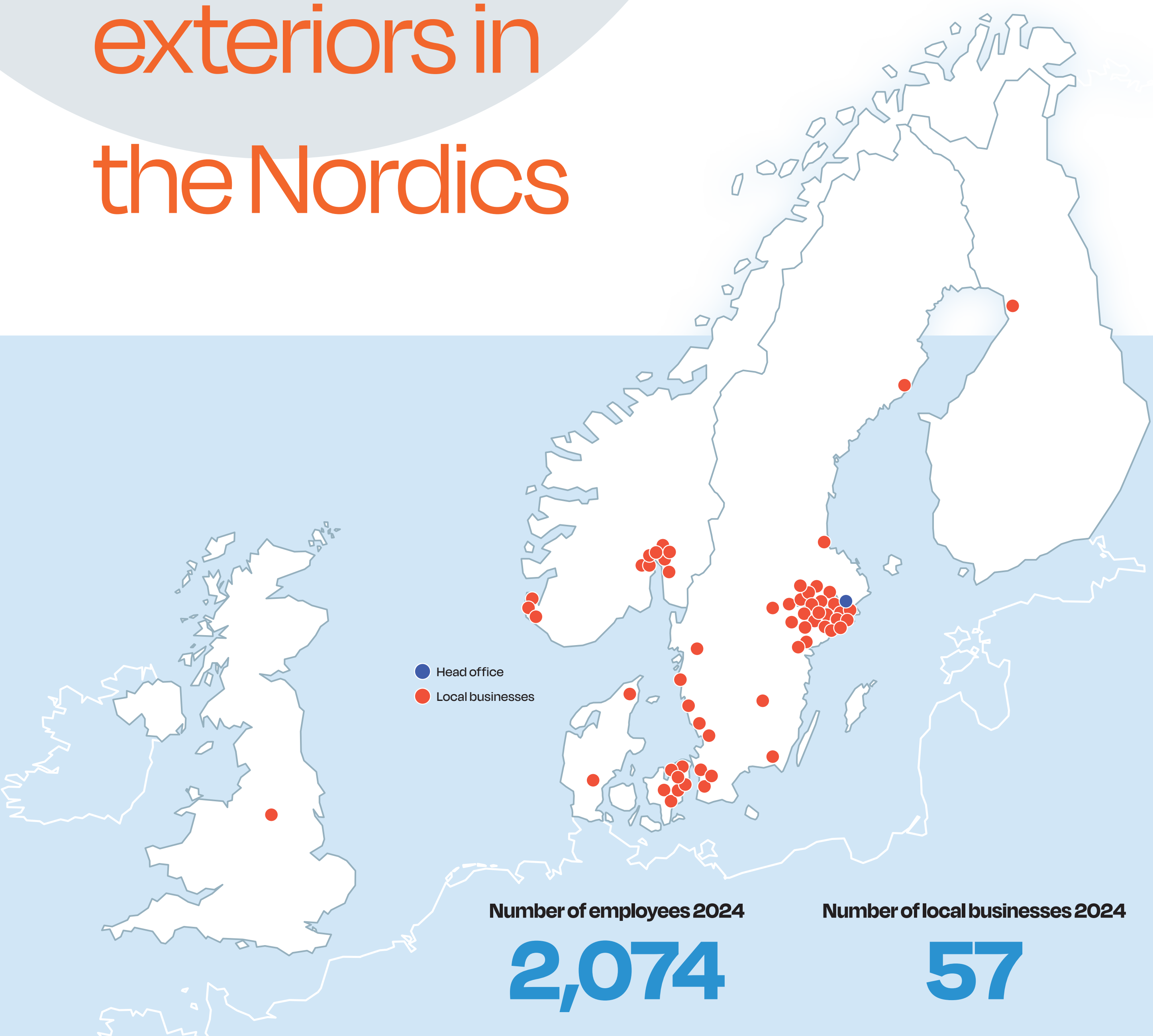



Annual Report 2024




Fasadgruppen

Fasadgruppen is the largest complete provider of building exteriors in the Nordics



Number of employees 2024

2,074

Number of local businesses 2024

57

The formal annual and consolidated accounts for Fasadgruppen Group AB consist of the Board of Directors' Report and associated financial statements as well as notes on pages 53–99. The Corporate Governance Report is presented on pages 42–49 and the statutory Sustainability Report can be found on pages 24–39. The Group's Remuneration Report is published separately at www.fasadgruppen.se. This English language version of the 2024 Fasadgruppen Group AB annual report is a translation of the original Swedish text. Where possible differences in interpretation or errors in translation exist, the Swedish text is to take precedence.

Contents

Fasadgruppen in brief

Fasadgruppen brings together the leading entrepreneurs in the Nordic region and the UK within energy renovations and services for building exteriors. The Group was established in 2016 through the merger of Swedish companies STARK Fasadrenovering and AB Karlsson Fasadrenovering. At year-end 2024, the Group consisted of 57 businesses distributed across Sweden, Norway, Denmark, Finland and the UK. With our small, Group-wide organisation, we combine the drive and proximity of locally based companies with the scope of a large group to achieve synergies and provide comprehensive solutions to customers.

Fasadgruppen possesses expertise in all aspects of exterior work on properties, such as façades, windows, balconies and roofs. Common to most services is that they contribute to greater energy efficiency and a better living environment. We also help to protect our shared cultural heritage. Our customers include property companies, municipal authorities, regions and government agencies, tenant-owner associations, consultants, construction companies and assemblies.

OUR VISION

Sustainable properties and good living environments for all.

OUR MISSION

We acquire and develop entrepreneurial specialist companies that care for and create sustainable properties.

OUR BUSINESS CONCEPT

Fasadgruppen's business concept is to acquire locally leading entrepreneurial specialist companies, which through cooperation can become more efficient and offer multidisciplinary solutions that contribute to sustainable properties.

Fasadgruppen's history of growth

1909–1970
Long tradition

Fasadgruppen's businesses have a long history of craftsmanship. STARK Fasadrenovering was founded in 1963 and AB Karlsson Fasadrenovering in 1970. The oldest of the companies in the Group, Ahlins Plåt, was founded as far back as 1909.

2016
Fasadgruppen is formed

Fasadgruppen is established through the merger of STARK Fasadrenovering and AB Karlsson Fasadrenovering with a focus on improving purchase prices.

2017–2018
Expansion in Sweden

National expansion commences with a number of acquisitions in Sweden. A range of expertise is added, all with a focus on building envelopes.

2019–2022
Expansion in the Nordics

Through a combination of acquisitions and organic growth, revenues rise rapidly. Fasadgruppen is listed on Nasdaq Stockholm. Continued consolidation of the Nordic market with expansion in Norway, Denmark and Finland.

2023–2024
Market leader and entry into UK

Fasadgruppen is the clear market leader with a presence throughout the Nordics. In difficult economic times for the Nordic construction industry, focus is placed on selective strategic acquisitions and continuous improvements of the decentralised business model.
In 2024, the first acquisition in the UK was made.

The year at a glance

Fasadgruppen coped with a difficult market situation in 2024, while also making selective strategic acquisitions. At the end of the year, the Group expanded into the UK through the acquisition of Clear Line, a niche business in fire safety measures for façades.

Key figures Group 2024

4,927 SEKm
Net sales

282 SEKm
Adjusted EBITA

422 SEKm
Operating cash flow

Events in 2024

- During the year, Fasadgruppen entered into a partnership with SEB for energy renovations for tenant-owner associations.
- In October, Fasadgruppen converted the existing credit facility agreement of SEK 2,700 million to a sustainability-linked loan.
- During the year, Fasadgruppen implemented structural changes, where smaller subsidiaries were merged to form larger units in order to strengthen cooperation and optimise management.
- In November, Clear Line was acquired, with a niche business in fire safety measures for façades in the UK.
- In November, Fasadgruppen had its short-term targets for emissions reductions and long-term targets for net zero greenhouse gas emissions approved by the Science Based Targets initiative (SBTi). From the baseline year 2023, Fasadgruppen has committed to achieving net zero greenhouse gas emissions throughout the value chain by 2045.

Acquisitions in 2024

- **Alumentdk APS** in Kolding, Denmark.
  Provides services for balconies and solutions for roof terraces and some protection.
- **Elenta AS** in Oslo, Norway.
  Provides services within roofing, solar panels and energy storage.
- **JE:s Svets & Smide AB** in Stockholm, Sweden.
  Provides specialist expertise in steel structures and construction forging.
- **Brenden Materialer AS** and **Brenden & Co Stillasutleie AS** in Oslo, Norway.
  Provide services within scaffolding, weather protection and construction hoists.
- **Clear Line Holdings Ltd** in Sheffield, UK.
  Full-service contractor in façades, specialising in fire safety.

A word from the CEO

2024 was not what we had planned for, as the Swedish market had its worst performance in over a decade. Overall, the rest of the Nordic region achieved stable development and through the strategic acquisition of niche fire safety specialist Clear Line in the UK, we have laid the foundation for a stronger Fasadgruppen going forward.

The entire year was characterised by fierce competition and price pressure, on the Swedish market in particular. Despite its large share of renovation work, Fasadgruppen has been affected by the more difficult market. This is partly because constructors that are normally active in new production have moved into the renovation market, and partly because the usually highly profitable alterations and additional work projects have become fewer and more competitive. Fasadgruppen's Swedish operations have attempted to win projects at acceptable margins in this market situation, while also retaining the key expertise that will be vital for switching up a gear once the market begins to recover. Many of the subsidiaries were relatively successful in this respect for most of the year, particularly those with a niche offering. Unfortunately, there was a very weak end to the year. December in particular was a major disappointment, with profits down on the previous year, also affected by Serneke's bankruptcy. For the few companies in the Group that are active in new production, the entire year was challenging.

The key question now, of course, is when the market will bounce back. Among our own indicators, we could see that the order backlog for our Swedish subsidiaries had a positive trend for the entire fourth quarter, which continued into the new year. In 2025, the EU's Energy Performance of Buildings Directive (EPBD) is also expected to be implemented in Sweden. According to Public Housing Sweden, the renovation rate needs to double in order to fulfil the new requirements. Property owners affected by the directive will need to consider measures for the building envelope, a demand that Fasadgruppen is well-positioned to meet. Support for energy efficiency measures can also be seen on the financing side. Banks are stipulating more stringent requirements for transition in their loan portfolios and property owners will have to upgrade their buildings over time in order to obtain attractive loan terms.

Stability in the Nordics

Although Sweden dragged profits down in 2024, our subsidiaries in the rest of the Nordic region generally delivered stable development. There have been challenges in Norway, Denmark and Finland, but not to the same extent as in Sweden. We launched a diversification strategy several years ago with the aim of expanding outside Sweden and this was clearly a good move – even though the Swedish results still weighed heavily on the Group as a whole. The Nordic markets all have exposure to similar driving forces – both Denmark and Finland are also affected by the EPBD, for example, while Norway is working with similar ambitions focusing on energy efficiency in the building stock. We are also seeing an ever-clearer trend for preserving and restoring rather than replacing building components, which aligns perfectly with Fasadgruppen's craft expertise. Finally, it is worth mentioning that quality wins out in the long term – all of Fasadgruppen's subsidiaries offer high-quality services that endure over time, which is also highly valued by professional clients.

Clear Line – a clear value creator

In October, we acquired Clear Line – a unique, niche player within fire prevention façade measures in the UK. Discussions began with the company in 2023 and significant resources were devoted to getting to know the business in depth. Through a combination of full-service solution, selective project strategy and specialist expertise, Clear Line has established a market-leading position within complex fire prevention projects – a market that developed following the catastrophic Grenfell Tower fire in London in 2017, as well as the subsequent Building Safety Act which tightened up building safety requirements. Demand for renovation is conservatively estimated at approximately GBP 1.5 billion per year for the next 14 years for those buildings that will need fire prevention measures.

In addition to Clear Line, a number of selective acquisitions of companies in the Nordic region were made, bringing new expertise and niches to the Group.

Profitability prioritised in 2025

Given the weak conclusion to 2024, in February 2025 we introduced a flatter organisational structure and made some changes to the management team,

"For 2025 our overriding priority is to strengthen profitability... and prioritise continued structural measures over new acquisitions."

adding representatives from the subsidiaries in order to establish more effective management of the Group going forward. At the same time, all subsidiaries are implementing their own measures to further reduce their cost base as far as possible.

For 2025, our overriding priority is to strengthen profitability in the existing business and prioritise continued structural measures over new acquisitions. The aim of this is to reduce the net debt to adjusted EBITDA ratio back down below the target of 2.5. With a historically seasonally strong cash flow, combined with a cautious acquisition agenda and the financial profile of Clear Line, we have the right conditions to achieve this.

Finally, I would like to thank all our staff for their persistent efforts during the year. It has been a difficult climate for the entire year and has required major efforts throughout the organisation, often involving hard choices and tough decisions. I would also like to thank our suppliers for their cooperation, as well as our shareholders who continue to show faith in our ability to ride out the difficult market and come out the other side stronger.

Stockholm, April 2025

Martin Jacobsson
CEO and Group President

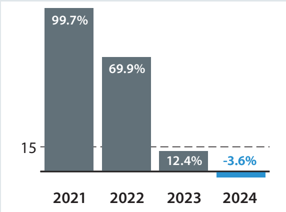
Financial targets

The industry's most stable partner

We need to grow continuously in a financially sound manner in order to create confidence for our external stakeholders.

Growth

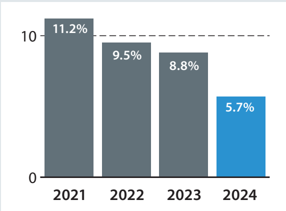
≥15% Average growth in net sales shall be at least 15 percent per year[1,2]



The decrease consisted of organic change in local currencies of -10.4 percent, exchange rate changes of -0.5 percent and acquired growth of +7.3 percent. In local currencies, 2024 has seen positive organic growth on all markets except Sweden. Five acquisitions were completed during the year.

Profitability

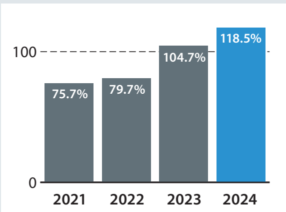
≥10% Adjusted EBITA margin shall be at least 10 percent per year[1]



The Group's margin was negatively affected by a gradual weakening of the market and increased competition in Sweden, particularly within the metropolitan regions. There was also price pressure from companies that do not normally operate in the renovation market. The margin trend was in line with the previous year on other markets.

Cash conversion

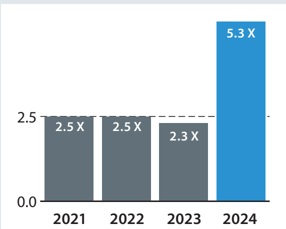
≥100% Cash conversion shall be at least 100 percent



The Group's cash conversion strengthened compared with the previous year as a result of the positive change in working capital. Operating cash flow decreased to SEK 421.6 million (547.6) as a result of the weaker earnings trend.

Debt

≤2.5x Interest-bearing net liabilities in relation to adjusted EBITDA (R12) shall be less than 2.5 times



Interest-bearing net debt on 31 December 2024 amounted to SEK 2,141.6 million (1,240.2). The interest-bearing net debt includes lease liabilities amounting to SEK 197.4 million (168.1). This increase is the result of the acquisition in October of Clear Line, the Group's largest acquisition to date. The debt ratio is reported in absolute figures, which is not equivalent to the communicated loan covenant, which is reported on a pro forma basis.

1) Long-term financial targets, seen over an economic cycle.

2) Growth shall be both organic and via acquisitions.

Non-financial targets

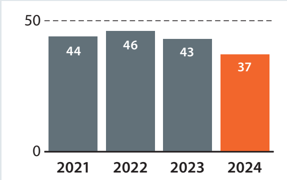
The industry's best workplace

In order to attract the best in the industry, we must be the employer everyone wants to work for and who leads the way.

Attractive employer

>50 eNPS (Employee Net Promoter Score)

eNPS which measures how likely it is that an employee would recommend their workplace to others shall increase annually and exceed 50 by 2030.

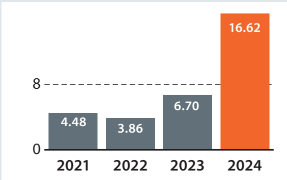


Fasadgruppen strives to be an attractive employer. The work is carried out both at the subsidiaries and via central initiatives. A challenging market and the reorganisation are thought to be the reason for the lower score in 2024.

Workplace safety

<8 LTIF (Lost time injury frequency)

Accident frequency per one million hours worked (LTIF) shall decrease at least annually and fall below 8 by 2030.

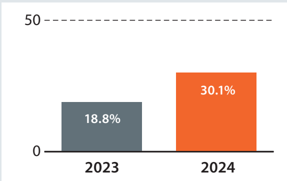


Fasadgruppen's operations are exposed to risks relating to occupational health and safety. The increase in LTIF in 2023 and 2024 can be attributed to an adjusted calculation model and a new, centralised and more easily accessible reporting process, which has also increased the quality of the database.

Gender equality

50% Proportion of women in newly appointed positions[1]

The proportion of women in newly appointed positions shall be representative of the gender distribution in society at large and reach 50 percent by 2030 at the latest.



Fasadgruppen operates in a sector that has historically been heavily male-dominated. We are therefore actively working to increase gender equality in the Group.

The industry's most ambitious climate action

As market leader, we have an opportunity, and a responsibility, to drive the development of the sector forwards.

Targets approved by SBTi, baseline year 2023

		Target	2024	
Scope 1 & 2	Reduce absolute greenhouse gas emissions.	Target 2030 -42% Target 2045 -90%	+16,6%	Fasadgruppen's emissions in absolute terms in Scope 1 and 2 for 2024 increased by 16.6 percent, relative to the baseline year 2023. This increase is mainly due to strategic acquisitions of subsidiaries with vehicle-intensive operations, which resulted in an increase in emissions in absolute terms.
Scope 3	Proportion of suppliers of purchased goods and services that have science-based targets.	Target 2029 80%	24,2%	The proportion of purchased goods and services from suppliers with science-based targets was 24.2 percent in 2024, an increase from 21.0 percent in the baseline year 2023. This increase is the result of the Group's systematic work to integrate climate requirements in the supply chain.
	Reduce greenhouse gas emissions per SEK million of economic added value.[2]	Target 2045 -97%	-17,1%	Fasadgruppen's Scope 3 emissions, calculated per SEK million of economic added value, decreased by 17.1 percent relative to the baseline year 2023. The outcome is partly explained by improved reporting processes at the subsidiaries, which has improved the quality of data in the calculation basis..

