hemsedal VVS AS, Electrotec Energy AB,Senera Oy, Hallingdal Varme & Sanitær AS, Säkra Fastigheter i Sverige AB, Suomen Teollisuuskylmä Oy, Norrköpings Låsverkstad AB, Roslagens Värmemontage AB and Fidelix Oy.

Contingent purchase considerations are included in the amount of their forecast outcome as of 31 December 2021.

Note 13 Assets pledged, contingent liabilities and contingent assets

Group (SEK m)	31 Dec 2021	31 Dec 2020
Assets pledged		
In the form of assets pledged for own liabilities and provisions		
Endowment insurance as security for direct pensions	11	14
Shares in subsidiaries	1,017	377
Total	1,028	391
Contingent liabilities		
Warranty commitments, PRI	7	7
Total contingent liabilities	7	7

Parent Company (SEK m)	31 Dec 2021	31 Dec 2020
Assets pledged		
In the form of assets pledged for own liabilities and provisions		
Shares in subsidiaries	5,206	5,098
Internal Group loan	1,577	1,577
Total	6,783	6,675

Note 14 Intangible assets

	Goodwill		Brands		Order backlog		Balanced development expenses		Other		Total	
Group (SEK m)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Amortised cost												
At start of year	2,970	2,640	–	–	206	178	120	120	–	–	3,296	2,939
Business combinations	1,750	395	86	–	85	33	23	0	17	–	1,961	426
Investments	–	–	–	–	–	–	1	0	2	–	3	2
Disposals	–	–	–	–	–	–	-2	–	–	–	-2	–
Transfers	–	–	–	–	–	1	10	–	-10	–	–	1
Exchange differences	55	-66	1	–	5	-6	0	0	0	–	60	-72
At year end	4,774	2,970	86	–	296	206	153	120	9	–	5,319	3,296
Accumulated depreciation												
At start of year	–	–	–	–	-181	-159	-26	-25	–	–	-208	-185
Depreciation for the year[1]	–	–	–	–	-66	-26	-3	-1	0	–	-69	-27
Disposals	–	–	–	–	–	–	2	–	–	–	2	–
Exchange differences	–	–	–	–	-4	5	0	0	0	–	-5	5
At year end	–	–	–	–	-251	-181	-28	-26	0	–	-279	-208
Accumulated impairment												
At start of year	–	–	–	–	–	–	-91	-91	–	–	-91	-91
At year end	–	–	–	–	–	–	-91	-91	–	–	-91	-91
Carrying amounts, 31 December	4,774	2,970	87	–	44	25	34	3	9	–	4,948	2,997

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 2022 budget and subsequently on the business area-specific assumptions of yearly sales growth, EBITA margin and working capital requirements for the period from 2023 to 2025. 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 2025 is assumed to be 2.0 percent (2.0). The present value of the forecast cash flows has been calculated with a discount rate of 9.5 percent (9.5) before tax, based on a weighted average of the Company's expense for externally borrowed capital and a theoretical yield requirement on equity. As of 31 December 2021, 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, 2021	Electricity	Heating & Sanitation	Ventilation	Norway	Finland	Total
Goodwill	1,171	960	544	675	1,423	4,774

Goodwill per cash-generating unit, 2020	Electricity	Heating & Sanitation	Ventilation	Norway	Finland	Total
Goodwill	987	716	544	552	170	2,970

Note 15 Property, plant and equipment

	Land and buildings		Leasehold improvements		Plant, machinery and equipment		Total	
Group (SEK m)	2021	2020	2021	2020	2021	2020	2021	2020
Amortised cost								
At start of year	5	5	77	72	211	220	293	296
Business combinations	–	0	0	3	25	5	25	8
Divestment of business	–	–	-3	–	-6	–	-9	–
Investments	–	0	3	3	15	11	18	14
Disposals	–	–	-3	0	-39	-19	-42	-19
Transfers	0	–	0	0	0	-1	0	-1
Exchange differences	0	0	0	0	3	-4	4	-5
At year end	5	5	75	77	209	211	289	293
Depreciation								
At start of year	-4	-4	-33	-28	-169	-169	-206	-201
Divestment of business	–	–	1	–	4	–	5	–
Depreciation for the year	0	0	-7	-5	-19	-18	-26	-23
Disposals	–	–	2	0	36	16	38	16
Transfers	–	–	-8	–	0	–	-8	–
Exchange differences	0	0	0	0	-2	3	-2	3
At year end	-4	-4	-44	-33	-150	-169	-199	-206
Impairment								
At start of year	–	–	0	0	0	0	-1	-1
Impairment for the year	–	–	–	0	–	0	–	0
Disposals	–	–	0	–	–	0	0	–
At year end	–	–	0	0	0	0	0	-1
Carrying amounts, 31 December	1	1	30	44	59	42	90	87

Note 16 Financial investments

Group (SEK m)	31 Dec 2021	31 Dec 2020
At start of year	39	34
Business combinations	27	1
Investments	1	–
Divestments	0	–
Participations in earnings[1]	12	4
Exchange differences	0	0
Financial assets at year-end	78	39
Breakdown of securities		
Elajo Invest AB	30	30
Lansen Systems AB	26	–
Other	22	8
Exchange differences	0	–
Total securities	78	39

1) Shares in profits in NSM EL HB, NSM VS HB and Lansen Systems AB..