1) In 2024, the target was redefined to better reflect the business, resulting in only one reference year being reported.

2) Calculated as tCO_2e in Scope 3 divided by economic added value, where economic added value corresponds to the sum of the Group's EBITDA and personnel costs.

The share

The total return on investment from Fasadgruppen shares amounted to -32.1 percent in 2024, and at year-end the market capitalisation was just over SEK 2.5 billion.

Development of the share

Fasadgruppen's share developed negatively during 2024 and at year-end had decreased by -34.6 percent (-33.6). The total return, i.e. the return including a dividend of SEK 1.70 per share (1.70), amounted to -32.1 percent (-31.9). On the last trading day on 30 December 2024, the closing price was quoted at SEK 46.0 (70.3), corresponding to a market capitalisation of SEK 2,476 million (3,489).

Trading and turnover

The share is traded on the Nasdaq Stockholm Mid Cap list under the symbol FG. In 2024, average turnover was 88,350 (53,398) shares per trading day, at an average value of around SEK 4.7 million (4.0).

Share capital

According to the Articles of Association, Fasadgruppen's share capital shall amount to a minimum of SEK 1 million and a maximum of SEK 4 million. As at 31 December 2024, the share capital amounted to SEK 2.7 million distributed over 53,832,113 shares corresponding to a quota value of SEK 0.05 per share. All shares are of the same class, with equal voting rights and share of the company's capital and profit.

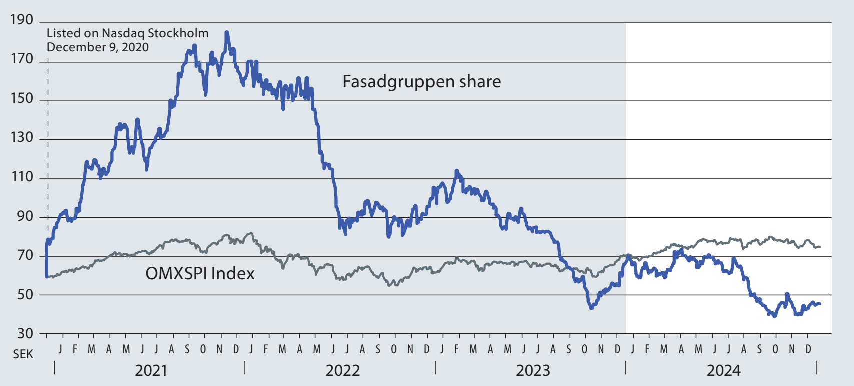
Share buy-back

Based on the authorisation granted by the Annual General Meetings of 11 May 2023 and 15 May 2024, Fasadgruppen's Board of Directors decided in November 2023 to initiate a share buy-back programme of up to SEK 50 million. The purpose of the buy-back programme was to enable Fasadgruppen to use repurchased own shares to finance future acquisitions, optimise the capital structure and create value for the company's shareholders. At year-end, Fasadgruppen held 114,234 treasury shares, equivalent to 0.21 percent of the total number of shares. The total number of outstanding shares after the buy-back was 53,717,879. Fasadgruppen's Board of Directors has not used the mandate to buy back shares after the Annual General Meeting 2024.

Dividend and dividend policy

Given the Group's financial position and growth opportunities, the Board of Directors proposes to the Annual General Meeting 2025 that no dividend be paid for the year (1.70). To increase transparency in the Group's capital allocation strategy, the Board has also decided to remove the policy of distributing 30 percent of the net profit, as it believes that a focus on lower net debt initially and growth through acquisitions and organic initiatives over time will create greater value for shareholders than annual dividends.

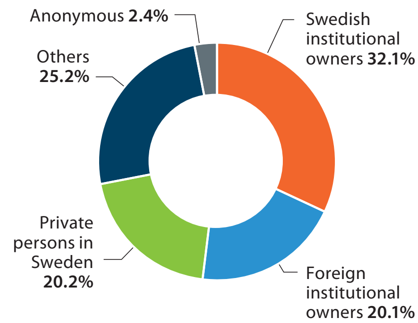
SHARE PRICE DEVELOPMENT



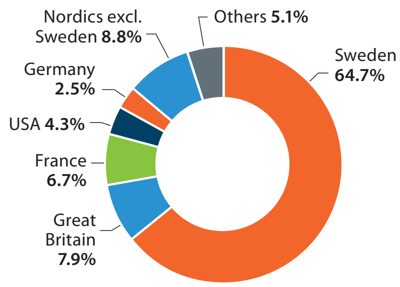
THE TEN LARGEST SHAREHOLDERS

Shareholders as at 31 December 2024	Number of shares	Share of capital & votes, %
Connecting Capital	5,303,769	9.9
Swedbank Robur Fonder	3,835,496	7.1
Gallows Pole Ltd	2,599,210	4.8
Avanza Pension	2,489,354	4.6
Third National Pension Fund	2,150,762	4.0
KFAB Förvaltning AB	1,998,704	3.7
Amiral Gestion	1,856,124	3.4
Capital Group	1,720,978	3.2
Sterner Stenhus Holding AB	1,685,841	3.1
Sp-Fund Management	1,534,692	2.9
Total	**25,174,930**	**46.8**
Other shareholders	28,657,183	53.2
Total	**53,832,113**	**100%**

SHAREHOLDING BY CATEGORY



SHAREHOLDING BY COUNTRY



Reasons to invest in Fasadgruppen

1 Exposure to strong market drivers

Fasadgruppen's subsidiaries offer services that are directly exposed to strong market drivers, in addition to the general underlying need for renovation of the property stock. In both the Nordics and the UK there is a major focus on energy efficiency improvements and the EU has determined that all properties must have energy performance equivalent to that of new production by 2050 at the latest. Banks and insurers are also pushing for a faster rate of transition and climate change adaptation in the property stock. In the UK, extensive work is also under way to fire-proof incorrectly constructed façades, with heavy consequences for property owners that do not take appropriate action.

2 Strong local entrepreneurship with economies of scale

The Fasadgruppen business model is based on a decentralised structure where subsidiaries are responsible for their own results, projects and customer relationships. Our subsidiaries work closely with each other to win multidisciplinary projects, and share resources and best practice. Purchasing agreements for materials, for example, at central level, provides economies of scale. The Group also implements initiatives for the subsidiaries to develop their expertise in critical areas such as cash flow management and it provides operational support in, for example, financial reporting, QHSE (Quality, Health, Safety and Environment) and legal matters.

3 Strong cash flow provides a basis for shareholder value

A combination of profitable subsidiaries and low requirements for working capital and investment provides the basis for strong cash conversion over time. Fasadgruppen actively works to optimise its capital allocation in order to create stable long-term shareholder value. Strategic acquisitions of niche companies, which strengthen the offering and benefit from economies of scale within the Group, along with organic initiatives focused on areas such as energy efficiency, enable Fasadgruppen to deliver profitable growth.

Fasadgruppen's priorities 2025–2028

In 2025, Fasadgruppen's main focus will be on strengthening profitability at existing subsidiaries, which, combined with a more cautious acquisition agenda, will reduce the Group's net debt in relation to EBITDA. With a stronger balance sheet, the Group will then once again be able to prioritise acquisitions as a central part of its strategy.

Fasadgruppen aims to achieve SEK 10 billion in sales, with an EBITA margin of at least 10 percent, by 2028. The way to achieve this is to prioritise profitability through improvements at subsidiaries and greater efficiency, a debt ratio where net debt in relation to EBITDA is lower than 2.5x, and growth through organic opportunities and continued consolidation of niche markets.

Strategy

Fasadgruppen's strategy is based on four focus areas that together provide the foundation for profitable growth.

1 People and network development

Fasadgruppen's most important resource is the people who work within the Group. Successful projects require both extensive craftsmanship and project management skills, while it is also extremely important that leadership reflects the Group's entrepreneurial spirit and decentralised business model. The Group works according to established models to maintain a strong and consistent leadership culture, while employees' skills are also developed through both central and local initiatives. These include joint training for specific roles within the Group, such as project managers and finance staff. Fasadgruppen also establishes internal networks, where companies and employees who work within the same niche can get together and exchange best practice.

2 Operational excellence

Through a clear focus on having a high level of operational capacity, Fasadgruppen works to continuously develop and strengthen its subsidiaries. Operational support functions and synergy initiatives at regional level enable subsidiaries to place greater focus on day-to-day operations and at the same time benefit from each other's expertise. Fasadgruppen's ambition is to provide an organisation that effectively shares resources, purchasing agreements and best practice and which exploits cross-selling opportunities. The Group uses a number of core processes, which are implemented directly at the time of acquisition, to achieve economies of scale.

3 Mergers and acquisitions

Fasadgruppen uses acquisitions to strengthen its geographical presence, service offering and expertise. Acquired companies continue to operate with a high degree of autonomy and under their own brands, while benefiting from the combined operational capacity of the Group. In addition to acquiring new Group companies, add-on acquisitions are also made to existing subsidiaries with the aim of increasing expertise and reaching critical mass. When identifying potential acquisitions, considerable emphasis is placed on the management's entrepreneurial skills and on the company's strategic matching with Fasadgruppen. In 2025, Fasadgruppen will apply a more cautious acquisition agenda in order to prioritise stronger profitability in existing operations.

4 Sustainability

As a market leader, Fasadgruppen strives to professionalise and drive sustainable development throughout the industry. Fasadgruppen has established a strategic framework for its sustainability work, based on three focus areas – The industry's most ambitious climate action, The industry's best workplace and The industry's most stable partner. These areas are fully integrated into the business and underpin the entire strategy of developing people and networks, operational capacity and acquisitions.

Fasadgruppen's value creation strategy

Four strategic focus areas

1 People and network development

2 Operational excellence

3 Mergers and acquisitions

4 Sustainability

Components of value creation

Quality and craft skills	Decentralised business model	Defined profitable niches and sub-niches
Passionate and committed people	Cross-selling	Leading position in selected markets
Leading full-service offers	Asset light	Diversified customer base

Business model

Fasadgruppen's business model is based on a decentralised structure that combines the entrepreneurial endeavour, proximity to customers and limited overheads of the local company with shared opportunities to achieve economies of scale and offer comprehensive solutions to customers.

Fasadgruppen's business model is based on a decentralised structure with entrepreneurial subsidiaries supported by internal boards and shared functions. General strategic issues such as capital allocation and reporting are also handled at Group level. The sharing of resources and best practice, identification of cross-selling opportunities and joint sales initiatives are coordinated at regional level and within common niches. In this way, the entrepreneurial endeavour, proximity to customers and limited overheads of the local company are combined with the Group's opportunities to achieve economies of scale and to secure and offer comprehensive solutions to the customer.

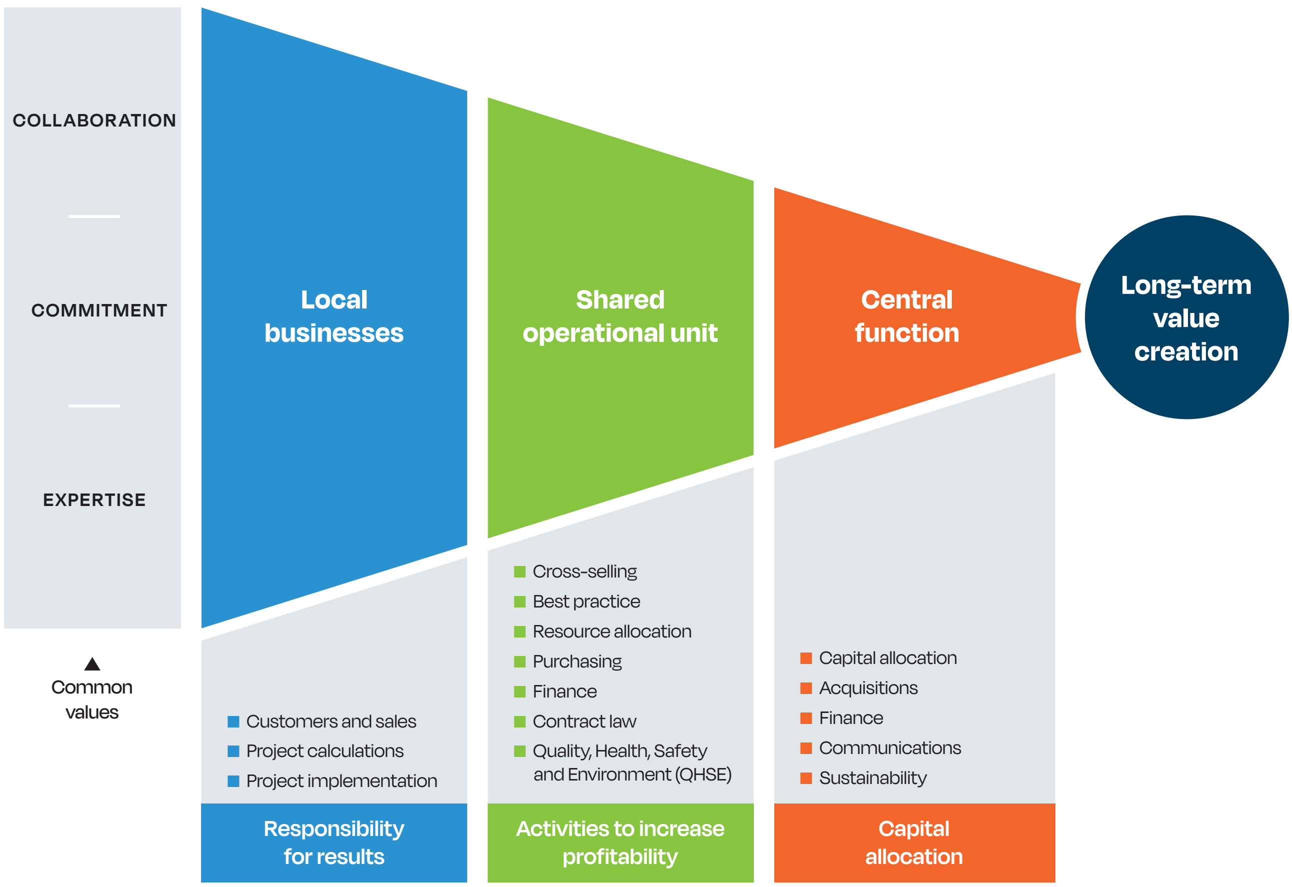
Local businesses

Our subsidiaries operate under their own brands and are responsible for their customers, sales, production, project calculations and profitability. They maintain significant independence with great responsibility for managing their enterprise in their local markets and building up their own order books with future projects. To assure profitability and cash flow, the subsidiaries continuously strive to develop their expertise in calculation, project follow-up and cash flow management. All of the CEOs of subsidiaries report to a Chair of the Board, who is responsible for supporting the businesses on both operational and strategic issues.

Shared operational unit

Fasadgruppen provides shared functions such as purchasing, finance and Quality, Health, Safety and Environment (QHSE), enabling the subsidiaries to focus on their day-to-day operations.

A decentralised structure



Central function

Fasadgruppen has a small Group function that focuses on maximising value creation from the business cash flows through optimal capital allocation. The Group function also takes care of reporting, risk management and communications, among other things.

Decentralised pricing

Fasadgruppen uses a decentralised pricing strategy where each subsidiary is responsible for its own pricing. Our subsidiaries are able to use the operational support functions as necessary to check their calculations and achieve profitability targets. Fasadgruppen uses a cost-based pricing model and projects are generally carried out on a fixed price basis. This model is adaptable and offers opportunities for flexibility when pricing projects.

Centralised purchasing process

Fasadgruppen has a centralised purchasing process that is designed to achieve cost savings for every subsidiary. The process entails ordering large volumes of materials, which puts us in an advantageous negotiating position. These cost savings are particularly substantial for newly acquired companies. The centralised purchasing process is managed by our purchasing organisation, which works continuously to improve the processes and negotiate framework agreements. Fasadgruppen purchases materials from several different suppliers and is therefore not exposed to individual suppliers. Our purchasing organisation is also responsible for ensuring Fasadgruppen works to increase the proportion of sustainable materials and that suppliers adhere to Fasadgruppen's Code of Conduct.

Acquisitions

Fasadgruppen uses acquisitions to strengthen its geographical presence, service offering and expertise. Acquired companies continue to operate with a high degree of autonomy and under their own brands, while benefiting from collaboration, joint purchasing agreements and operational support functions.

Acquisition strategy

Fasadgruppen's acquisition strategy is based on the decentralised business model, where the acquired companies are able to operate with a high degree of autonomy but in a new entrepreneurial context. Common to all companies is that they operate in a niche that focuses on building exteriors and they are therefore able to identify synergies with their sister companies in the Group. In addition to acquiring new Group companies, add-on acquisitions are also made to existing subsidiaries with the aim of increasing expertise and reaching critical mass. The Group may also start up new companies from scratch in order to complement existing operations in a cost-effective manner. In 2025, Fasadgruppen will apply a more cautious acquisition agenda in order to prioritise strengthening profitability in existing operations.

Identification of acquisitions

Fasadgruppen is active within established industry networks and has a good reputation on the market. The primary sources for potential acquisitions are references from the local management teams of subsidiaries and the central management team's networks. Each new acquisition tends to create additional acquisition opportunities through contacts and knowledge about the relevant local market possessed by the newly acquired company. Fasadgruppen applies a number of acquisition criteria such as good profitability, clear niche and long-term management. When identifying potential acquisitions, considerable emphasis is placed on the management's entrepreneurial skills and on the company's strategic matching with Fasadgruppen.

Integration of new companies

Once a company has been acquired, integration commences immediately, focusing on efficient processes, without risking disruptions to day-to-day operations. The aim is to establish conditions for the new subsidiary to take advantage of the Group's economies of scale, while continuing to develop its local market position and offering in line with established methods.

Integration and synergy model

Six pillars that ensure optimal integration and promote economies of scale:

▶ **Monthly reporting:** Subsidiaries report their financial results each month, along with other key performance indicators such as order backlog, and these reports are then consolidated centrally. The aim is to achieve internal comparability and complete control over the Group's financial performance so as to ensure that our organisation is managed in the best way. Using a score card system, the subsidiaries can see how they are performing in comparison with other subsidiaries and Fasadgruppen's financial targets. All to strengthen local entrepreneurship.