The securities above largely pertain to shares in Elajo Invest AB, for which the fair value at year-end was SEK 30 million (30). The share is classified as an asset within level 3, for further information see Note 19.

Not 17 Financial risks and risk management

Through its operations, the Group is exposed to various types of financial risks.

- Liquidity risk
- Refinancing risk
- Currency risk
- Interest rate risk
- Credit risk

Framework for financial risk management
Responsibility for the Group's financial transactions and risks is managed centrally by the Group's treasury function, which is part of the Assemblin Sweden subsidiary. The overall objective for the treasury function is to provide cost-effective financing and to minimise negative effects on the Group's earnings arising from financial risks.

Liquidity risk
Liquidity risk is defined as the risk that the Group cannot meet its immediate payment obligations. To ensure that the required liquidity is always available, the Group applies, among other things, three-month liquidity planning covering all of the Group's units. There is also a routine for continually ensuring the holding of suitable credit facilities.

Maturity structure, financial liabilities
Maturity structure relating to future contractual interest payments, based on current interest rate levels and amortisation.

Group (SEK m) 2021	Currency	Nominal amt. original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	350	3,663	–	3,663	–
Trade payables	SEK	1,081	1,081	1,075	6	–
Lease liabilities	SEK	759	759	247	408	105
Total			5,489	1,322	4,077	105
Interest payments[2]	SEK		742	218	516	8
Total			6,246	1,540	4,593	113

1) The bond loan was raised in EUR. To mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.
2) The interest rate calculation is based on the Stibor/swap rate on the balance-sheet date.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	636	–	636
Warranty facility	200	41	159
Warranty facility, PRI	285	285	–
Total	1,121	326	795
Cash and cash equivalents available	655		655
Liquidity reserve	1,776	326	1,450

Parent Company (SEK m) 2021	Currency	Nominal amt. original currency	Total (SEK)	< 1 year	1–5 years	> 5 years
Bond loans[1]	EUR	350	3,663	–	3,663	–
Trade payables	SEK	17	17	17	–	–
Liabilities to Group companies	SEK	210	210	210	–	–
Total			3,890	227	3,663	–
Interest payment	SEK		677	200	476	
Total			4,567	428	4,139	

1) The bond loan was raised in EUR. To mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	636	–	636
Warranty facility	200	41	159
Warranty facility, PRI	285	285	–
Total	1,121	326	795
Cash and cash equivalents available	1	–	1
Liquidity reserve	1,122	326	796

Note 17 Financial risks and risk management *cont.*

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	432	131
Total			4,189	986	3,073	131
Interest payments[2]	SEK		653	149	492	12
Total			4,843	1,136	3,565	142

1) The bond loan was raised in EUR. To mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.
2) The interest rate calculation is based on the Stibor/swap rate on the balance-sheet date.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	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	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	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 mitigate currency risk, capital liabilities of EUR 250 million and coupons have been swapped to SEK and the STIBOR inter-bank rate. The loan is subject to certain covenants, all of which have been met.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	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

Parent Company
The Parent Company has no long-term internal Group liabilities to subsidiaries.

Refinancing risk
Refinancing risk related to the risk that the Group does not have sufficient funds available when these are needed to refinance loans that fall due, or that the Group encounters difficulties in obtaining new facilities at a given point in time. Ensuring these needs requires both a strong financial position and active measures to ensure access to credits. The refinancing risk is managed through such measures as long-term borrowing.

Currency risk
Currency risk means the risk that fluctuations in exchange rates subdued activity negative impact on profit or loss, financial position and cash flows. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure consists of the net of operating and finance in- and outflows in currencies. The Group's EUR financing is hedged with a derivative that eliminates the currency risk as regards interest payments and capital liability for which hedge accounting is applied. Translation exposure consists of the net assets of the Norwegian and Finnish subsidiaries, and their earnings in foreign currencies.

Sensitivity analysis — currency risk (translation exposure)
An increase of five per cent in the EUR/SEK exchange rate would negatively impact the Group's equity by SEK -4 million, while a similar increase in the NOK/SEK exchange rate would positively impact equity by SEK +13 million. The Group's profit before tax would be affected by SEK -4 million and SEK +4 million, respectively, in the same exchange rate change.

Interest-rate risk
Interest rate risk is the risk that net interest income is negatively affected or that the value of financial instruments varies due to changes in market interest rates, which can lead to changes in fair values and changes in cash flows. Exposures arise primarily as a consequence of the Group's external interest- bearing borrowings.

Sensitivity analysis – interest-rate risk
The impact of an interest rate hike of 1 percentage point at the balance sheet date on interest revenue and interest expenses during the coming twelve-month period would total SEK 27 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 2021			January – December 2021		
	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	84	Other non-current liabilities	-32	84	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 2021 and respectively. For other financial assets, the credit risk is assumed to correspond to the carrying amounts.