▶ **Percentage of completion method:** All subsidiaries apply the percentage of completion method for long-term projects. This accounting method aims to ensure that the company reports income at an amount that corresponds to the proportion of the overall project completed.

▶ **Cash flow management:** All new subsidiaries receive support in ensuring efficient cash flow management in line with Fasadgruppen's overall goal for cash conversion.

▶ **Purchasing agreements and IT:** Immediately after acquisition, all new subsidiaries are able to use the Group's central purchasing agreements with favourable commercial terms. They are also integrated into a common IT security environment and have access to best practice regarding IT tools and well-established security routines and continuity plans.

▶ **Sustainability:** At the time of acquisition, Fasadgruppen's Code of Conduct and whistleblower system are established, as well as policies relating to occupational health and safety, among other things. New subsidiaries are also certified in accordance with ISO 9001 and ISO 14001, which means that they meet the requirements for good control of quality and the environmental impact of their operations.

▶ **Cooperation and succession:** Subsidiaries are introduced to their sister companies in the geographic cluster to which they belong, where cooperation takes place continuously. All clusters of subsidiaries handle ongoing projects and acquisitions, cross-selling opportunities and the sharing of resources and best practice, among other things. The Group also ensures that there are succession plans in place at each company.

Fasadgruppen **expands** into the UK 

In October 2024, Fasadgruppen expanded outside the Nordic region for the first time, with the acquisition of Sheffield-based **Clear Line** and subsidiaries. With its specialist service offering in fire prevention measures, the company has a strong position on the UK market and is Fasadgruppen's largest single acquisition to date.

Clear Line was founded in 1997 and is a well-established player within design and work on façades and building envelopes in the UK. The company has annual sales of around GBP 48.9 million and has strong purchasing capacity. It provides customers with a total solution that covers the entire project process, from design and planning to execution and documentation. In recent years, Clear Line has carried out several complex fire prevention projects, which have helped to strengthen the company's market position and earnings. Through its successful business model, Clear Line has established a strong reputation among consultants, property managers and developers.

"In Clear Line, we have found a unique player with a proven business model that has built an excellent market position in its clear niche and thereby achieved an attractive financial profile. The company's total solution, which helps the customer all the way from planning to execution and documentation with the support of a sophisticated IT platform, has made Clear Line a sought-after contractor among property owners who need to upgrade their façades, says Martin Jacobsson, CEO of Fasadgruppen.

In addition to basic maintenance requirements and energy efficiency measures, the renovation market in the UK is being driven by specific remedial measures for flammable façades, following the Grenfell Tower fire in London in 2017. The catastrophic fire led to the introduction of the Building Safety Act, which tightened requirements for fire safety and responsibility in multi-occupancy buildings. Demand for renovation of the buildings in question is estimated at approximately GBP 1.5 billion per year for the next 14 years. In residential properties alone, around 14,600 buildings have been assessed as being in need of fire prevention measures and so far roughly 1,400 buildings have been treated.

"In seeking new ownership, we sought to find a committed owner who understands and has the same passion for the building envelope industry as we do; we also sought scale that matches our ambitions. In both regards, Fasadgruppen provides a perfect fit for Clear Line. With their support we can expand our offering to larger portfolios where turnover limits might otherwise preclude such expansion, enabling us to access more projects with both existing and new clients in the UK," says Peter Hebb, CEO of Clear Line.

The UK market contains many niche players who would be a good fit for Fasadgruppen's decentralised model. Going forward, this makes the UK market an attractive complement to the Group's Nordic market, with opportunities for future consolidation and growth.

Market

Fasadgruppen's subsidiaries are active on the building envelope services market in Sweden, Denmark, Norway, Finland and the UK. The market can be roughly divided into façades, windows, balconies, roofing and sheet metal, plus scaffolding and other services. The underlying markets consist of renovation, new construction and fire prevention measures.

The Nordic market for building envelopes is estimated at around SEK 125 billion a year. The Swedish market is estimated at around SEK 36 billion, the Norwegian market SEK 37 billion, the Danish market around SEK 27 billion and the Finnish market around 25 billion. The metropolitan regions account for around half of all turnover in the Nordic region. The UK market for façades, where Fasadgruppen's subsidiary operates, is estimated to be worth around SEK 140 billion a year.

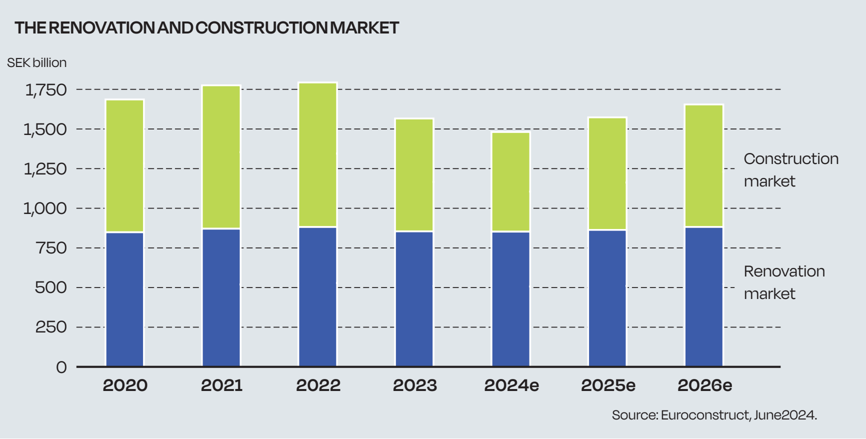
Focus on renovation and façade improvements

Fasadgruppen focuses predominantly on the renovation market and approximately 80 percent of sales in 2024 consisted of renovation of apartment buildings and commercial properties. Over the past 15 years, the average annual growth rate on the renovation market was around 2.5 percent. The new build market is more volatile, but has enjoyed a slightly higher annual growth rate of around 2.8 percent. The higher volatility is due to a stronger connection to the economic cycles where macroeconomic factors such as GDP growth and interest rates affect property prices and vacancies, which in turn affects the construction market. The façade market is driven by an underlying need to renovate both residential and commercial properties. With regard to new construction, façade work also represents a crucial and specialised activity that construction companies largely outsource.

In addition to the underlying need for façade work, the trend towards more energy-efficient buildings is also considered capable of increasing further, with measures and upgrades to achieve better energy performance for some of the property stock set to become enshrined in law. The UK market is also being driven by specific fire prevention measures for façades following the catastrophic Grenfell Tower fire in 2017.

Project structure

The façade market is largely project-based. Each project has its own unique aspects when it comes to the size and complexity of the construction concerned. Fasadgruppen focuses on the mid-size segment of the market, where projects are in the magnitude of SEK 1–100 million, but have an average size of SEK 3–4 million. References, customer relationships, local presence, short lead times and competitive pricing are key factors in successfully tendering for these projects. In some cases, the projects are larger than SEK 100 million, but these are then often divided into phases spanning several years.



Competitors

The façade market is highly fragmented and mainly consists of a large number of small companies operating on a local market within a particular specialism (masonry, plastering, windows, balconies, roofing and sheet metal or scaffolding). Other than Fasadgruppen, only a handful of companies have the capacity to offer multidisciplinary services and tender in several geographical areas. This fragmentation means that larger companies have opportunities to consolidate the market, which is supported by increasing customer demand for turnkey solutions.

Impact of inflation and interest rate rises

Fasadgruppen's development as a whole has been affected in 2024 to a great extent by the previously high inflation and subsequent rapid interest rate increases. As the market for new builds has declined, particularly in the Stockholm region, companies that normally operate in new construction have needed to switch to the renovation market, which has resulted in increased competition and price pressure. The renovation market as such has remained stable, however, as professional property owners follow their established maintenance plans.

Market drivers

Requirement for energy efficiency in properties

In 2024, the EU's new Energy Performance of Buildings Directive (EPBD) came into force, which aims for the European building stock to achieve energy performance equivalent to that of new construction no later than 2050. A large proportion of the existing stock is affected by this Directive, the next step for which is its anticipated implementation in national legislation in 2025. Achieving the target will require the renovation rate to at least double over the next 25 years. In addition to this policy, financiers are also stipulating more stringent requirements for property owners relating to energy efficiency and green transition.

▶ **New legislation** and more stringent requirements from lenders are expected to result in a long-term increase in demand for solutions that enhance a property's energy performance. Fasadgruppen has extensive experience in projects that significantly improve the energy efficiency of properties and is able to demonstrate this through several reference projects. Thanks to our sharing of knowledge and application of best practice within the Group, we are continuously enhancing our subsidiaries' knowledge of the best solutions.

Remedial measures for flammable façades in the UK

Following the Grenfell Tower disaster in 2017, when a fire spread via the building's façade and 72 people lost their lives, the UK government launched a building safety programme to make safe all buildings with the same or similar types of façade construction. Demand for renovation is estimated at approximately GBP 1.5 billion per year for the next 14 years for those buildings that will need fire prevention measures. In residential properties alone, around 14,600 buildings have been assessed as being in need of fire prevention measures and so far roughly 1,400 buildings have been treated.

▶ **Fasadgruppen** through its subsidiary Clear Line, has unique exposure to the market for fire prevention façade measures in the UK. Clear Line has a market-leading position in this niche, with a large portfolio of repeat customers and many reference projects. Thanks to its business model, with its own personnel principally in design, costing and project management, combined with a pool of craftspeople hired on a project basis, the company has the scalability to take on multiple projects at the same time.

Ageing property stock and technical debt

In the 1960s and 70s, a large number of housing blocks were built in Sweden as part of the one million homes programme. Added to which, around 85 percent of apartment blocks were built more than 20 years ago.

▶ **The ageing** property stock will drive demand for exterior renovation work. As maintenance is often neglected in several areas, extensive measures will have to be taken, such as repairs of mortar and plaster and the renovation of roofs, windows, balconies and open gangways. As a complete supplier, Fasadgruppen can perform several services within a single project, which means the property owner can avoid having to deal with different contractors and there is less inconvenience to residents.

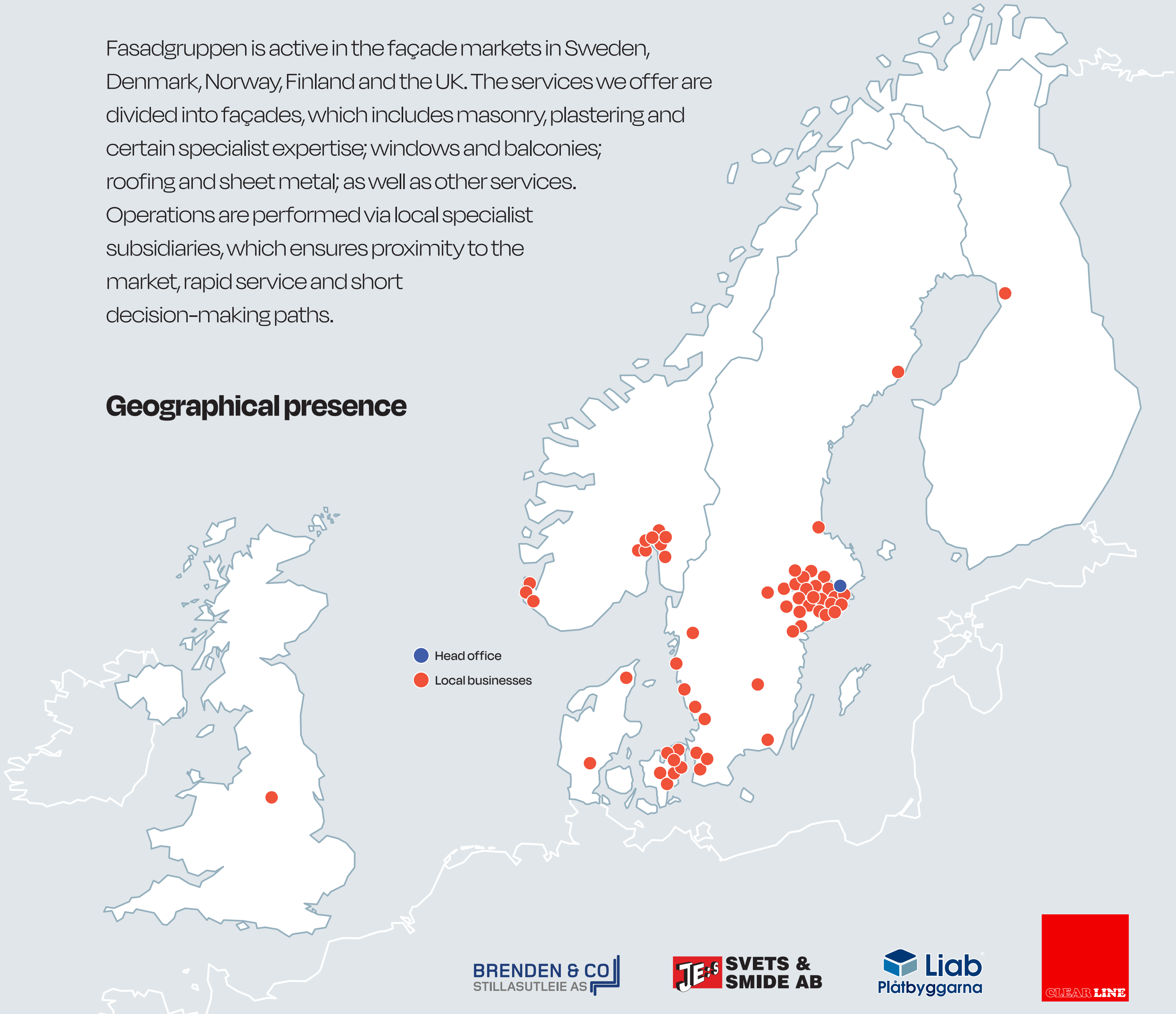
Other drivers

Other drivers affecting the market are the need to preserve cultural heritage buildings using specialist craftsmanship, increased requirements for circularity with more property owners seeking to renovate and reuse rather than replace with new materials, as well as better protection against extreme weather. All these drivers are expected to benefit Fasadgruppen's market position.

Our companies

Fasadgruppen is active in the façade markets in Sweden, Denmark, Norway, Finland and the UK. The services we offer are divided into façades, which includes masonry, plastering and certain specialist expertise; windows and balconies; roofing and sheet metal; as well as other services. Operations are performed via local specialist subsidiaries, which ensures proximity to the market, rapid service and short decision-making paths.

Geographical presence



Brenden & Co Stillasutleie AS
JE:s Svets & Smide AB
Liab Plåtbyggarna
Clear Line
Rovakate RKC Construction Oy
Murpartnern
Johns
Haga Plåt
Sydskiffer byggnads AB
Kjær Knudsen
Stark
Valbo Fasad entreprenad ab
DVS Entreprenør
Ahlins plåt
Solid Fasad
Husby Takplåtslageri
RSM Fasade
eklundsglas.se
Mellansvenska Fasad
Byens
Malermesterfirma Meyer - Mørch
Elenta Solar Sverige
Surface
Maler Compagniet
Front
OPN A/S Murer- og Entreprenørfirma
Helsingborgs Fasad & Kakel AB
Rogaland Blikk AS
SH Bygg AS

Fasadgruppen companies

SWEDEN	Façades	Windows & balconies	Roofing & sheet metal	Other services
Ahlins Plåt	●		●	●
Allt i murning	●	●		●
Alnova balkongsystem		●		
Bruske Delér Fönsterrenovering	●	●		●
Eklunds Glas		●		●
Engman Tak	●		●	●
Fasadteknik	●	●		
Frilleås Mur & Puts	●			
FRONT	●	●	●	●
GAJ Stålkonstruktioner				●
Haga Plåt	●		●	●
Helsingborgs Fasad & Kakel	●	●		●
Husby Takplåtslageri	●		●	
JE:s Svets & Smide				●
Johns Bygg & Fasad	●	●	●	●
Karlaplans Plåtslageri	●		●	●
Karlsson Fasadrenovering	●	●	●	●
Kumla Fasadteam	●			●
Liab			●	●
Malmö Mur & Puts	●	●	●	●
Mellansvenska Fasad	●			●
Murpoolen	●	●		●
Mälardalens Mur & Puts	●			
rapid hyrställningar				●
Rosborg Entreprenad		●	●	●
Simtuna Bygg & Betong		●		●
SmartFront	●	●		●
Solid Fasad	●	●		●
Stark Fasadrenovering	●	●	●	●
Sterner Stenhus Fasad	●	●	●	●
Surface				●
Sydskiffer	●			●
Tello Service Partner		●	●	●
Valbo Fasad Entreprenad	●	●	●	●
Valvet Fasad	●	●		
Åby Fasad	●	●	●	●

NORWAY	Façades	Windows & balconies	Roofing & sheet metal	Other services
Brenden				●
Chem-Con	●			●
DVS Entreprenør	●	●	●	●
Elemta			●	●
Malercompagniet	●	●	●	●
Meyer-Mørch	●			●
Mjøndalen Mur & Puss	●			
Murpartnern	●			●
Rogaland Blikk		●	●	●
RSM Fasade	●			●
SH-Bygg	●	●		●

DENMARK	Façades	Windows & balconies	Roofing & sheet metal	Other services
Altana		●		●
Alument				●
BYENS TAG & FACADE		●	●	
Cortex Facaderens				●
Kjær Knudsen	●		●	●
OPN Enterprise	●			●
P. Andersen & Søn	●		●	●
Weldmatic		●		

FINLAND	Façades	Windows & balconies	Roofing & sheet metal	Other services
Rovakate	●		●	●

UNITED KINGDOM	Façades	Windows & balconies	Roofing & sheet metal	Other services
Clear Line	●			●

Risk management

Fasadgruppen's operations, like all business operations, are associated with different types of risk that can affect the Group's ability to pursue its strategies and achieve its objectives. Well-balanced risk management can create opportunities and competitive advantages.

Fasadgruppen defines risk as a future possible event that threatens the organisation's ability to achieve its vision and long-term targets. To minimise risks and their negative impact, the Group applies an established process throughout which risks are continuously identified, managed and reviewed. Risks identified are categorised into external risks, operational risks and financial risks and are assessed on the basis of their probability and impact.