Credit risks in trade receivables and contract assets
The risk that the Group's or company's customers cannot fulfil their commitments (i.e. payment is not received from customers) constitutes a customer credit risk. The Group's customers are subject to credit checks, in which information about the customers' financial position is obtained from various credit bureaus. The Group has prepared a credit policy for how customer credits are to be managed. It indicates, for example, where decisions are made on credit limits of various sizes, and how credits and doubtful receivables are to be managed. No individual customer represents 10 per cent of sales. The Groups companies have historically had low credit losses, and there are no indications that this will change. For the purpose of assessing the risk in trade receivables, they are divided into various risks depending on how many days have passed since the due date. Invoices are routinely sent over the course of the project and in advance. Trade receivables are additionally divided among a great many customers in various industries and have a broad geographical spread.

Age analysis, trade receivables (SEK M) 2021	Accounts receivable, gross	Loss reserve	Net
Current trade receivables	1,480	-3	1,478
Past due trade receivables, 0 – 30 days	141	-1	140
Past due trade receivables, > 30 – 90 days	17	-1	16
Past due trade receivables, > 90 – 180 days	5	-2	3
Past due trade receivables, > 180 – 360 days	9	-9	0
Past due receivables, >360 days	11	-5	6
Total	1,664	-21	1,643

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 payables (SEK m)	2021	2020
Current trade payables	983	696
Past due trade payables, 0 – 30 days	64	74
Past due trade payables, > 30 – 90 days	11	1
Past due trade payables, > 90 – 180 days	2	0
Past due trade payables, > 180 – 360 days	0	7
Past due payables >360 days	6	1
Total	1,067	780

12-month expected credit losses (SEK m)	2021	2020
Opening balance at 1 January	19	11
Revaluation of loss allowances, net	-12	-3
Acquisition of financial assets	1	0
Verified credit losses	-3	-11
Provisions for the year	15	21
Closing balance as of 31 December	21	19

Note 18 Non-current receivables and other receivables

	Group		Parent Company	
(SEK million)	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current receivables that are non-current assets				
Deposit, premises rentals	1	1	–	–
Other	3	1	–	–
Total	4	2	–	–
Other receivables that are current assets				
VAT receivables	9	7	–	–
Receivable, tax account	91	69	1	0
Other	54	26	3	0
Total	154	102	4	0

No individual item under Other exceeds 10 per cent of the total amount.

Note 19 Measuring financial assets and liabilities at fair value

Measurement at fair value contains a measurement hierarchy regarding input data for the valuations. This measurement hierarchy is divided into three levels corresponding with the levels indicated in IFRS 13 Fair Value Measurement. Disclosures.

The three levels consist of:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has access to on the measurement date.

Level 2: Inputs other than the quoted prices included in Level 1, which are directly or indirectly observable for the asset or liability. This can also relate to inputs other than quoted prices that are observable for the asset or liability, such as interest rate levels, yield curves, volatility and multiples.

Level 3: Unobservable inputs for the asset or liability. At this level, the assumptions that market players would make use of in pricing the asset or liability, including risk assumptions, must be taken into consideration. Derivatives are valued in accordance with level 2. Fair value adjustments are reported in the hedge reserve. The Group's derivatives consist of currency interest rate swaps whose fair value is determined by discounting the future cash flows attributable to the instruments. Financial assets measured at fair value through other comprehensive income pertain primarily to Elajo and classed in accordance with Level 3 since they are not listed on a regulated market and no observable transactions have occurred in the near term. The holdings are recognised through other comprehensive income. Contingent purchase considerations are reported in accordance with level 3. For all other items, excluding borrowings, the carrying amount is an approximation of the fair value. Accordingly, these items are not divided into levels under the measurement hierarchy.

Since borrowing via bond loans run with variable interest rates, their carrying amount is also deemed to essentially correspond to the fair values. For all financial instruments in the Parent Company, the carrying amount is considered to be a reasonable approximation of fair value.

Classification and fair value, and level in the measurement hierarchy

Group (SEK m) 31 Dec 2021	Note	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
Financial investments	16, 17	–	78	78
Non-current receivables	18	4	–	4
Contractual assets	20	450	–	450
Trade receivables	21	1,643	–	1,643
Accrued income	22	1	–	1
Total		2,098	78	2,176

Group (SEK m) 31 Dec 2021	Note	Financial liabilities measured at amortised cost	Fair value – hedging instruments	Financial liabilities measured at fair value through the income statement	Total carrying amount
Bond loans	23, 17	3,590	–	–	3,590
Other non-current interest-bearing liabilities		8	–	–	8
Derivatives	23, 17	–	84	–	84
Trade payables		1,081	–	–	1,081
Conditional purchase consideration		–	–	372	372
Other liabilities	25	30	–	–	30
Accrued expenses	26	10	–	–	10
Total		4,718	84	372	5,175

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 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	Fair 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

Parent Company (SEK m) **2021-12-31**	Not	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total carrying amount
Long term receivables from Group companies		1,607		1,607
Short term receivables from Group companies		1,292		1,292
Cash and bank balances		1		1
Total		2,899	–	2,899