The year 2024 began with inflation that was still high, but declining, and which returned to normal levels during the second half of the year. The macroeconomic challenges, combined with escalating global geopolitical tensions, resulted in continued uncertainty on the market during the year. Although Fasadgruppen does not have any direct exposure to Russia and Ukraine or the Middle East, the business is affected by the general economic situation, just like everyone else. As inflation eased, so the economy also slowed, which has led to a general increase in price pressure and competition. The longer-term consequences of higher interest rate levels, which are mostly considered to be of a general cyclical nature, remain hard to predict. Fasadgruppen is subject to strict financial covenants relating to debt ratio and interest coverage ratio, but the aim is to improve the key performance indicators during 2025 through a cautious acquisition strategy and changed dividend policy.

The construction and property sector has continued to be marked by uncertainty and economic decline, with the largest impact in Sweden. Fasadgruppen focuses predominantly on the renovation market and approximately 80 percent of sales in 2024 consisted of renovation of apartment buildings and commercial properties. Demand in the renovation sector remained solid, driven by the underlying renovation requirements of the ageing property stock in the Nordic region together with a new EU Directive that places more stringent requirements on the energy performance of properties. The UK market is also being driven by specific fire prevention measures for façades following the catastrophic Grenfell Tower fire in 2017.

Risk analysis matrix

External risks

- A Impact of economic situation and inflation
- B Climate change adaptation
- C Climate impact mitigation
- D External shocks

Operational risks

- E Projects
- F Acquisitions
- G Skills supply
- H Supply and value chain
- I Warranty undertakings and claims
- J Health and safety
- K IT risks
- L Compliance

Financial risks

- M Impairment of acquisition-related intangible assets
- N Interest rate risk
- O Financing risk
- P Credit risk
- Q Currency risk

External risks

External risks are primarily related to factors outside Fasadgruppen's own operations such as macroeconomic growth on the Group's main markets that may come to affect the possibility of achieving targets set. External risks can be reduced and managed to a certain extent via careful analysis and strategic choices.

RISK DESCRIPTION	RISK MANAGEMENT
A Impact of economic situation and inflation Fasadgruppen is affected by the general economic situation and other market conditions through, among other things, material prices as well as pricing and the demand for the Group's services.	The market for renovations, which is Fasadgruppen's main market, has historically shown stable development even in weaker economic situations. The Group's broad customer portfolio and geographical diversification help to further spread the risk, which reduces possible economic risks. The Group's exposure to inflation risks is also reduced by seeking fixed prices for materials from suppliers. Projects are relatively short, which reduces the risk of being tied up with long, unprofitable customer contracts.
B Climate change adaptation Fasadgruppen's work is largely carried out outdoors and can therefore be affected by unfavourable weather conditions. In the long term, the work can be affected by extreme weather caused by global climate changes, which can, for example, make project planning and implementation more difficult.	Fasadgruppen works actively to adjust its workforce so that the utilisation rate is as high as possible. Thanks to the geographical spread, companies in the north, which generally have more difficult weather conditions to deal with, can, if necessary, loan out staff to companies in the south. In order to deal with extreme weather, great demands are placed on safety at the workplace in the form of, for example, weather protection.
C Climate impact mitigation Fasadgruppen needs to reduce greenhouse gas emissions in relation to use and to improve resource efficiency and choice of suitable materials and transportation in its daily work to promote the climate and contribute to the global climate goals.	As part of managing the climate-related risk based on its own operations' emissions, Fasadgruppen has undertaken to achieve net zero greenhouse gas emissions throughout the value chain by 2045 and has adopted science-based short-term and long-term targets to reduce emissions from its operations. All subsidiaries in Fasadgruppen have been approved according to ISO 9001 (quality certification) and ISO 14001 (environmental certification), or equivalent. The Group also has a Code of Conduct that covers both employees and suppliers and which constitutes a framework for reducing the adverse climate impact. Furthermore, all material suppliers are classified on a sustainability scale in order to accelerate the transition to more sustainable materials.
D External shocks External shocks such as pandemics can pose a serious threat above all to the health of employees and to their working environment. In addition, external shocks such as wars or geopolitical tensions and conflicts can lead to increased project costs due to higher raw material prices and can affect customers and result in the postponement or termination of contracts.	Fasadgruppen actively follows developments in society and maintains a constant dialogue with the respective subsidiaries regarding both needs and possible challenges in logistics, materials, supply chains and employees in all geographical areas. Furthermore, developments are followed in each country in which Fasadgruppen's companies operate, taking into account local measures, restrictions and possible closures.

Operational risks

Operational risks arise in everyday operations and are primarily within the control of Fasadgruppen.
Operational risks are managed with the aid of policies and guidelines, along with clear processes and strong common values.

RISK DESCRIPTION	RISK MANAGEMENT
E Projects Fasadgruppen mainly works in project format and is therefore exposed to project risks, such as purchasing risks (e.g. incorrect calculations of materials or time required) and production risks (e.g. logistics challenges, complexity and faulty installation work). The project format also entails a risk in terms of competition and price pressure during procurement.	Fasadgruppen actively works to identify and prevent project and production risks. The risk of incorrect calculations is reduced, for example, through the requirement of duality for project calculations. Before Fasadgruppen enters into a contract and starts a project, a risk analysis is carried out for the specific project. The Group also works to ensure that the right personnel work on the right project, in other words the employees who work on a project have the required expertise and experience. Should a problem arise in a project, this is initially handled by the subsidiary concerned, but the Chair of the Board for the area may be involved as needed to help resolve the problem. As the Group annually implements countless projects that are independent of each other, the potential impact of the risk is isolated and limited.

Operational risks cont.

RISK DESCRIPTION	RISK MANAGEMENT
F Acquisitions Fasadgruppen has an active acquisition strategy that has contributed to the growth of the Group since its inception. The Group is therefore exposed to risks related to opportunities to identify, evaluate and complete acquisitions, and to then integrate these companies. Fasadgruppen is also exposed to a risk related to acquisitions in respect of competition from other players.	Fasadgruppen completed five acquisitions in 2024 and continuously develops its acquisition strategy. The Group identifies potential acquisition candidates supported by the market knowledge that we are an attractive buyer with an established network in the sector. Fasadgruppen's contacts and partnerships with various industry associations make the work easier to quickly identify interesting local companies and acquisition candidates. Fasadgruppen has a process for examining acquisition candidates which is continuously developed. Once a company has been acquired, integration commences immediately, focusing on efficient processes, without disrupting day-to-day operations. Fasadgruppen has a well-established integration and synergy model based on pillars that include ISO certification, purchase agreements, and the percentage of completion method.
G Skills supply Fasadgruppen needs key personnel such as subsidiary CEOs, skilled employees and craftspeople in order to operate its business. Furthermore, a qualified and diversified workforce is needed that has competence and experience in business acquisitions, sales and cost estimation for various types of contract assignments as well as project management and supervision.	Fasadgruppen strives to be an attractive employer that offers favourable terms and conditions, professional managers, and safe and secure workplaces that provide employees with opportunities for development. The Group strives to strengthen diversity within the Group by increasing the number of female employees every year. Fasadgruppen also works actively to attract future craftspeople to the profession by attending relevant events and by offering apprenticeship programmes. In the event that a subsidiary is lacking in personnel for a project, it is possible to borrow staff from other subsidiaries in the Group. At existing subsidiaries, the skills matrix is updated and succession planning evaluated continuously in order to secure the right internal capabilities and long-term leadership.
H Supply and value chain The supply chain is regularly engaged as a complement to our own workforce. Engaging subcontractors entails the risk that Fasadgruppen lacks full insight into, or control over, subcontractor activities or personnel. If the subcontractor does not maintain a sufficiently high standard, this can have an adverse impact on Fasadgruppen. Similarly, there is a quality assurance risk with materials if there is inadequate insight in the supply chain when it comes to the choice of input goods in the production process.	Fasadgruppen complies with the OECD Guidelines for Multinational Enterprises and has signed up to the UN Global Compact. As a participating company, Fasadgruppen supports and commits to working in accordance with the ten principles of the Global Compact relating to human rights, labour, environment and anti-corruption. Fasadgruppen works systematically to prevent and mitigate potential adverse impacts and to minimise actual adverse impacts in the value chain. Fasadgruppen continuously evaluates and increases its control over the supply chain and secures access to business-critical materials. Materials are purchased in line with central contracts and quality control templates. Fasadgruppen's subsidiaries usually engage the same subcontractors over time, and so become familiar with the other party's operations and personnel. To ensure quality, all subcontractors must comply with Fasadgruppen's Code of Conduct and other applicable rules. Fasadgruppen only works with subcontractors that are verified in terms of minimum requirements and have collective agreements with their personnel to avoid any problems of illegal workers and, to the greatest extent possible, to prevent any breaches. Fasadgruppen also performs checks on subcontractors.
I Warranty undertakings and claims Fasadgruppen's agreements with Nordic customers generally include warranty undertakings in accordance with the general provisions for turnkey contracts for construction, civil engineering and installation work. These warranty undertakings usually entail Fasadgruppen being responsible for the work fulfilling the agreed functional requirements and for any defects arising within a warranty period.	Fasadgruppen's subsidiaries generally have extensive experience of carrying out façade work and actively work on quality assurance in all projects to minimise the number of complaints. Quality assurance measures implemented include final inspection of the work before a project is concluded. In the event that a subsidiary receives a warranty claim or complaint, legal support can be provided by Fasadgruppen's central functions. As the Group annually implements a large number of projects that are independent of each other, the potential impact of the risk is isolated and limited.
J Health and safety The work carried out often entails working in risky environments such as at significant height. Accordingly, the work is associated with certain risks, such as the risk of physical injury and repetitive strain injuries. Such risks can entail personal injuries and fatalities, plus severe damage to property and work equipment.	Fasadgruppen's operations are subject to extensive laws and regulations which aim to maintain a safe work environment. Fasadgruppen has also implemented targets, policies and other measures aimed at reducing the risk of accidents in the workplace. The Group has a central QHSE manager who works with relevant personnel and supports the business to ensure the Group can offer the best work environment for its personnel. Injuries and accidents are to be prevented by each subsidiary annually mapping potential work environment risks and formulating a plan to prevent them. All supervisors are trained in safe working methods and procedures. Each workplace is to be provided with safety instructions in relevant languages.

Operational risks cont.

RISK DESCRIPTION	RISK MANAGEMENT
K IT risks Risk of an extended interruption, fraud or unauthorised access to business-critical systems and loss of business-critical data.	IT-risks are managed via back-ups and compliance with IT Policy and control activities. Relevant personnel are given regular training and information about fraud and information security. The risk is also limited through the Group's decentralised IT environment. The appointment of an internal IT manager has further strengthened the risk management for IT risks within the Group.
L Compliance Failure to comply with internal controls at Group and subsidiary level in a large, decentralised organisation entails a risk for Fasadgruppen. Risks include failure to comply with internal Group policies and failure to implement controls. There are also risks relating to the failure of employees to comply with internal rules or legal requirements.	Fasadgruppen actively works with the Group's established values and training in the Code of Conduct, for both employees and suppliers. This work is primarily based on the Code of Conduct for employees, the Code of Conduct for suppliers and the whistleblower function that is available to both employees and external parties. Fasadgruppen has a structured approach to mitigating the risks, which are monitored via control activities at company level.

Financial risks

Financial risks refer to risks in the form of changed financial conditions that are managed by the Group's central finance function in accordance with guidelines in the Group's finance policy. By consolidating and controlling these risks centrally, it is possible to reduce the risk level and achieve cost-efficient financing.

RISK DESCRIPTION	RISK MANAGEMENT
M Impairment of acquisition-related intangible assets Acquisitions form a key part of Fasadgruppen's growth strategy, and acquisition-related goodwill is accordingly a significant item in the consolidated balance sheet. Risk of impairment of goodwill and other acquired intangible assets arises, for example, if a valuation unit underperforms in relation to the assumptions that applied at the valuation or if conditions on the financial markets change compared with the time of the acquisition. Any impairment may have a negative impact on the Group's financial position and results.	Fasadgruppen has extensive experience of acquiring and pricing companies. A vital part of our acquisition model is based on creating incentives for continued positive growth in profitability by retaining key personnel in the company. All potential candidates are carefully examined and assessed based on clear criteria before an acquisition is implemented. The Group continuously monitors relevant circumstances relating to its business, the general economic situation and the potential impact of such circumstances on the valuation of the Group's goodwill.
N Interest rate risk Fasadgruppen is exposed to interest rate risk through fluctuations in market interest rates that affect the Group's earnings and cash flow.	Fasadgruppen has established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing interest rate risk. See Note 13.
O Financing risk Financing risk involves risks that current credit facilities will not be extended or it will not be possible to obtain new credit facilities, including new share issues to obtain external capital.	To limit financing risk, the Group works to maintain a good liquidity reserve, an adapted maturity structure for loans and credit facilities that harmonises with expected cash flows as far as possible over time, and to achieve diversification between forms of financing and markets. Fasadgruppen has also established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing financing risk. See Note 13.
P Credit risk Credit risk refers to the risk that the counterparty in a transaction fails to meet its financial obligations and that any collateral fails to cover Fasadgruppen's claim.	All companies within Fasadgruppen are to minimise and avoid exposure to credit risk associated with accounts receivable from customers. To limit this risk, the Group takes out annual credit risk insurance. Fasadgruppen has also established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing credit risk. See Note 13.
Q Currency risk Currency risk is the risk that changes in exchange rates will have a negative impact on the income statement, balance sheet and cash flow.	The majority of Fasadgruppen's transactions are conducted in the respective currency of each country (transaction exposure). Exposure to exchange rate changes may arise from balance sheet exposure at Group level from Danish, Finnish and Norwegian subsidiaries. Fasadgruppen has established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing currency risk. See Note 13.

Sustainability report

As the leading group in façade work in the Nordic region, Fasadgruppen works for sustainable development in its everyday operations. Fasadgruppen works within three focus areas – The industry's most ambitious climate action, The industry's best workplace and The industry's most stable partner – which the Group uses to manage its priorities.

CONTENTS

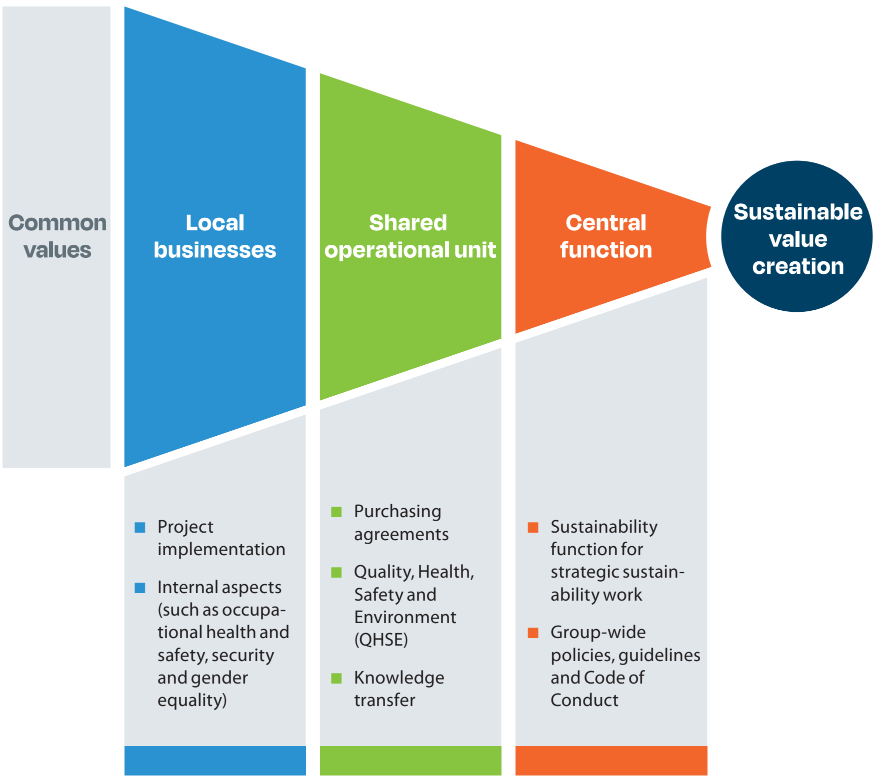
Sustainable value creation

The services that Fasadgruppen provides have a clear connection to sustainability and the environment. Most of the façade solutions have a direct positive impact on the energy efficiency of properties, for example through new additional insulation or the installation of energy-efficient windows.

Fasadgruppen's business model is based on a decentralised structure where locally established entrepreneurial subsidiaries can benefit from shared functions and economies of scale. The Group has common policies and guidelines in areas including environment, gender equality and occupational health and safety, as well as a Code of Conduct that all employees, suppliers and other partners must follow. A central sustainability function runs and follows up the strategic sustainability work within the Group and ensures compliance with policies and guidelines.

The shared functions provide central purchasing, Quality, Health, Safety and Environment (QHSE), as well as sales initiatives with a particular focus on improving energy efficiency. The operational unit also enables collaboration and knowledge transfer between subsidiaries.

Each subsidiary has a responsibility to pursue sustainability work every day, covering not only delivery to customers but also internal aspects such as occupational health and safety, and gender equality.



▶ Read all about Fasadgruppen's business model on pages 12–13.

Values

Fasadgruppen's values describe the core of our operations. These core values guide our work and constitute a clear promise to customers.

Collaboration

- Close collaboration within the Group, with customers, suppliers, and other partners.
- Optimise our way of working with others at all times, to develop close and long-term relationships.
- Best practice is regularly shared between companies within the Group with the aim of making work processes more efficient.
- Create scope for new partnerships.

Commitment

- Local knowledge and commitment in every region and market where we are represented.
- We are always customer-focused and strive to exceed highly ambitious expectations.
- Personal contact is the most profitable and effective approach for all parties.
- Local presence and regional strength provide security in the whole of our business.

Expertise

- Extensive accumulated experience in the façade sector.
- Broad expertise within façade installation makes us a reliable partner that delivers high-quality services.
- Best practice is shared within the Group to further develop our everyday operations for the greatest customer benefit.

Sustainability governance

The Board of Directors establishes Fasadgruppen's overall sustainability strategy and goals and follows up the work at each ordinary Board meeting. The Group's sustainability strategy is discussed annually at special strategy days by both the Board and the Group Management. The CEO is responsible for the ongoing progress and the follow-up of objectives and activities within the framework. The work is carried out in close collaboration with the CFO, the rest of the Group Management and the subsidiaries.