Parent Company (SEK m) **31 Dec 2021**	Note	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through other comprehensive income	Financial liabilities measured at fair value through the income statement	Total carrying amount
Bond loans	23, 17	3,590			3,590
Derivatives	23, 17		84		84
Trade payables		17			17
Accrued expenses	26	10			10
Total		3,616			3,700

Parent Company (SEK m) **2020-12-31**	Not	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total carrying amount
Long term receivables from Group companies		1,607		1,607
Short term receivables from Group companies		34		34
Cash and bank balances		1		1
Total		1,641	–	1,641

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

Note 20 Contractual assets and liabilities

Group (SEK m)	31 Dec 2021	31 Dec 2020
Contractual assets		
Revenue generated on work not concluded	5,103	5,349
Invoicing on work not concluded	-4,653	-4,966
Total contractual assets	450	383
Contractual liabilities		
Invoicing on work not concluded	10,849	9,680
Revenue generated on work not concluded	-9,904	-8,847
Total contractual liabilities	946	833

Historically, Assemblin and its subsidiaries have had low confirmed customer losses and this is not deemed to have changed in 2022 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 427 million (383) 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 3 million (11) in the Group into account.

Note 22 Prepaid expenses and accrued income

	Group		The Parent Company	
(SEK million)	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Accrued income	1	5	–	–
Accrued supplier bonuses	122	95	–	–
Prepaid rent	8	6	–	–
Prepaid licenses	7	11	–	–
Prepaid insurance premiums	5	4	1	–
Other items	25	25	0	0
Total prepaid expenses and accrued income	168	146	1	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)	2021	2020
Non-current liabilities		
Bond loans	3,535	2,472
Value of derivatives	84	155
Other interest-bearing external liabilities	7	1
Lease liabilities	513	562
	4,138	3,189
Current liabilities		
Current interest-bearing liabilities	4	1
Current portion of lease liabilities	247	207
	251	208

Note 23 Interest-bearing liabilities *cont.*

Group **Terms and repayment periods**	Currency	Nominal interest rate	Maturity	2021 Nominal value (SEK)	Carrying amount
Bond loans[1]	EUR	5.39%	2025-05-15	3,590	3,535
Current portion of lease liabilities[2]	SEK	2)	31 Dec 2022	247	247
Non-current portion of lease liabilities[2]	SEK	2)	2)	513	513
Total interest-bearing liabilities				4,349	4,294

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.
1) During 2021, borrowing expenses of SEK 11 million were expensed.
2) The finance leases are amortised over three to five years with interest rates of 1–1.70 per cent.

Group **Terms and repayment periods**	Currency	Nominal interest rate	Maturity	2020 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)	31 Dec 2021	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.

Parent Company (SEK m)	2021	2020
Non-current liabilities		
Bond loans [1]	3,627	2,624
Total	3,627	2,624

Parent Company **Terms and repayment periods**	Currency	Nominal interest rate	Maturity	2021 Nominal value	Carrying amount
Bond loans	EUR	5.39%	2025-05-15	3,627	3,627
Total interest-bearing liabilities				3,627	3,627

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants). All of these have been met.
1) During 2021, borrowing expenses of SEK 4 million were expensed.

Credit limits	2021	2020
Group and Parent Company		
Credit limit granted	636	450
Unused portion	636	450
Credit amount used	–	–
Credit limit granted, by country		
Sweden	636	450
Total credit limit granted	636	450

Note 24 Provisions

Group (SEK m)	**31 Dec 2021**	**31 Dec 2020**
Provisions that are non-current liabilities		
Warranty commitments	86	79
Restructuring, onerous contracts and disputes	27	37
Total	113	116
Provisions that are current liabilities		
Warranty commitments	18	23
Restructuring, onerous contracts and disputes	58	47
Total	76	70

Provisions for warranty commitments (SEK m)	**31 Dec 2021**	**31 Dec 2020**
Carrying amount at start of period	103	108
Amount acquired	9	1
Provisions made during the period	14	13
Amount utilised during the period	-21	-34
Unused amount reversed during the period	-4	-8
Transfers	1	25
Translation difference/other	1	-2
Carrying amount at end of period	104	103

Provisions for restructuring, onerous contracts and disputes (SEK m)	31 Dec 2021	31 Dec 2020
Carrying amount at start of period	84	140
Amount acquired	0	0
Provisions made during the period	96	105
Amount utilised during the period	-79	-104
Unused amount reversed during the period	-6	-1
Transfers	-13	-51
Translation difference/other	3	-5
Carrying amount at end of period	85	84

Note 24 Provisions

Total Group provisions (SEK m)	31 Dec 2021	31 Dec 2020
Carrying amount at end of period	187	248
Amount acquired	9	1
Provisions made during the period	111	118
Amount utilised during the period	-100	-138
Unused amount reversed during the period	-10	-9
Transfers	-12	-26
Translation difference/other	4	-7
Total carrying amount at end of period	189	187
Of which total non-current portion of provisions	113	116
Of which total current portion of provisions	76	70