The Group has a Code of Conduct, sustainability policy, personnel policy, environmental policy, quality policy and a number of other guidelines related to sustainability issues. Occupational health and safety issues are addressed by Fasadgruppen's occupational health and safety group, which contains representatives from both the general organisation and the subsidiaries. The Group's personnel policy and associated Employee Handbook contain guidelines on occupational health and safety issues. Information on Fasadgruppen's whistleblower function is provided in the Employee Handbook, as well as on the company's intranet and website.

Fasadgruppen's subsidiaries are certified according to ISO 9001 and ISO 14001, or equivalent. ISO 9001 is a standard for quality management and ensures quality work based on customer focus, leadership, employee engagement, process focus, improvement, fact-based decision-making and relationship management. ISO 14001 is an environmental management system that aims to improve environmental performance through more effective use of resources and by reducing the volume of waste generated. In 2025, occupational health and safety management certification in accordance with ISO 45001 will be evaluated for a number of subsidiaries in the Group.

Fasadgruppen has been signed up to the UN Global Compact sustainability initiative since 2021. As a participating company, Fasadgruppen supports and commits to working in accordance with the ten principles of the Global Compact relating to human rights, labour, environment and anti-corruption. These principles are based on the UN Declaration of Human Rights, the ILO Fundamental Principles and Rights at Work, the Rio Declaration and the UN Convention against Corruption.

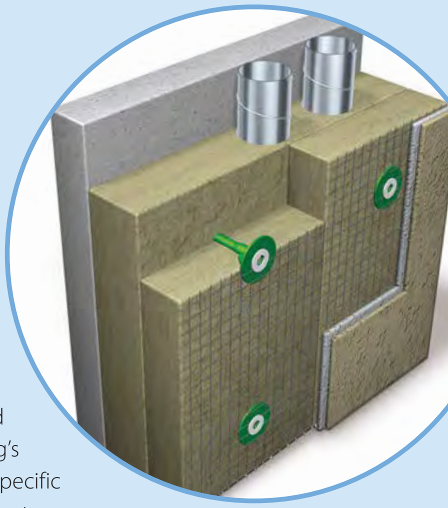
Fasadgruppen's Code of Conduct

Fasadgruppen's Code of Conduct is established by the Board of Directors and is reviewed annually or as necessary. It describes the core of Fasadgruppen's ethical guidelines and how we actively work to improve the business to ensure that it functions in a sustainable manner. The Code of Conduct is based on the Group's three core values, the OECD Guidelines for Multinational Enterprises and the UN's principles for responsible business (Global Compact) and includes areas such as human rights, working conditions, environment and anti-corruption. The purpose of the Code of Conduct is to inform every employee, supplier and customer, as well as shareholders and other stakeholders, about the Group's ethical guidelines and approach. Each subsidiary receives a copy as part of the integration process after a completed acquisition. Responsibility for ensuring that employees at each subsidiary follow the Code of Conduct rests with the local CEO. In 2025, the Code of Conduct will be divided into two separate codes, one for employees in the Group and one for suppliers to the Group.

▶ The Code of Conduct in its entirety is available at www.fasadgruppen.se

Transformed from worn and leaking into energy-smart façade

At the end of 2024, Fasadgruppen's subsidiary **SmartFront** completed an extensive exterior renovation of Brf Storspoven in Umeå.



BRF Storspoven, built in 1968, was in need of both exterior renovation and energy efficiency improvements. The property manager, Riksbyggen, awarded the contract to SmartFront, which was also able to offer its solution for improved ventilation at the property. The SmartFront method has previously been used in several properties in Umeå, which inspired Brf Storspoven that required the same work.

The project took almost four years and involved the renovation of façades and roofs on a total of eight buildings, containing 170 apartments. Bricks with broken joints were taken down and replaced with plaster façades insulated with mineral wool. The roofs of the buildings were renovated and a new, higher roof placed on top of the old one to provide a better angle for water and snow to run off. The land was also drained and new ventilation ducts installed using SmartFront's patented method. The total order value was in excess of SEK 100 million.

SmartFront is a leading method in the Nordic region for improving the energy performance of existing buildings, which Fasadgruppen is unique in offering to the market. The method begins with a survey of the building's energy performance, followed by specific suggested improvements to save costs, energy and CO_2. The suggestions are then presented in three stages: Good, Better and Best, which means measures that provide up to 80 percent energy savings.

Stakeholder dialogue

Fasadgruppen maintains an ongoing dialogue with the Group's key stakeholders on issues relating to various aspects of sustainability. This stakeholder dialogue provides us with guidance on how to prioritise and set targets for our sustainability work.

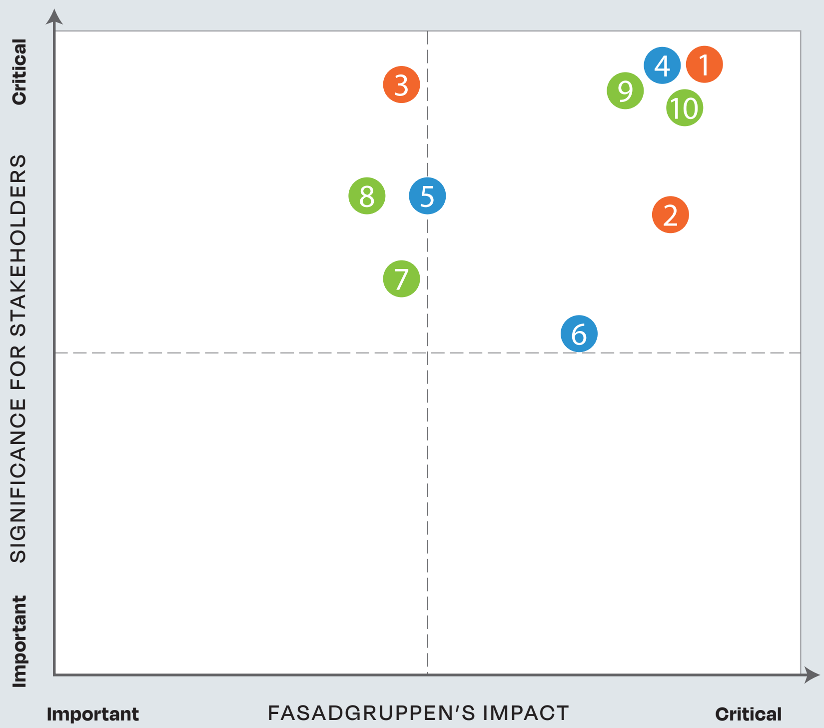
STAKEHOLDERS		CHANNELS FOR DIALOGUE	IMPORTANT ISSUES
Customers	• Construction companies • Property management companies • Property owners • Tenant-owner associations • Government and municipalities • Consultants	• Calls, email, meetings • Customer events • Newsfeed online • Social media presence • Trade fairs, networks, industry days • Customer magazine	• Quality • Delivery reliability and guarantees • Pricing • Energy efficiency improvements • Clean and tidy construction sites • Service and good dialogue
Employees	• CEOs of subsidiaries • Existing employees • Potential employees	• Area meetings • Monthly newsletters, intranet, customer magazine • Employee appraisals • Workplace meetings • Participation in schools and college events • Apprenticeship programme	• Pay, employment terms and conditions • Code of Conduct • Gender equality • Skills provision • Skills development • Opportunities to influence
Suppliers and partners	• Product suppliers • IT • Transport • Machinery	• Procurement • Strategic and operational meetings	• Long-term partnerships • Workplace safety and control in the value chain, subcontractors • Transparency • Product and supplier quality • Code of Conduct • Sustainability requirements and materials
Capital market	• Shareholders • Investors • Analysts • Banks (lenders)	• Calls, email, meetings • Seminars • Reports and press releases	• Acquisition strategy • Business model and synergies • Energy efficiency improvements • Impact of inflation
Residents	• Residents • Neighbouring residents • Local communities	• Signs at construction sites • Information as necessary (tenant-owner associations)	• Noise • Changes in the local environment • Energy efficiency improvements, tips on energy-smart behaviour

Materiality analysis

In 2020, Fasadgruppen conducted a materiality analysis which is validated or updated annually. The aim of the analysis is to establish priorities for the sustainability work based on knowledge of the business, the latest research and Fasadgruppen's ability to influence. The priorities are based on the expectations of stakeholders and our own assessments.

The methods used can be divided into two parts: the views of stakeholders and Fasadgruppen's impact. Issues that affect stakeholders' decision-making and their expectations of Fasadgruppen are identified through continuous stakeholder dialogue. The second part of the analysis takes into account the actual or potential impact that Fasadgruppen's operations and business relationships have on the outside world and the external factors that affect the ability to conduct business.

The issues identified as most material have then been categorised into social, environmental and economic aspects. The material sustainability issues are well established with the Board of Directors and form the basis for Fasadgruppen's sustainability work and the Sustainability Report. The results are in line with the double materiality assessment carried out in accordance with the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD), which the Group will report on from the 2025 financial year onwards.



Social aspects

1. Occupational health and safety and security
2. Skills provision, skills development
3. Gender equality, diversity and equal treatment

Environmental aspects

4. Energy efficiency improvement offering
5. Resource efficiency and sustainable materials
6. Climate impact of the business

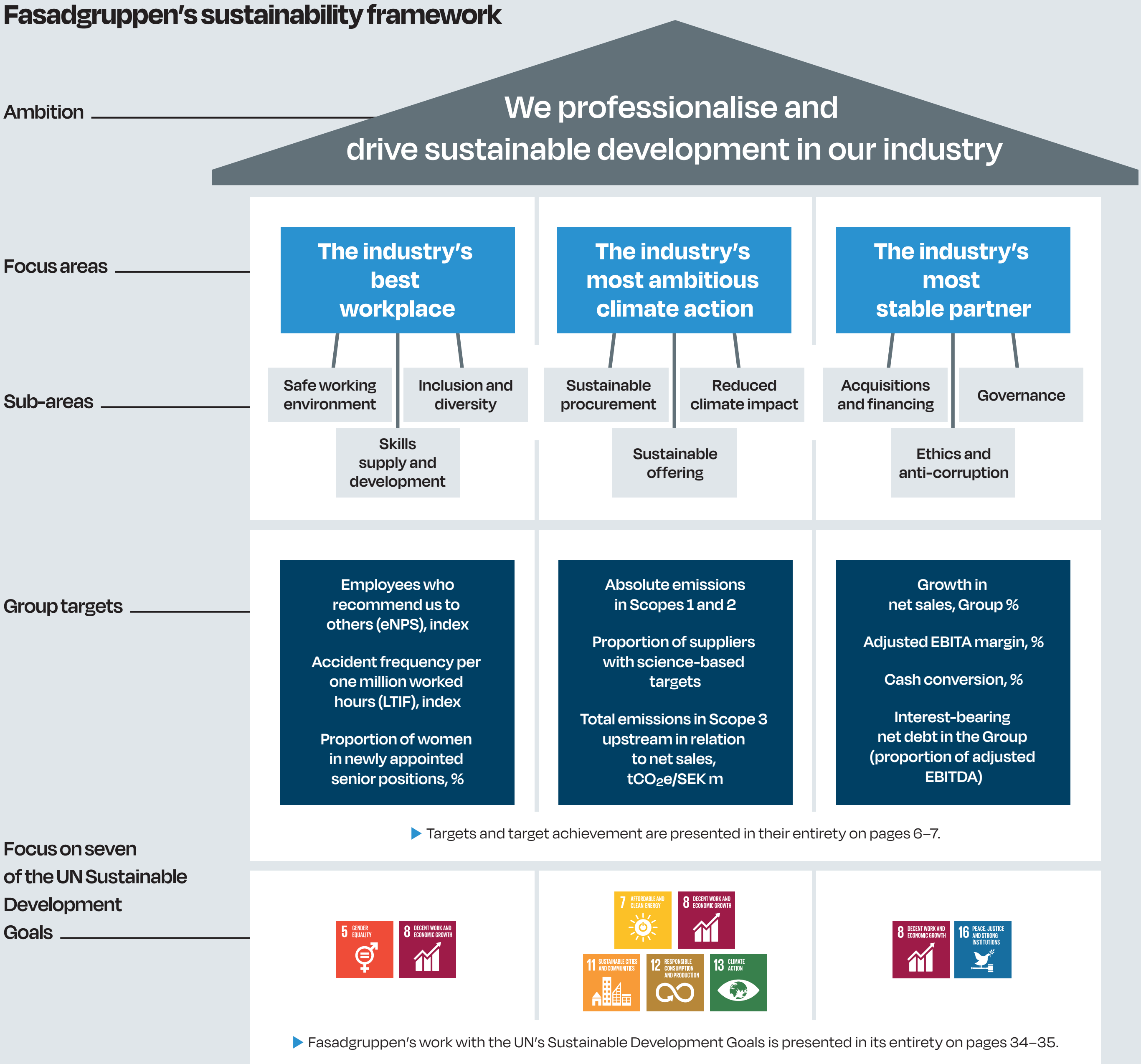
Economic aspects

7. Customer and supplier cooperation
8. Responsibility in the supply chain (social/environmental, i.e. business ethics)
9. Anti-corruption/bribery
10. Sustainable acquisitions

Focus areas within sustainability work

Fasadgruppen has established a framework that governs the priorities of the Group's sustainability work. The framework is based on three focus areas – **The industry's most ambitious climate action, The industry's best workplace** and **The industry's most stable partner.** Each focus area can be linked to the Group's financial and non-financial targets and contains sub-areas that are deemed to be particularly significant for Fasadgruppen's operations and the achievement of its objectives.

Fasadgruppen's sustainability framework



The industry's most ambitious climate action

Sustainable offering

Fasadgruppen's services help to reduce the climate impact in properties. For example, according to the Swedish National Board of Housing, Building and Planning, the heating of properties accounts for around 20 percent of Sweden's energy consumption, while many buildings are also in great need of renovation – which means that a significant proportion of the energy use can be traced to leakage. Measures such as façade and loft insulation, window renovations and replacements are therefore crucial to reducing energy use over time.

The most environmentally friendly solutions can often also be the most expensive in the short term, which is why the Group works on increasing awareness about the long-term benefits of choosing climate-smart alternatives. In 2024, a project was carried out on climate calculations for various types of façade improvements, which will be rolled out to clients in 2025.

In addition to offering energy efficiency improvement services, Fasadgruppen also works to constantly improve working methods and processes and to reduce material waste in project implementation. As part of these efforts, in 2024 Norwegian subsidiary SH-Bygg entered into a partnership with external operator Ombygg, where leftover materials can be donated, sold and purchased.

Waste management in projects

Workplaces are to be provided with recycling containers so that waste and construction materials can be sorted at source. Waste and residual products arise during renovation when old material is removed, as well as during new production when unused material may remain. Non-hazardous old material must be recycled, while hazardous material goes to landfill. Unused material must be used in another project and unbroken material returned to the supplier. When cleaning façades, only approved chemicals with an environmental declaration may be used and the cleaning water must be handled in accordance with current regulations.

Sustainable procurement

Materials constitute the largest climate impact in Fasadgruppen's value chain and the Group strives to increase the proportion of sustainable purchases, for example bricks made using biogas. The decision on which materials should be used is in most cases taken by the end customer, but through the provision of relevant information, Fasadgruppen can influence the customer so that they choose the most environmentally adapted alternative. The Group works with most of its suppliers to increase the proportion of sustainable procurement and to improve the data available so that the customer can take a well-supported decision.

In 2024, Fasadgruppen developed its sustainability classification of materials suppliers, with all suppliers being assessed on a scale from A to D based on predefined sustainability criteria. The criteria have been adapted so that they contribute to Fasadgruppen's new emissions reduction targets, where A-class suppliers must themselves have science-based targets and be able to report supplier-specific data for the materials delivered to Fasadgruppen.

Reduced climate impact

Fasadgruppen strives to reduce climate impact through responsible transportation, travel, procurement and energy use. The Group's own greenhouse gas emissions come mainly from the vehicle fleet, and Fasadgruppen buys only hybrid or electric vehicles. By 2030, all of the Group's vehicles must be fossil-free, as well as other transport that Fasadgruppen orders. If the subsidiaries are able to choose the electricity company for their premises, a centrally procured agreement with green electricity is used.

Fasadgruppen's subsidiaries have been approved according to ISO 9001 (quality certification) and ISO 14001 (environmental certification), or equivalent. ISO certification recognises the work the companies are doing to ensure good control over the quality of their operations and to reduce the related environmental impact of these activities. ISO certification is necessary to be eligible to tender for certain projects, especially in the case of public procurements. If a newly acquired company is not certified, we immediately start work on obtaining certification as part of Fasadgruppen's integration process.

In 2024, Fasadgruppen has developed new short-term and long-term targets for emissions reduction, including a net zero target, which have been approved by the Science Based Targets initiative. From the baseline year 2023, Fasadgruppen has committed to achieving net zero greenhouse gas emissions throughout the value chain by 2045. The net zero target means that Fasadgruppen is also part of UNFCCC's Race to Zero campaign. In terms of short-term targets, the Group has committed to reducing absolute greenhouse gas emissions in scopes 1 and 2 by 42 percent by 2030, calculated from the baseline year 2023. Fasadgruppen has also committed to 80 percent of its suppliers of purchased goods and services having set science-based targets no later than 2029. The new and more ambitious targets have replaced Fasadgruppen's previous reduction targets for scopes 1 and 2 and parts of scope 3 by 2030.

GREENHOUSE GAS EMISSIONS PER SCOPE

		2024	
Scope	Description	Tonnes CO_2e	Proportion, %
Scope 1	Emissions owned and controlled by the business, i.e. combustion of fuel for company vehicles	4,024	5.7
Scope 2	Emissions from energy purchased by the business	394	0.6
Scope 3	Emissions from purchased goods and logistics	66.755	93.8
Total		**71,173**	**100.0**

The industry's best workplace

Safe working environment

Fasadgruppen's operations are exposed to risks relating to occupational health and safety. The work can be physically demanding and is often carried out on scaffolding and at great height. The Group therefore works for a safe and healthy working environment with clear safety requirements at construction sites.

Fasadgruppen has an occupational health and safety group with representatives from different parts of the Group that works to ensure the best working environment for Fasadgruppen craftspeople and subcontractors. To increase control in relation to subcontractors, special due diligence is performed on contractors engaged by Fasadgruppen's subsidiaries, as well as unannounced site inspections.