Warranty commitments
Provisions for warranties relate to assumed future expenditures for rectifying future errors and shortcomings regarding concluded projects that arise during the warranty period for the projects. The provisions are primarily attributable to projects concluded in 2020 and 2021 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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Other current liabilities				
VAT liability	91	67	–	–
Unpaid purchase consideration on acquisition of subsidiaries	134	13	–	–
Other	30	28	1	1
Total other current liabilities	256	108	1	1

Note 26 Accrued expenses and prepaid income

	Group		Parent Company	
(SEK million)	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Deferred income	6	6	–	–
Personnel-related items	1,003	911	9	7
Accrued interest expenses	10	8	10	7
Other	57	45	47	9
Total accrued expenses and deferred income	1,076	970	65	23

Note 27 Specifications of cash flow analyses

	Group		Parent Company	
Cash and cash equivalents (SEK m)	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
The following subcomponents are included in cash and cash equivalents:				
Cash in hand and bank deposits	655	721	1	1
Total cash and cash equivalents	655	721	1	1

	Group		Parent Company	
Interest paid and dividends received (SEK m)	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020
Interest received from Group companies	–	–	97	101
Interest received	1	1	–	–
Interest paid to Group companies	–	–	-1	0
Interest paid	-251	-207	-204	-163
Total interest paid and dividends received	-250	-206	-109	-61

	Group		Parent Company	
Adjustments for items not included in the cash flow (SEK m)	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020	1 Jan 2021 – 31 Dec 2021	1 Jan 2020 – 31 Dec 2020
Depreciation and impairment of property, plant and equipment	295	226	–	–
Capital loss on sale of non-current assets	-9	-5	–	–
Expensed arrangement fees, loans	11	9	5	4
Profit from sales of business	-40	–	–	–
Reassessment contingent purchase consideration	-48	–	–	–
Change in accrued interest	2	-4	2	-2
Unrealized translation differences	12	1	14	–
Group contributions	–	–	-107	-21
Participations in earnings of trading companiess	-14	-4	–	–
Provisions for pensions	32	34	0	–
Other provisions	97	99	–	–
Dividends received	-19	–	–	–
Change in uncertain accounts receivable	16	19	–	–
Other	0	1	–	–
Total non-cash items	336	376	-85	-19

Note 27 Specification of cash flow statement *forts.*

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

			Changes not affecting cash flow		
Group (SEK m)	31 Dec 2020	Cash flows	Currency effect	Other	31 Dec 2021
Bond loans	2,472	984	69	11	3,535
Derivatives	155	–	-70	–	84
Loans from credit institutions	2	-174	0	185	12
Lease liabilities	769	-202	7	185	759
Total liabilities attributable to financing activities	3,398	608	6	380	4,390

			Changes not affecting cash flow		
Group (SEK m)	2019-12-31	Cash flows	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

			Changes not affecting cash flow		
Parent Company (SEK m)	31 Dec 2020	Cash flows	Currency effect	Other	31 Dec 2021
Bond loans	2,624	984	14	5	3,627
Total liabilities attributable to financing activities	2,624	984	14	5	3,627

			Changes not affecting cash flow		
Parent Company (SEK m)	2019-12-31	Cash flows	Currency effect	Other	31 Dec 2020
Bond loans	2,621	–	–	4	2,624
Total liabilities attributable to financing activities	2,621	–	–	4	2,624

Note 28 Appropriations

Parent Company (SEK m)	2021	2020
Group contributions received	127	21
Group contributions made	-20	–
Total appropriations	107	21

Note 29 Proposal for appropriation of profits

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

Retained earnings	4,279,325,720
Profit for the year	-93,643,147
Total	4,185,682,574

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

To be carried forward	4,185,682,574
Total	

Note 30 Group companies

Parent Company (SEK m)	2021	2020
Amortised cost		
At start of year	5,098	5,081
Shareholder contributions	108	17
Acquisitions	-	–
At year end	5,206	5,098