Injuries and accidents are prevented by each subsidiary performing an annual occupational health and safety survey to pinpoint potential occupational health and safety risks and formulate a plan to prevent them. This must be documented by the occupational health and safety group and reported to and followed up by Group Management. All supervisors are trained in safe working methods and procedures, which is documented in a competency matrix that is reported annually to management and the Board.

In 2024, the number of workplace accidents amounted to 307 (114). The most common accidents were due to poor ground conditions and incorrect handling of tools. In addition to this, 154 (565) incidents were reported. The most frequent incidents were due to disorder and insufficient scaffolding.

Inclusion and diversity

Fasadgruppen operates in a sector that has historically been heavily male-dominated. The Group therefore actively works to increase diversity. The biggest opportunity is to increase the number of women in white collar positions, but the Group also strives to attract more women to the craftwork profession over time. A key aspect here is to offer inclusive workplaces where no form of discrimination or harassment is acceptable. Fasadgruppen takes a zero tolerance approach to discrimination in recruitment, decisions on remuneration, working hours, holidays, work duties, parental leave, performance appraisals, development and health and wellness benefits.

Industry-wide initiatives

Occupational health and safety is an industry-wide matter, and a lot of work is carried out through common initiatives that include operators throughout the value chain. Fasadgruppen is a member of the organisation Håll Nollan, which drives development work within the construction and property sector with a focus on occupational health and safety. Through the sharing of knowledge, training courses, common standards and working methods, members are helped to improve occupational health and safety in the sector. Fasadgruppen is also a member of the economic association Byggbranschens säkerhetspark, a training facility where the subsidiaries have the opportunity to practise safety as a group and reflect on behaviour and attitudes. Fasadgruppen has also joined Färdplan 2045, which works for a sustainable, climate-neutral and competitive building and construction sector by 2045, and Energieffektiviseringsföretagen (EEF) which is an interest organisation with the vision of a more energy-efficient Sweden.

Skills supply and development

One of Fasadgruppen's main sustainability risks is a lack of competent craftwork personnel, especially given the fact that demand for energy-efficient façade improvements is expected to increase for a long time to come. In order to strengthen the attraction of the craftwork profession in the long term, Fasadgruppen participates in secondary school fairs and collaborates with vocational training courses, as well as offering apprenticeship programmes.

Internally, the Group wants to make use of the extensive expertise of our employees through knowledge transfer and leadership training. Many project managers have a background as a craftsperson, which provides them with good conditions to be successful in their role. Through annual employee surveys, areas of development are identified in order to continuously become a better employer.

The industry's most stable partner

Governance

Fasadgruppen's decentralised business model places special demands on governance and risk management in the Group. A clearly formulated governance model that both ensures adequate control over the business and promotes freedom of action and local entrepreneurship strengthens Fasadgruppen's competitiveness. The governance model forms the basis of Fasadgruppen's integration model used when a new company is acquired. The common processes established in each new subsidiary include monthly reporting and the percentage of completion method.

Sustainable acquisitions and financing

When making acquisitions, Fasadgruppen uses a specific due diligence process relating to sustainability factors, which aims to ensure that newly acquired subsidiaries contribute to the Group's sustainability ambitions and objectives.

In connection with the acquisition strategy, Fasadgruppen converted its credit facility agreement of SEK 2,700 million to a sustainability-linked loan in 2024. This new, sustainability-linked credit facility agreement has been entered into with Nordea, SEB and Svensk Exportkredit. The interest margin under the credit facility agreement is linked to three key performance indicators (KPIs) relating to Fasadgruppen's work to reduce the long-term injury rate for work-related injuries, as well as its Scope 1, 2 and 3 emissions. The effect on the interest margin is up to ± 0.05 percent per year if all three sustainability targets for the KPIs are met.

Ethics and anti-corruption

Fasadgruppen does not accept any form of corruption, bribery, extortion, or money laundering, and seeks to prevent these types of activities. An important tool here is the Code of Conduct, which must be accepted by both employees and suppliers.

Fasadgruppen strives to have an open business climate and a high standard of business ethics and is always alert to the possibilities for making new improvements. A whistleblower function with the option of anonymity is therefore provided by an independent external party for use in the event of suspicion of irregularities such as bribery, conflicts of interest, environmental crimes or safety deficiencies in the workplace. Employees, customers, suppliers and other stakeholders can use the system, reporting either online or by telephone. Guidelines and instructions for the whistleblower function are available in several relevant languages. Those who report misconduct have statutory whistleblower protection under whistleblower legislation.

In 2024, there were 3 (3) whistleblower cases received. All cases are thoroughly investigated according to established procedures and lead to further measures in the event that irregularities are confirmed. None of the cases received in 2024 led to further measures.

UN Sustainable Development Goals

In 2022, Fasadgruppen conducted an analysis to establish which of the UN's 17 Sustainable Development Goals the Group is in the best position to contribute to. Based on this analysis, seven of the goals are considered to be priorities, since they consist either of areas that pose great potential risk or areas in which Fasadgruppen has great potential to drive sustainable development. The prioritised goals are an integral part of the framework used by the Group to manage its sustainability work.

5 GENDER EQUALITY

GENDER EQUALITY

Target in focus:

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

One of Fasadgruppen's goals within the sustainability framework is to increase diversity and provide an inclusive workplace. The Group aims to increase the number of women in the Group every year. For Fasadgruppen, it is also very important that all employees, regardless of gender, have pay that is set on equal grounds as well as good working conditions. One tool to ensure this is salary surveys.

7 AFFORDABLE AND CLEAN ENERGY

AFFORDABLE AND CLEAN ENERGY

Targets in focus:

7.2 Increase substantially the share of renewable energy in the global energy mix

7.3 Double the global rate of improvement in energy efficiency

Fasadgruppen's services contribute to greater energy efficiency in properties. Consuming less energy, particularly for heating, reduces both the burden on the environment and electricity bills. Fasadgruppen also prepares properties for solar panels and collaborates with solar panel companies for the installation itself. The greatest effect is achieved when Fasadgruppen's subsidiaries work together and are able to implement several energy efficiency measures within the same project – for example both additional insulation and new energy-efficient windows. The Group also offers the patented SmartFront method, a unique ventilation solution which together with new additional insulation can reduce the energy consumption of an individual property by up to 80 percent.

8 DECENT WORK AND ECONOMIC GROWTH

DECENT WORK AND ECONOMIC GROWTH

Targets in focus:

8.5 Full and productive employment and decent work with equal pay for all

8.6 Promote youth employment, education and training

8.8 Protect labour rights and promote safe and secure working environments for all

Fasadgruppen adopts a structured approach to ensure that the Group provides a healthy and safe working environment with clear safety requirements. The occupational health and safety group strives to ensure that the safety of employees is not jeopardised and has a zero vision for both workplace accidents and long-term sickness. In addition to the responsibility for our own employees, the Group works to ensure good conditions for the employees of our subcontractors, among other things through recurring spot checks. In order to strengthen the attraction of the craftwork profession in the long term, Fasadgruppen participates in secondary school fairs and collaborates with vocational training courses, as well as offering apprenticeship programmes.

11 SUSTAINABLE CITIES AND COMMUNITIES

SUSTAINABLE CITIES AND COMMUNITIES

Targets in focus:

11.3 Inclusive and sustainable urbanisation

11.6 Reduce the environmental impact of cities

Through Fasadgruppen's knowledge and offering, the Group promotes sustainable urban development and reduced environmental impact in accordance with Fasadgruppen's vision of a future with beautiful, sustainable properties and good living environments for people. Fasadgruppen carries out ongoing façade renovations on properties in economically vulnerable areas, which contributes to increased quality of life and safety for the residents.

RESPONSIBLE CONSUMPTION AND PRODUCTION

Targets in focus:

12.4 Responsible management of chemicals and waste
12.5 Substantially reduce waste generation
12.8 Increase the general public's knowledge of sustainable lifestyles

A well-insulated façade is important for reduced energy consumption in properties. Fasadgruppen therefore strives, to the greatest extent possible, to inform customers about the benefits of improved insulation and other measures that contribute to energy efficiency. In connection with project implementation, waste and building materials must be sorted at source, where harmless old material must be recycled while hazardous material goes to landfill. Unused material must be used in another project and unbroken material returned to the supplier. When cleaning façades, only approved chemicals with an environmental declaration may be used and the cleaning water must be handled in accordance with current regulations.

CLIMATE ACTION

Target in focus:

13.1 Strengthen resilience and adaptive capacity to climate-related hazards

Materials constitute the largest climate impact in Fasadgruppen's value chain and the Group strives to increase the proportion of sustainable purchases, for example bricks made using biogas. The decision on which materials should be used is in most cases taken by the end customer, but Fasadgruppen can influence the decision by providing clear information about which is the most environmentally friendly alternative. Fasadgruppen also requires suppliers to act in accordance with the Code of Conduct and classifies them on a sustainability scale of A–D with the aim of increasing the proportion of sustainable purchases. Fasadgruppen also strives to reduce the Group's climate impact through responsible transportation, travel, purchasing and energy use. Finally, Fasadgruppen's services contribute both to sustainable façades that can withstand the effects of a changing climate to a greater degree and to substantially higher energy efficiency in properties.

PEACE, JUSTICE AND STRONG INSTITUTIONS

Target in focus:

16.5 Substantially reduce corruption and bribery in all their forms

Fasadgruppen does not accept any form of corruption, bribery, extortion, or money laundering, and seeks to prevent these types of activities. An important tool here is the Code of Conduct, which must be accepted by both employees and suppliers, as well as the whistleblower function, which is available to employees, customers and suppliers.

Reporting in accordance with the EU Taxonomy Regulation

The EU green taxonomy aims to help investors identify and compare environmentally sustainable investments using a common classification system for environmentally sustainable economic activities. The Taxonomy Regulation contains disclosure requirements that entail companies having to present the extent to which their activities are sustainable in relation to turnover, operating expenditure (OpEx), and capital expenditure (CapEx).

A Group-wide team has analysed which activities within Fasadgruppen are assessed to be Taxonomy-eligible and to be Taxonomy-aligned based on available documentation. To fulfil the Taxonomy's criteria, the activity must make a substantial contribution to at least one of the EU's six defined environmental objectives, not cause significant harm to any of the other five objectives and meet the minimum safeguards.

Fasadgruppen's activities contribute to environmental objective 1, Climate change mitigation as renovation projects and the installation of energy efficiency equipment contribute to reducing the energy consumption and climate impact of buildings. Over time, the activities can to some extent also be assumed to contribute to environmental objective 2, Climate change adaptation as more buildings will need to be equipped in order to counteract physical climate risks. All subsidiaries within Fasadgruppen have an ISO 14001-certified or equivalent environmental management system, which provides the conditions for not causing significant harm to the other environmental objectives. Regarding minimum safeguards, Fasadgruppen's work and guidelines concerning, among other things, human rights and anti-corruption are described in the Group's Codes of Conduct for employees and suppliers, which are based on the ten principles of the UN Global Compact. Fasadgruppen continuously conducts risk assessments and follow-ups throughout the value chain and takes into consideration risk aspects related to sustainability when making an acquisition.

Taxonomy-eligible activities

Fasadgruppen's Taxonomy-eligible activities are in the construction and real estate sector. A significant proportion of Fasadgruppen's turnover is assessed to be generated from the activities Renovation of existing buildings (7.2) and Installation, maintenance and repair of energy efficiency equipment (7.3). The activities are linked to NACE codes F41 (construction of buildings) and F43 (specialised construction activities). The non-eligible proportion mainly refers to diverse subcontracted work, minor renovation measures, including alterations and additional work, scaffolding, painting and some balcony and forging work.

Taxonomy-aligned activities

In 2024, Fasadgruppen conducted a study on the Taxonomy criteria and alignment in major renovation projects where Fasadgruppen's subsidiaries are the main contractor. The results of the study show that it is currently very difficult to meet the specified requirements, particularly in relation to current waste management providers being able to guarantee 70 percent reuse (excluding energy recovery). Based on a decision tree, Fasadgruppen will continuously seek to identify projects that could be Taxonomy-aligned, but the Group's current opinion is that the proportion of Taxonomy-aligned turnover will be very low in the coming years.

In 2024, Taxonomy-aligned turnover is 0 percent. The difference in relation to previous years is the result of different methodologies in connection with the study carried out in 2024. Fasadgruppen considers that the Group can no longer be credited with turnover from the installation of additional insulation and energy-efficient windows, as this activity is ascribed to the producers of the respective material groups.

		Proportion of economic activities	
Key performance indicators	**Total, SEK m**	**that are Taxonomy-eligible, %**	**that are Taxonomy-eligible and Taxonomy-aligned, %**
Turnover	4,927	59	0
Operating expenditure[1]	64	52	5
Capital expenditure[2]	126	32	5

1) Refers to the total costs for research and development, renovation of buildings, short-term leases, maintenance and repair, plus other direct costs necessary for the efficient daily operation of property, plant and equipment.

2) Refers to total investments in assets that are recognised in accordance with: IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, plus additional right-of-use assets in accordance with IFRS 16 Leases.

Turnover

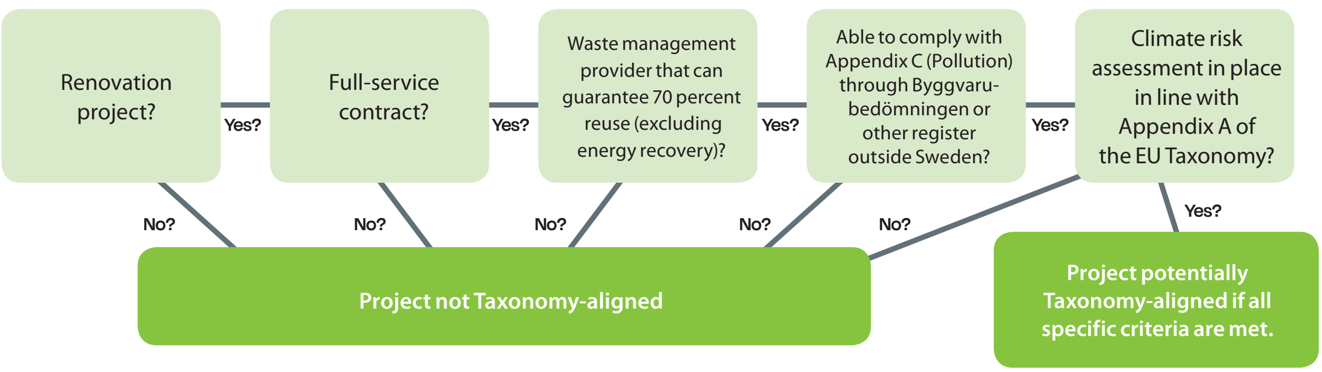
Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024.

Economic activities: (1)	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	Turnover (3)	Proportion of turnover, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code	SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
Total turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
of which enabling:		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	-	
of which transitional:		0	0%	0%						-	-	-	-	-	-	-	0%		-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
- Renovation of existing buildings	7.2	2,173	44%	EL	EL	N/EL	N/EL	N/EL	N/EL								45%		
- Installation, maintenance and repair of energy efficiency equipment	7.3	739	15%	EL	EL	N/EL	N/EL	N/EL	N/EL								-		
Total turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2,912**	**59%**	59%	-	-	-	-	-								70%		
Total turnover of Taxonomy-eligible activities (A.1 + A.2 = A)		**2,912**	**59%**	59%	-	-	-	-	-								86%		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total turnover of Taxonomy-non-eligible activities (B)		**2,014**	**41%**																
Total (A+B)		**4,927**	**100%**																

Key for eligibility and alignment:

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

Decision tree for Taxonomy potential at project level



Capital expenditure (CapEx)

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024.

Economic activities: (1)	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code	SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
- Renovation of existing buildings	7.2	1	1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
- Installation, maintenance and repair of energy efficiency equipment	7.3	5	4%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%	E	
Total CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**6**	**5%**	5%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	5%		
of which enabling:		6	5%	5%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	5%	E	
of which transitional:		-	-	-						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
- Renovation of existing buildings	7.2	40	32%	EL	EL	N/EL	N/EL	N/EL	N/EL								-		
Total CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**40**	**32%**	32%	-	-	-	-	-								32%		
Total CapEx of Taxonomy-eligible activities (A.1 + A.2 = A)		**46**	**37%**	37%	-	-	-	-	-								37%		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total CapEx of Taxonomy-non-eligible activities (B)		**80**	**63%**																
Total (A+B)		**126**	**100%**																

Key for eligibility and alignment:

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

Operating expenditure (OpEx)

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024.

Economic activities: (1)	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code	SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
- Renovation of existing buildings	7.2	1	2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%	E	
- Installation, maintenance and repair of energy efficiency equipment	7.3	2	3%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
Total OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**3**	**5%**	5%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	5%		
of which enabling:		3	5%	5%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	5%	E	
of which transitional:		-	-	-						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
- Renovation of existing buildings	7.2	33	52%	EL	EL	N/EL	N/EL	N/EL	N/EL								0		
Total OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**33**	**52%**	52%	-	-	-	-	-								52%		
Total OpEx of Taxonomy-eligible activities (A.1 + A.2 = A)		**36**	**56%**	56%	-	-	-	-	-								56%		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total OpEx of Taxonomy-non-eligible activities (B)		**28**	**44%**																
Total (A+B)		**64**	**100%**																

Key for eligibility and alignment:

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

Corporate Governance

Fasadgruppen strives to apply strict standards and effective corporate governance processes to ensure that the business creates long-term value for shareholders and other stakeholders.

CONTENTS

A word from the Chair

2024 was a challenging year for Fasadgruppen, mainly due to a weak and competitive market in Sweden. For the Board of Directors, the focus during the year has been on supporting the management team in defending profitability, while at the same time continuing to build the Group in readiness for a stronger economy.

It must be possible to maintain good profitability even in a weak market. Looking at the Group as a whole, the majority of subsidiaries have achieved this, often thanks to their high-quality, niche offerings. For those companies that have found things more difficult, we have taken various measures; in some cases this involved practical support and a change of management, while in others structural change was necessary. The work to implement measures continues and is further intensified by the new, flatter management structure, which will result in even more effective management.

One of the key activities in 2024 was the major acquisition of Clear Line, with a profitability profile that demonstrates the importance of working in a clear niche where quality pays off. Clear Line also brings a highly developed IT and project management environment, which will undoubtedly be a key component in the Group's internal sharing of best practice in the future. The Board of Directors was heavily involved in the due diligence work prior to the acquisition, in the financial discussions with the Group's lending banks, and in developing the structure of the acquisition, whereby a large proportion of the final total purchase price is dependent on future cash flows at Clear Line. Our assessment is that we have achieved a transaction that will create a lot of value for Fasadgruppen in the future.

Sustainability is a central part of the Group's strategy and the Board of Directors approved the new emissions reduction targets during the year, which were subsequently validated by the Science Based Targets initiative. As a market-leading player, it is important that Fasadgruppen pursues an ambitious sustainability agenda, as this builds higher barriers against competitors, for example in public tenders. We are seeing clients increasingly focus not just on price but also on sustainability aspects.

Finally, I would like to highlight the Group's priority for 2025: to strengthen profitability and thereby reduce the Group's net debt back down below the target of 2.5x EBITDA. The balance sheet at the end of 2024 is strained due to the unexpected weak results in the Swedish part of the business in December. We are working to address the situation in the way that is best for our shareholders. The measures implemented to strengthen profitability in the companies, further ongoing structural measures and the boost provided by Clear Line will strengthen the balance sheet. Debt will quickly improve once the market in Sweden recovers from its currently very subdued level. Fasadgruppen is therefore well placed for strong value development in the future.

I would like to take the opportunity to thank the management, employees, fellow Board members and shareholders for their trust and good cooperation during my six years at Fasadgruppen. At the AGM in May, I will be handing over the reins to Mikael Karlsson, one of the founders and major shareholders, marking his return to the Group as the new Chair of the Board.

Stockholm, April 2025

Ulrika Dellby
Chair of the Board

Corporate Governance Report

Fasadgruppen strives to apply strict standards and effective corporate governance processes to ensure that the business creates long-term value for shareholders and other stakeholders. This includes maintaining an effective organisational structure, internal control and risk management processes, as well as transparent internal and external reporting.

Principles for corporate governance

Fasadgruppen Group AB is a Swedish public limited company whose shares have been listed on Nasdaq Stockholm since December 2020. Fasadgruppen's corporate governance is based on the Swedish Companies Act, Nasdaq regulations for issuers and the Swedish Code of Corporate Governance (the Code), plus other applicable laws and regulations. Key internal governance instruments are Fasadgruppen's Articles of Association, the rules of procedure of the Board of Directors and other internal policies and instructions. No deviations from the Code occurred in 2024.

Share capital

According to the Articles of Association, the share capital must be not less than SEK 1,000,000 and not more than SEK 4,000,000 divided into not less than 20,000,000 shares and not more than 80,000,000 shares. As at 31 December 2024, the share capital amounted to SEK 2,691,605.65 distributed over 53,832,113 shares with a quotient value of SEK 0.05 per share. All shares are of the same class, with equal voting rights and share of the company's capital and profit.

1 Shareholders

At the end of 2024, Fasadgruppen had 4,831 (3,745) known shareholders. At this same point in time, the ten largest shareholders controlled 46.8 (54.9) percent of the shares and votes. The three largest shareholders were Connecting Capital, Swedbank Robur Fonder and Gallows Pole Ltd. Foreign holdings amounted to 35.3 (33.0) percent of the number of shares and votes. Swedish institutional shareholders controlled 32.1 (35.7) percent, while private individuals in Sweden held 20.2 (15.5) percent. Fasadgruppen estimates that around 25 percent of the shares and votes are controlled by Board members, management and employees of Fasadgruppen.

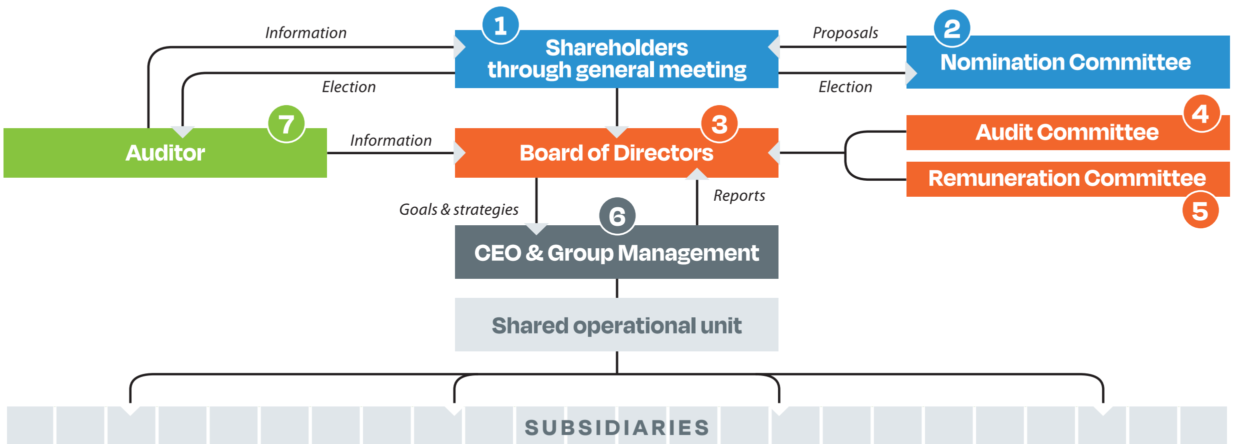
General meeting of shareholders

The general meeting of shareholders is Fasadgruppen's highest decision-making body. At a general meeting, shareholders can exercise their voting rights on key issues, such as approving the income statements and balance sheets, appropriation of company profits, discharging Board members and the CEO from liability, electing Board members and auditors, and approving fees paid to Board members and auditors.

Anyone wishing to participate in a general meeting must be entered as a shareholder in a printout or other presentation of the entire share register pertaining to circumstances six banking days before the general meeting, and must notify the company of their intention to participate no later than on the date stated in the notice.

Shareholders wishing to have an issue considered at a general meeting must submit a request for this to the Board of Directors in writing. The issue shall be considered at the general meeting if the request has been received by the Board of Directors no later than one week prior to the earliest date on which, in accordance with the Swedish Companies Act, notice may be issued, or after that date if there is sufficient time to include the issue in the notice to shareholders of the general meeting.

Governance structure



Notices, communiqués and minutes, plus other associated general meeting material, shall be published on Fasadgruppen's website.

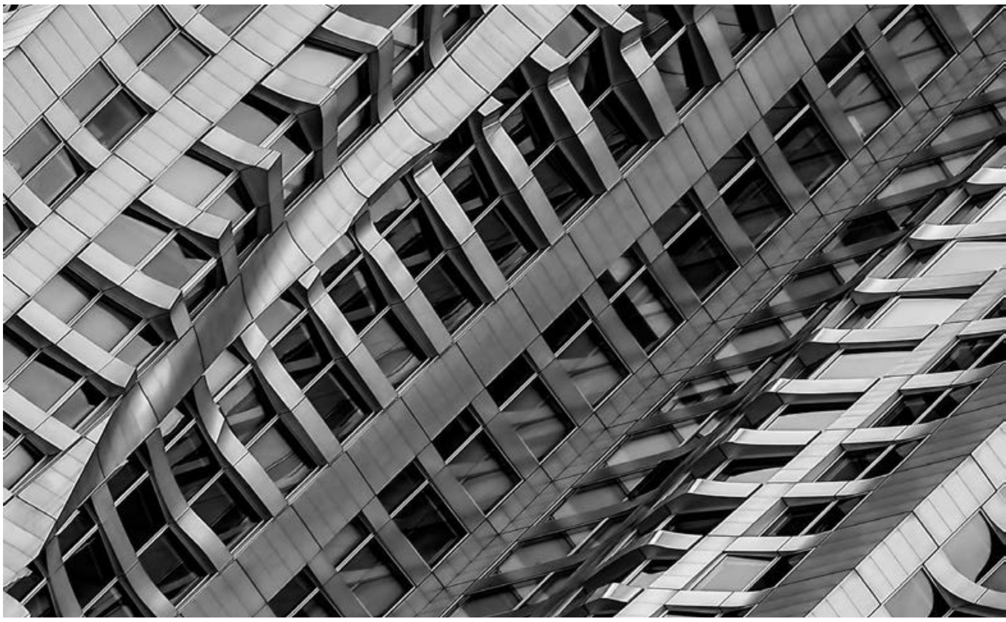
Annual General Meeting 2024

The 2024 AGM was held in Stockholm on 15 May 2024. Shareholders had the opportunity to exercise their voting rights either at the meeting in person, by proxy or by postal vote. There were 50.8 percent of the total number of shares and votes represented at the meeting, which decided on, among other things, a dividend of SEK 1.70 per share, divided into two payments of SEK 0.85 per share on each occasion. Ulrika Dellby, Tomas Ståhl, Mats Karlsson, Gunilla Öhman and Christina Lindbäck were re-elected as Board members. Magnus Meyer was elected as a new Board member.

Ulrika Dellby was re-elected Chair of the Board of Directors. Motions were also passed on the introduction of a long-term incentive programme and authorisations for the Board of Directors to decide on issues of shares as well as buybacks and transfers of treasury shares.

Extraordinary General Meeting 2024

On 3 December 2024, an Extraordinary General Meeting was held in Stockholm. Shareholders had the opportunity to exercise their voting rights either at the meeting in person or by proxy. There were 41.3 percent of the total number of shares and votes represented at the meeting. The meeting decided, in line with the Board's proposal, to authorise the issue of a maximum of 5,383,211 new shares. This authorisation may be used on one or more occasions prior to the next Annual General Meeting. Issues may be made with or without deviation from the preferential rights of shareholders in accordance with the terms of the authorisation. The authorisation replaces the outstanding portion of the issue authorisation decided by the 2024 AGM.



The background to the Board's proposal to the General Meeting was that after the acquisition of Clear Line, the company must have the ability to continue to act in accordance with its acquisition strategy.

2 Nomination Committee

According to instructions adopted at the Extraordinary General Meeting of 2 October 2020, the members of the Nomination Committee shall be appointed by granting each of the three largest shareholders in the company in terms of voting rights (in accordance with the share register maintained by Euroclear Sweden on the last banking day in August) the opportunity each to appoint a member. If fewer than three members have been appointed in accordance with this procedure, other shareholders in the order of voting rights are to be granted the opportunity to appoint one member each until a total of three members have been appointed. The shareholder that controls the most voting rights in the company has the right to appoint the Chair of the Nomination Committee.

The Nomination Committee is tasked with submitting proposals to the AGM regarding:

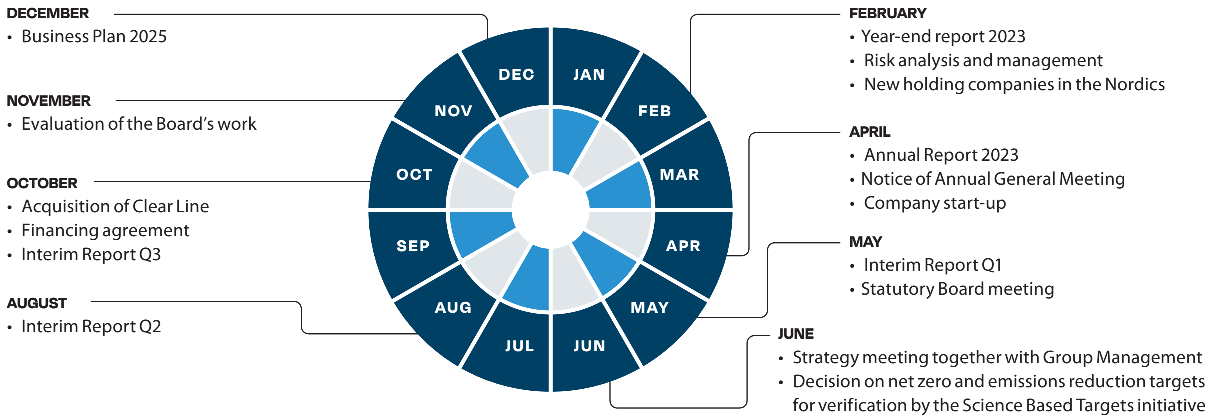
- election of the Chair of the Board and other Board Members,
- resolution on fees to Board members,
- election of auditors,
- resolution on fees to auditors,
- election of Chair of the AGM, and
- resolutions on changes to Nomination Committee instructions (if the Nomination Committee considers this necessary).

The composition of the Nomination Committee prior to the 2024 AGM is shown in the table below.

Composition of the Nomination Committee

Member	Appointed by shareholder	Shareholder's share of votes as at 31/12/2024, %
Lars Nordin, Chair	Connecting Capital	9.9
Marianne Nilsson	Swedbank Robur Fonder	7.1
Peter Lundqvist	Third National Pension Fund	4.0

Work of the Board of Directors in 2024



Diversity on the Board

The Nomination Committee shall apply Rule 4.1 of the Code as a diversity policy when preparing proposals for the Board, with the aim of achieving a good composition in terms of diversity and breadth, with regard to gender, nationality, age and sector experience.

3 Board of Directors

The Board of Directors is Fasadgruppen's second-highest decision-making body after the General Meeting. Board duties are mainly regulated by the Swedish Companies Act, the Company's Articles of Association and the Code. In addition, the work of the Board is regulated by the instructions from the General Meeting and the internal rules of procedure of the Board of Directors. These rules of procedure regulate how work is allocated within the Board. The Board also adopts instructions for Board committees, instructions to the CEO and instructions for financial reporting to the Board.

The Board is responsible for Fasadgruppen's organisation and the management of company business, which includes responsibility for:

- the production of general, long-term strategies and goals, budgets and business plans,
- establishing guidelines to ensure that operations generate long-term value,
- inspecting and approving financial statements,
- resolving on issues concerning investments and sales, capital structure and dividend policy,
- ensuring that the company's internal procedures provide good internal control, the development and adoption of central policies, ensuring control systems are in place to monitor compliance with policies and guidelines, ensuring systems are in place for the monitoring and control of company operations and risks, material changes in the company's organisation and operations, and
- appointing a CEO and, in accordance with guidelines adopted by the General Meeting, setting remuneration and other employment benefits for the CEO and other senior executives.

The Chair of the Board shall ensure that the Board carries out its work effectively and fulfils its obligations.

The Board meets according to an annually established schedule. In addition to these regular meetings, further Board meetings may be convened if the Chair of the Board deems it necessary or if a Board member or the CEO requests this.

Work of the Board of Directors in 2024

In 2024, the Board held 19 meetings, of which 2 were held per capsulam and 7 constituted extraordinary Board meetings to deal with individual specific matters such as the acquisition of Clear Line and associated financing. The CEO, CFO and Head of Communications and Sustainability addressed every ordinary Board meeting, always including an activity report, an acquisition report and a sustainability report, as well as a financial report with follow up of the results and budget. In addition, the Board has held meetings with the auditors without the presence of senior executives. At two of the ordinary Board meetings, the Board of Directors visited subsidiaries and projects in addition to the standard agenda.

Evaluation of the Board

In order to ensure and develop the quality of the Board's work, an evaluation of the work of the Board and its members is carried out annually. In 2024, the evaluation took place through an externally provided, web-based survey that each member as well as the CEO, CFO and Head of Communications and Sustainability were required to complete. The results of the evaluation were reported in writing to the members and discussed at the ordinary Board meeting in November. The Chair of the Board has also reported on the results of the evaluation at a meeting with the Nomination Committee. The Board of Directors evaluates the CEO using the same method.

The Board of Directors' procedures

The Board has established committees with the task of preparing decisions on specific issues. The issues discussed at committee meetings must be recorded and reported to the Board at the next meeting. The committee members and chair are appointed at the constituent Board meeting, which is held immediately after the election of Board members.

4 Audit Committee

Since the 2024 AGM, the Audit Committee has consisted of the following four members: Tomas Ståhl (Chair), Ulrika Dellby, Gunilla Öhman and Christina Lindbäck. All members of the Audit Committee are independent in relation to the company and the company management. The Committee held five minuted meetings during the year.

The Audit Committee's main tasks are to:

- monitor the company's financial reporting and submit recommendations and proposals to ensure the reliability of such reporting,
- in respect of financial reporting, monitor the effectiveness of the company's internal control and risk management,
- keep abreast of the audit of the annual accounts and consolidated accounts,
- inform the Board of Directors of the results of the audit and of how the audit contributed to the reliability of financial reporting and of the function the committee had,
- review and monitor the impartiality and independence of the external auditor with particular attention given to whether the external auditor provides the company with services other than auditing, and take a position on the conclusions of the Swedish Inspectorate of Auditors' quality assurance,
- assist the Nomination Committee in drafting proposals for the resolution of the General Meeting on the election of the auditor,
- draft policies to be adopted by the Board of Directors, and
- monitor the company's sustainability reporting and submit recommendations and proposals to ensure the reliability of such reporting.

5 Remuneration Committee

Since the 2024 AGM, the Remuneration Committee has consisted of the following three members: Ulrika Dellby (Chair), Tomas Ståhl and Magnus Meyer. All members of the Remuneration Committee are independent in relation to the company and the company management. The Committee held three minuted meetings during the year, one of which was held per capsulam.

The Remuneration Committee's main tasks are to:

- prepare Board decisions on issues of remuneration principles, remuneration and other employment terms and conditions for Company Management,
- monitor and evaluate variable remuneration programmes for Company Management that are ongoing or ended during the year,
- monitor and evaluate application of the guidelines for remuneration of senior executives, which are by law to be determined by the AGM, as well as current remuneration structures and remuneration levels within the company,
- prepare and provide the Board with a draft of the remuneration report that the company is required to prepare in accordance with the Swedish Companies Act, and
- ensure, if the company implements incentive programmes for its employees, that such incentive programmes are reviewed annually.

6 CEO and Group Management

The CEO is subordinate to the Board of Directors and is to manage day-to-day administration in accordance with the Board's guidelines and instructions. The division of work between the Board of

Directors and the CEO is stated in the rules of procedure for the Board and the instructions for the CEO.

The CEO is responsible for ensuring that the Board receives all the information and materials necessary for making decisions, heads the work of Group Management, and makes decisions after consulting with other members of Group Management. The CEO also acts as rapporteur at Board meetings and is required to ensure that Board members regularly receive the information necessary to monitor the financial position, liquidity and development of the company and the Group.