Note 30 Group companies *cont.*

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

Subsidiaries	Corp. ID no.	Domicile	Partici-pation, %	Number of shares	Carrying amount 31 Dec 2020	Carrying amount 31 Dec 2019
Assemblin Holding AB	559025-2952	Stockholm	100	50 000	5 206	5 098
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	Mark	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			
Essen Rör AB	556459-3431	Örebro	100			
Kalmar VVS- & El-Montage AB	556614-9166	Mörbylånga	100			
NSM VS HB	969781-5158	Malmö	50			
Vantec System AB	556605-0224	Götene	100			
Grillby & F100 Rör AB	556822-3027	Enköping	100			
Roslagens Värmemontage AB	556328-7753	Järfälla	100			
P L Energi & Bygg i Åmmeberga AB	556592-8875	Askersund	100			
J. Wretvall Rörservice AB	556548-0299	Salem	100			
Assemblin El AB	556013-4628	Stockholm	100			
NIAB Norrlands Industrimontage AB	556896-6906	Sundsvall	100			
J. Östling & C. Sparf El AB	556804-7632	Uppsala	100			
NSM EL HB	969780-9847	Malmö	50			
Åby Eltjänst AB	556087-6913	Norrköping	100			
EA Installationer AB	556363-7106	Trelleborg	100			
TIS Tervell Installation och Service AB	556707-4819	Karlstad	100			
Electrotec Energy AB	556946-3531	Varberg	100			
Norrköpings Låsverkstad AB	556744-8898	Norrköping	100			
Säkra Fastigheter i Sverige AB	556872-4024	Upplands Väsby	100			
Assemblin Ventilation AB	556728-9177	Malmö	100			
Assemblin HVAC AB	556778-9010	Malmö	100			
Totalplåt i Sverige AB	556597-9092	Malmö	100			
Polarluft AB	556944-6072	Eskilstuna	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 Ventilasjon AS	965123385	Drammen	100			
Assemblin AS	965808752	Oslo	100			
Assemblin Innlandet AS	912543005	Oslo	100			
Arve Hagen AS	998491487	Oslo	100			
Ramsøy AS	979125321	Oslo	100			
Gjøvik Varme og Sanitær AS	917593663	Oslo	100			
Hallingdal Varme & Sanitær AS	950363576	Nesbyen	100			
Hemsedal VVS AS	981574982	Hemsedal	100			

Note 30 Group companies *cont.*

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

Subsidiaries	Corp. ID no.	Domicile	Partici-pation, %	Number of shares	Carrying amount 31 Dec 2020	Carrying amount 31 Dec 2019
Assemblin Oy	2064618-3	Helsingfors	100			
Suomen Teollisuuskylmä Oy	2402710-1	Tampere	100			
KK Kylmäpalvelu Oy	2358189-9	Helsinki	100			
Salon Kylmäpojat Oy	0776528-4	Helsinki	100			
Karjalan Kylmäpalvelu Oy	2800665-8	Helsinki	100			
Eltex Sähkö ja Automaatio Oy	1973260-7	Helsinki	100			
Senera Oy	2180851-9	Vantaa	100			
Tom Allen Senera Oy	1016410-5	Vantaa	100			
Maalämpöhuoltokeskus Oy	2730025-7	Vantaa	100			
Suomen Lämpöpumppuverkkokauppa Oy	2756775-2	Vantaa	100			
Fidelix Holding Oy	2643583-8	Helsinki	100			
EcoGuard AB	556502-5755	Örebro	100			
Fidelix Oy	1770269-0	Vantaa	100			
Lansen Systems AB	556901-4011	Halmstad	40			
EcoGuard Norge AS	926817744	Oslo	100			
SLH-Kiinteistötekniikka Oy	3111290-2	Helsinki	100			
Säätölaitehuolto Oy	2041453-4	Helsinki	100			
Fidelix Sverige AB	556567-5716	Strängnäs	100			
Larmia Control AB	556139-3132	Stockholm	100			
Assemblin Installation AB	556224-0944	Stockholm	100			
Assemblin Umeå Ventilation AB	556627-6753	Umeå	100			
Assemblin Umeå Holding AB	556595-6090	Umeå	100			
Trignition 1 AB	559025-3026	Stockholm	100			
Trignition 2 AB	559028-2900	Stockholm	100			

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	2021	2020
Sales	38	21
Group contributions	127	21
Interest income	97	99
	262	141
Expenses		
Purchase of goods/services		
Triton Advisers Ltd.	0	2
West Park Mgmnt Services Ltd.	9	8
Group contributions made	20	–
Interest expenses	1	0
	31	10
Receivables	2,919	1,641
Liabilities	230	72

Transactions with related parties are priced at market rates.

Parent Company
At the Extraordinary General Meeting on 3 November 2021, new Articles of Association were adopted in which the Parent company was renamed Assemblin Group AB. The Annual General Meeting also decided on a bonus issue through unrestricted equity, whereby the share capital increased by 9,739.8848 to a total of SEK 509,739.8848 and a share split whereby each share yielded 312.5 new shares. The total number of shares after division amounts to 159,293,714.

In 2021, the Parent Company received shareholder contributions of SEK 262 (0) million from Ignition MidCo S.à.rl and Group contributions from subsidiaries of SEK 107 (21) million

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

On 3 January 2022, Assemblin Oy acquired, through an acquisition of assets, the operations of Sähköpalvelu J. Vainionpää in Turku, Finland with annual sales of about SEK 15 million and about 11 employees. On the same date, Assemblin Ventilation AB acquired all of the shares in Ehlin & Larsson AB with annual sales of about SEK 40 million. In early March, Assemblin El AB acquired all of the shares in the property automation company Jonicom i Kungsbacka AB with annual sales of about SEK 40 million and 25 employees

The Covid restrictions were withdrawn in February, resulting in more normalised levels of sick leave and thus fewer production disruptions. The Covid-related challenges involving component shortages remain, however, which could cause temporary delivery disruptions and increased costs for projects. The Board of Directors and the Executive Management team are monitoring the effects of the Russian invasion of Ukraine. Although the direct impact on Assemblin is minor at the time of finalising the Annual Report, the future consequences are difficult to assess, but component shortages could worsen and prices could further increase.

On 1 February, Tero Kosunen took over as Business Area Manager for Assemblin Finland, becoming at the same time a member of the Executive Management Team.

Note 34 Parent Company information

Assemblin Group AB (559077-5952) 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 2021 consists of the Parent Company and its subsidiaries, together designated the Group. Assembling Group AB is owned primarily by Ignition MidCo S.r.l. Its final owner is Triton Fund IV.

Attestation by the Board

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July, 2002 on the application of international accounting standards. The Annual Report and consolidated accounts give a true and fair view of the Parent Company's and the Group's position and results. The Administration Report for the Parent Company and the Group provides a true and fair view of the development of operations, position and earnings of the Parent Company and the Group and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

The Annual Report and consolidated financial statements were, as stated above, approved for issue by the Board of Directors and the CEO on 31 March 2022. 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 on 17 May, 2022.

Stockholm, 31 Mars 2022

Matts Väppling
Chairman of the Board

Susanne Ekblom

Mats Jönsson

Young Kim

Per Ingemar Persson

Anders Thulin

Fredrik Wirdenius

Mats Johansson
CEO

Our auditor's report was presented on 31 March 2022

KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

KPMG

Auditor's report

To the Annual General Meeting of Assemblin Group AB, corporate identity number 559077-5952

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Assemblin Group AB for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 52–100 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 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 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–41 and 130–106. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

The auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

– Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Assemblin Group AB for the year 2021 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

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

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

– has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

– in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, 31 March, 2022

KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant

Multi-year overview

Income statement (SEK m)	2021	2020	2019	2018	2017
Net sales	10,721	10,009	9,978	8,885	8,169
Production expenses	-8,526	-8,179	-8,131	-7,186	-6,666
Gross profit	2,195	1,830	1,848	1,699	1,503
Sales and administration expenses incl. Other operating expenses	-1,623	-1,324	-1,595	-1,285	-1,388
Other operating income	87	–	–	–	–
EBIT	659	506	252	414	115
Net financial items	-254	-196	-120	-193	-142
Profit before tax	405	310	133	220	-27
Tax	-82	-84	-54	-48	53
Profit for the period	322	226	78	172	25

Balance sheet (SEK m)	2021	2020	2019	2018	2017
Goodwill	4,774	2,970	2,640	2,411	2,340
Other fixed assets	1,198	1,001	981	571	505
Other current assets	2,560	1,990	2,214	2,036	1,886
Cash and cash equivalents	655	721	407	411	420
Total assets	9,186	6,681	6,242	5,429	5,150
Equity	-22	-661	-803	238	106
Non-current interest-bearing liabilities	3,627	2,627	2,599	1,911	2,028
Other non-current liabilities	1,706	1,587	1,476	715	668
Current liabilities	3,876	3,128	2,970	2,564	2,348
Total equity and liabilities	9,186	6,681	6,242	5,429	5,150

Cash flow (SEK m)	2021	2020	2019	2018	2017
Cash flow from operating activities	619	823	485	516	26
Cash flow from investing activities	-1,538	-308	-197	-88	1
Cash flow from financing activities	839	-188	-297	-442	-28
Cash flow for the period	-81	327	-8	-14	-2

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	2021	2020	2019	2018	2017
Net sales	10,721	10,009	9,978	8,885	8,169
Growth, %	7.1	0.3	12.3	8.8	15.5
EBIT	659	506	252	414	115
Operating margin, %	6.1	5.1	2.5	4.7	1.4
EBITA	728	533	270	417	210
EBITA-marginal, %	6.8	5.3	2.7	4.7	2.6
Adjusted EBITA	758	597	516	401	252
Adjusted EBITA margin, %	7.1	6.0	5.2	4.5	3.1
Profit for the period	322	226	78	172	25
Profit margin, %	3.0	2.3	0.8	1.9	0.3
Net debt	3,736	2,676	2,969	1,582	1,735
Working capital	-673	-694	-413	-363	-173
Free cash flow	855	890	524	529	259
Cash generation, %	113	149	101	132	111
Order intake	11,258	9,903	11,258	9,459	9,899
Order backlog	9,370	8,148	8,478	6,971	6,223
Average number of employees, FTE	5,962	5,820	5,901	5,630	5,693

Reconciliation of key figures

Reconciliation of key figures	2021	2020	2019	2018	2017
Net debt					
Non-current interest-bearing liabilities including lease liabilities	4,139	3,189	3,182	1,911	2,028
Current interest-bearing liabilities including lease liabilities	251	208	194	81	128
Cash and cash equivalents	-655	-721	-407	-411	-420
Net debt	3,736	2,676	2,969	1,582	1,735
EBITA					
Profit for the period	322	226	78	172	25
Tax	82	84	54	48	-53
Net financial items	254	196	120	193	142
Amortisation and impairment of intangible assets	69	27	18	3	76
EBITA	728	533	270	417	191
Adjusted EBITA					
EBITA	728	533	270	417	191
Adjustments for items affecting comparability	31	64	246	-16	42
Adjusted EBITA	758	597	516	401	233
Adjusted EBITDA					
EBITA	728	533	270	417	191
Adjustments for items affecting comparability	31	64	246	-16	42
Depreciation/amortisation and impairment according to plan	222	206	200	88	97
Adjusted EBITDA	980	802	716	489	330
Working capital					
Total current assets	3,214	2,711	2,621	2,447	2,306
– Cash and cash equivalents	-655	-721	-407	-411	-420
– Current tax assets	-18	-14	-30	-12	-2
Total current liabilities	-3,876	-3,129	-2,970	-2,564	-2,348
– Current interest-bearing liabilities (Note 23)	4	1	1	-	47
– Lease liabilities	247	207	193	81	81
– Current provisions (Note 24)	76	70	76	49	99
– Current tax liability	190	159	88	36	47
– Unpaid purchase consideration on acquisition of subsidiaries (Note 25)	134	13	3	–	–
– Accrued interest expenses (Note 26)	10	8	11	12	18
Working capital	-673	-694	-413	-363	-173

Definitions

FINANCIAL DEFINITIONS

Adjusted EBITA
Earnings before tax for the period, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability. Adjusted EBITA simplifies the comparison over time.

Adjusted EBITDA
EBITA before depreciation, amortisation and impairment, adjusted for items affecting comparability. Adjusted EBITDA simplifies the comparison over time.

Adjusted EBITA margin, %
Adjusted EBITA divided by net sales. Adjusted EBITA margin, % excludes the effect of items affecting comparability, simplifying comparisons over time.

Average number of employees (FTE)
Calculated as the average number of employees over the year, taking the percentage of full-time employment into account. This indicates the personnel density in the operations.

Cash Conversion, %
Free cash flow divided by adjusted EBITA. Cash generation shows the proportion of profit converted into cash and cash equivalents.

EBITA
Earnings before tax for the period, net fixed assets items, and amortisation and impairment of intangible fixed assets. EBITA is a key profit indicator used in monitoring the operations.

EBITA margin
EBITA divided by net sales. This shows the relative scale between EBITA and net sales.

EBITDA
EBITDA before planned depreciation and impairment of property, plant and equipment. EBITDA is a key profit indicator used in monitoring the operations.

Earnings per share after dilution
Profit for the year attributable to the Parent Company's shareholders divided by the average number of ordinary shares outstanding after dilution.

Earnings per share before dilution
Profit for the year attributable to the Parent Company's shareholders divided by the average number of ordinary shares outstanding.

Free cash flow
Adjusted EBITDA with additions or deductions for changes in working capital adjusted for non-cash items with deductions for net investments in fixed assets, as well as net investments in leasing assets prior to the transition to IFRS16. Free cash flow is used to monitor the cash flow generated by the current operations before items affecting comparability.

Growth
Change in net sales for the period in relation to net sales for the corresponding period in the preceding year. This reflects sales growth over time.

Items affecting comparability
Revenue and expense items that are reported separately due to their nature and amounts. Primarily expenses for acquisitions and integration of acquisitions, more comprehensive restructuring programmes and new establishments, as well as other divergent items. Accordingly, these items make comparison over time difficult.

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

Net debt
Interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents at the end of the period. This key performance indicator is a measure of the Group's total interest-bearing indebtedness.

Order intake
The value of projects and service assignments received and changes to existing projects and service assignments in the period concerned. Order intake drives the change in the order backlog over time.

Order backlog
Remaining production value in all assignments not completed at the end of the period. The order backlog is an indicator of the revenue remaining from orders that the Group has already secured.

Operating profit (EBIT)
Earnings before tax and net financial items. EBIT is a key profit indicator used in monitoring the operations.

Profit margin
Earnings for the period, divided by net sales for the period. Profit margin shows the comparability of the Group's earnings over time.

Working capital
The sum of current assets, reduced by current tax assets and cash and cash equivalents less the sum of current liabilities, reduced by current provisions, current interest-bearing liabilities, current tax liability, accrued interest and unpaid purchase considerations in connection with acquisitions of subsidiaries. This key performance indicator shows how much working capital exists in the operations.

DEFINITIONS OF SUSTAINABILITY CONCEPTS

See page 41.

OTHER DEFINITIONS

BMS/Building Management Systems
Control system for technical installations in a building or facility.

FTE/FTE employees
Employees recalculated in terms of full-time equivalents. The average number of FTEs refers to the average number of full-time equivalents over the period.

IMD/Individual metering and debiting
System for individual metering and debiting, which uses intelligent sensors to keep track of factors including heat and humidity.

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 Group AB
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: Archive images, Assemblin and Fidelix, as well as a few agency images.

Production and text: Assemblin
Graphic design: Anso Form & Produktion
Printed by: Exakta Tryckeri 2022

MILJÖMÄRKT
3041 0417

Assemblin has developed in a successful direction for several years, and 2021 was no exception. We reported continued growth in profitability and strong order intake, while accelerating our acquisition rate and capturing a market-leading position in smart buildings.

Mats Johansson, President and CEO, Assemblin