Group Management currently comprises the CEO, CFO, Head of M&A, three Chairs of subsidiaries and two CEOs of subsidiaries. Fasadgruppen's CEO is Martin Jacobsson.

▶ Read more about Group Management on page 51.

Board remuneration

The 2024 AGM resolved that Board fees should be SEK 550,000 to the Chair of the Board and SEK 270,000 to each of the other Members that are elected by the AGM and that the Chair of the Audit Committee should receive SEK 85,000 and the Chair of the Remuneration Committee should receive SEK 52,000 and the other members of the Remuneration Committee should receive SEK 32,000 each.

▶ For further information on remuneration to the Board of Directors, see Note 4.

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives were established at the 2024 Annual General Meeting. The remuneration principles are to ensure responsible remuneration decisions that support the company's strategy, long-term interests and sustainable business methods. Salaries and other employment terms and conditions should enable the Group to retain and recruit skilled senior executives at a reasonable expense. Remuneration to senior executives can comprise a fixed salary, variable salary, pension and other benefits.

▶ Guidelines for remuneration to senior executives are presented on pages 57–58. For remuneration to the CEO and Group Management plus other benefits and employment terms and conditions, see Note 4.

Composition and attendance of the Board of Directors 2024

			INDEPENDENT OF		PARTICIPATION IN MEETINGS		
Member	Position	Elected	The company and company management	Major shareholders	Board meetings	Audit Committee	Remuneration Committee
Ulrika Dellby	Chair	2019	Yes	Yes	19/19	5/5	3/3
Christina Lindbäck	Member	2021	Yes	Yes	17/19	4/5	-
Gunilla Öhman	Member	2020	Yes	Yes	19/19	5/5	-
Magnus Meyer	Member (from AGM 2024)	2024	Yes	Yes	13/13	-	1/1
Tomas Ståhl	Member	2018	Yes	No	19/19	5/5	3/3
Mats Karlsson	Member	2023	No	Yes	19/19	-	-
Tomas Georgiadis	Member (to AGM 2024)	2020	Yes	Yes	6/6	-	2/2

Incentive programmes

The Annual General Meetings of 2022, 2023 and 2024 resolved to introduce long-term incentive programmes for employees in the Group. The incentive programmes aim to create a platform to retain and recruit skilled personnel to the Group, to increase the motivation and company loyalty of participants and establish a community of interests with the company's shareholders and to promote individual share ownership in the company and in so doing, support shareholder value and the company's long-term value creation.

The incentive programmes consist of warrants (2022/2025, 2023/2026 and 2024/2027 respectively) which have been transferred to employees in the Group at a market price calculated according to the Black-Scholes valuation model. Each warrant entitles the holder to subscribe for one new share in the company at a certain time and at a predetermined subscription price. The subscription price corresponds to 125 percent of the volume-weighted average price for the company's shares on Nasdaq Stockholm during the last ten trading days prior to the respective Annual General Meeting's approval of the incentive programme.

Under certain circumstances, the company has the right to buy back warrants from holders who cease to be employees of the Group or who wish to transfer their warrants to a third party.

In 2024, the programme resolved by the Annual General Meeting in 2021, and which consisted of warrants for 2021/2024, was concluded. No participants subscribed for new shares during the subscription period in June.

▶ Further information on the terms and conditions for the warrants is available on the company's website.

7 Auditor

The auditor shall review Fasadgruppen's Annual Report and accounting, and the administration of the Board of Directors and the CEO. As the company is a parent company, the auditor also examines the consolidated accounts and the mutual relationships between Group companies. Audits of Fasadgruppen's financial statements and accounts, and of the administration by the Board of Directors and the CEO, are conducted in accordance with generally accepted accounting principles in Sweden. After each financial year, the auditor shall submit an auditor's report and a consolidated auditor's report to the Annual General Meeting. At the 2024 AGM, accounting firm Deloitte AB was re-elected as the auditor for the period up to the 2025 AGM. Richard Peters, Authorised Public Accountant, is primarily responsible for the audit of Fasadgruppen.

Incentive programmes	Maximum number of warrants	Number of warrants transferred	Number of employees who acquired warrants	Warrant premium paid (SEK m)	Subscription period	Subscription price (SEK)
2022/2025	484,000	236,196	46	1.7	June 2025	179.8
2023/2026	500,000	213,410	68	4.3	June 2026	104.0
2024/2027	500,000	137,023	41	1.8	June 2027	83.5

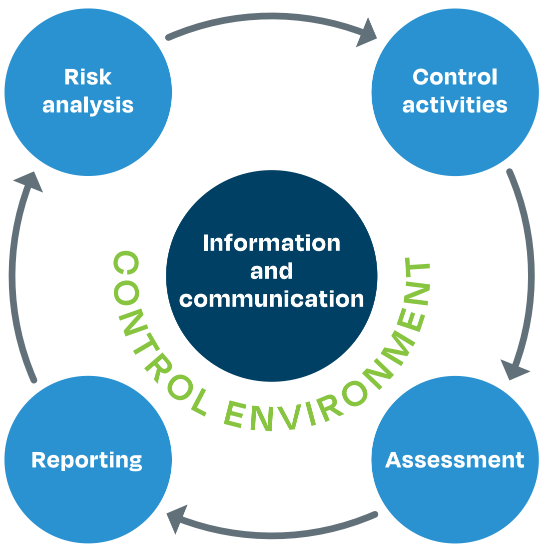
The Board's report on internal governance and control regarding financial reporting

Fasadgruppen's work with internal governance and control aims to ensure that the financial reporting is appropriate, correct and reliable and in accordance with applicable laws and regulations.

In accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for ensuring that the company has good internal control and efficient processes that can ensure that the financial reporting is appropriate, correct and reliable in accordance with applicable laws and regulations. Fasadgruppen's internal control work is based on the COSO framework for internal control, which has been adapted to the business. The control environment forms the basis for the work and the process itself is structured into the stages of risk assessment, control activities, evaluation and reporting. Informing and communicating about risks, policies, routines and controls helps to ensure good risk management and that the right business decisions can be made.

The responsibility for maintaining an effective control environment and conducting the ongoing work is delegated to the CEO. The CFO has the overall responsibility for coordinating and following up the work in the way that the Board decides. The CFO's responsibilities include ensuring that accounting and reporting within the Group comply with applicable laws and norms, and that new standards and interpretation statements are implemented correctly.

Fasadgruppen's internal control structure



Control environment

The control environment constitutes the basis for internal governance and control with regard to financial reporting. It is defined via policies, instructions and guidelines and is maintained with the help of Fasadgruppen's organisational structure, with clear responsibilities and powers based on common values.

Fasadgruppen's Board has established clear processes and rules of procedure for its work and the division of work between the Board of Directors and the CEO. The Board has established an Audit Committee for financial reporting.

Fasadgruppen's most important financial policy documents include an investment policy, finance policy, attestation instructions, information and insider policy, policy for risk management and internal control, financial handbook and corporate governance policy.

Risk assessment

Fasadgruppen performs an annual risk analysis with the aim of ensuring correct and reliable financial reporting and accounting in accordance with applicable laws, regulations and accounting standards. The risk analysis is performed as part of business planning in order to obtain an overall risk assessment where the purpose is to identify, evaluate and manage risks that threaten the Group's business concept, vision and goals. Fasadgruppen bases this on the definition of risk as 'A possible future event that threatens the organisation's ability to achieve its vision and long-term goals'. The risk assessment is performed within the following risk categories:

- External risks
- Operational risks
- Financial risks

The Auditors' observations from the management audit and elsewhere are also taken into account. The identified risks are assessed based on:

- Impact on business concept, vision and goals.
- Likelihood of the risk occurring during the plan period.
- Effectiveness of existing controls.

The risk assessment includes identifying risks that may arise if the basic requirements for financial reporting (completeness, accuracy, valuation and reporting) in the Group are not met, as well as the risk of loss or misappropriation of assets. For identified critical risks, the processes and associated internal controls are reviewed in order to minimise the risk. The CEO reports identified risks to the Audit Committee and

the Board of Directors, who make decisions about which risks are most material to take into account in order to ensure good internal control within financial reporting.

Examples of areas that are considered most material to focus on are assumptions linked to the percentage of completion method within project accounting, the accounting of acquisitions and the valuation of goodwill and brands.

Control activities

Fasadgruppen has established a number of control activities for each main process for whatever must be established and function in the risk management work. The activities are an important tool that enables the Board of Directors to manage and evaluate information from the Company Management, ensure the effectiveness of the Group's processes and take responsibility for identified risks.

Examples include transaction-related checks linked to authorisation and investments, payment routines and account reconciliation. The follow-up of results functions as an important complement to the controls implemented in the financial processes.

Assessment and reporting

Fasadgruppen has a Group-wide monitoring process through which operations and functions follow up the control activities and report back on the status. A self-evaluation of the effectiveness of internal control is to be performed annually for all processes. The CEO is responsible for presenting the results to the Audit Committee and the Board of Directors.

Information and communication

Fasadgruppen's communication must be long-term and compatible with the Group's brand, vision, business concept, strategies, goals and values. The information must be accurate, relevant and clear in accordance with applicable laws and regulations. In order to promote complete and correct disclosure of information in its financial reporting, Fasadgruppen has an information and insider policy adopted by the Board of Directors which, among other things, contains guidelines for handling insider information and other external information obligations. All governing documents are available via Fasadgruppen's intranet.

Activities 2024

Below is a summary of Fasadgruppen's main activities within internal governance and control during 2024:

- All governing documents were updated during the year to fulfil requirements.
- The work with year-end reporting has continued to be developed and streamlined during the year for faster quarterly reporting.
- Continued work on further developing and improving control activities within prioritised processes with the aim of increasing the number of automated checks and further developing risk management with a focus on financial reporting.
- Established an IT manager to strengthen control, manage IT risks and develop the strategic role of IT in the long term.

Planned activities

Fasadgruppen will continue to develop the work on internal governance and control in 2025. The following planned activities are the focus during the coming year:

- Ongoing adaptation to the auditors' observations and comments.
- Continued work to develop CSRD-related key performance indicators and implement the Position Green support system for reporting and monitoring relevant key performance indicators on an ongoing basis.
- To increase support capacity, develop monitoring and communicate more effectively, the Group carried out a reorganisation during the first quarter. A level was removed between the Group Management and the subsidiaries, and the central support functions were reshaped. The new organisation is based on a flat structure, where the subsidiaries are divided into clusters with a shared Chair of the Board.

Internal audit

The Board has made the assessment that Fasadgruppen does not need to add a formalised internal audit to the existing processes and functions for internal governance and control. Follow-up is carried out by the Board and Group Management, and the control level is currently deemed to meet the company's needs. An annual assessment is made as to whether an internal audit function is considered necessary to maintain good control within Fasadgruppen.

Stockholm, 16 April 2025

Board of Directors

▶ The auditor's opinion on the Corporate Governance Report can be found on page 101.

Board of Directors

Ulrika Dellby

Chair of the Board

Elected: Chair of the Board since May 2022 (Member since May 2020 and of companies in the Group since 2019). Chair of the Remuneration Committee, Member of the Audit Committee.

Born: 1966.

Principal education: MSc Business and Economics, Stockholm School of Economics.

Other significant posts: Vice Chair of BICO Group, Board member at Lifco, Arjo, Elanders, Linc, Werksta and the Royal Dramatic Theatre.

Background: Former partner at BCG and within Private Equity and CEO of Brindfors Enterprise IG. Former Vice Chair of Norrporten and Board member at SJ, Kavli, Cybercom and IVAs Näringslivsråd, among others.

Shareholding: 100,000 shares (privately and through companies).

Dependency: Independent in relation to the Company, the Company Management and major shareholders in the Company.

Gunilla Öhman

Board member

Elected: Board member since June 2020. Member of the Audit Committee.

Born: 1959.

Principal education: MSc Business and Economics, Stockholm School of Economics.

Other significant posts: Consultant and owner of Carrara Communication AB. Head of IR for NCAB Group AB (publ) and Nimbus Group AB. Board member of Titania Holding AB.

Background: Former Director of Communications for the SEB Group, Sweden's Riksbank and the Deposit Guarantee Board. Former Board member of Hoist Finance AB (publ), SJ AB, Oatly AB and AMF Fonder AB.

Shareholding: 6,350 shares (through companies).

Dependency: Independent in relation to the Company, the Company Management and major shareholders in the Company.

Magnus Meyer

Board member

Elected: Board member since May 2024. Member of the Remuneration Committee.

Born: 1967.

Principal education: MSc Engineering and Licentiate of Technology, Royal Institute of Technology, Stockholm.

Other significant posts: Chair of the Board of HiQ International AB, Board member of Kinnarps AB, Slättö Förvaltning AB, Vasakronan AB, Coor Service Management Holding AB, Infranord AB, Fagerhult Group AB and MW Group AB.

Background: Head of Group and CEO of WSP Europe and Tengbomgruppen AB. Managerial positions in GE Real Estate and Ljungberggruppen AB.

Shareholding: 7,000 shares.

Dependency: Independent in relation to the Company, the Company Management and major shareholders in the Company.

Christina Lindbäck

Board member

Elected: Board member since May 2021. Member of the Audit Committee.

Born: 1963.

Principal education: LLB., Stockholm University.

Other significant posts: Director of Sustainability for the Ahlsell Group. Board member of Axfoundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Background: Previously Head of Sustainability at the NCC Group, Environment and QA Manager at Ragn-Sells AB, Assistant under-secretary at the Department of the Environment and Chair of Miljömärkning Sverige AB.

Shareholding: 2,500 shares.

Dependency: Independent in relation to the Company, the Company Management and major shareholders in the Company.

Tomas Ståhl

Board member

Elected: Board member since July 2018. Chair of the Audit Committee, member of the Remuneration Committee.

Born: 1971.

Principal education: MSc Business and Economics, Lund University.

Other significant posts: Board Member and CEO of Connecting Capital Holding AB and posts with several Connecting Capital Holding AB subsidiaries. Board member of United Power AB, VA Nordic AB, El-Björn AB, AB Nesel and AB Axag.

Background: Previously CFO for companies such as LBI International and Traction. Auditor Arthur Andersen.

Shareholding: 200,000 shares (through companies).

Dependency: Independent in relation to the Company and Company Management. Not independent in relation to major shareholders in the Company as Tomas is employed at Connecting Capital, which owns more than ten percent of all the shares and voting rights in the Company.

Mats Karlsson

Board member

Elected: Board member since May 2023.

Born: 1973.

Principal education: Upper secondary qualification.

Other significant posts: Board member of KFAB Förvaltning and Kulturkonsulterna i Småland AB.

Background: From 2000 to 2021, Mats Karlsson was CEO of AB Karlssons Fasadrenovering, which together with STARK Fasadrenovering formed Fasadgruppen in 2016. He has over 25 years of experience in the façade industry.

Shareholding: 1,998,704 shares (through companies).

Dependency: Not independent in relation to the Company and Company Management as he has been employed by Fasadgruppen for the past three years.

Auditor

The 2024 AGM re-elected Deloitte AB as auditor for the period until the end of the 2025 AGM.

Richard Peters

Authorised Public Accountant

Experience: Richard is a member of FAR (the industry association for accountants) and has been the principal auditor of Fasadgruppen since 2018.

Contact: Deloitte AB, SE-113 79 Stockholm, Sweden.

Group Management

Martin Jacobsson

CEO and Group President

Born: 1988.

CEO since 2023
(active in the Group since 2018).

Principal education: MSc Engineering, Lund University.

Other significant posts: —

Experience: Martin was Deputy CEO from 2019 to 2023 and also Head of M&A at Fasadgruppen. He previously worked as an equities analyst at Handelsbanken Capital Markets.

Shareholding: 490,000 shares, 65,125 W.

Casper Tamm

CFO

Born: 1961.

CFO since 2020.

Principal education: MSc Business and Economics, Lund University.

Other significant posts: –

Experience: Casper is a highly experienced CFO including at the international Dow Group, Teracom, Swedol and SSM Holding AB.

Shareholding: 28,575 shares, 45,125 W.

Daniél Bergman

Head of M&A

Born: 1980.

Head of M&A since 2023.

Principal education: MSc Business and Economics, BSc Commercial Law from Uppsala University.

Other significant posts: —

Experience: Daniél was CEO of Tello Service Partner from 2008 to 2022, which was acquired by Fasadgruppen in February 2021. He previously worked in corporate finance at PwC.

Shareholding: 2,941 shares, 15,000 W.

Peter Andersen

Subsidiary Chair

Born: 1973.

Active in companies in the Group since 2021.
Member of the Group Management since 2025.

Principal education: Masonry and building design, Copenhagen School of Design and Technology (KEA).

Other significant posts: —

Experience: Peter is a fourth-generation master builder and was CEO of P. Andersen & Søn from 2003 to 2021. Since 2021, Peter has been in charge of Fasadgruppen's Danish operations.

Shareholding: 151,527 shares, 17,800 W.

Johan Fägerlind

Subsidiary Chair

Born: 1987.

Active in companies in the Group since 2024.
Member of the Group Management since 2025.

Principal education: MSc Industrial Economics from Lund University.

Other significant posts: —

Experience: Johan has many years of experience in the construction industry and has previously held various roles at Icopal Entreprepenad AB and JM AB.

Shareholding: 923 shares, 5,000 W.

Jan Erik Pedersen

Subsidiary Chair

Born: 1991.

Active in companies in the Group since 2021.
Member of the Group Management since 2025.

Principal education: Upper secondary qualification.

Other significant posts: —

Experience: Jan Erik began his career as a masonry apprentice at Veidekke in Norway and has many years of experience as a supervisor, project manager and CEO. He was previously the CEO of Norwegian company SH Bygg, which was acquired by Fasadgruppen in 2021.

Shareholding: 550 shares.

Petri Mahanen

Director Rovakate

Born: 1976.

Active in companies in the Group since 2022.
Member of the Group Management since 2025.

Principal education: Msc Engineering.

Other significant posts: —

Experience: Petri is one of the founders of Finnish company Rovakate, which was acquired by Fasadgruppen in 2022. He has many years of experience in the façade industry and has been the CEO of Rovakate since 2012.

Shareholding: 239,419 shares.

David Higgins

Director Clear Line

Born: 1982.

Active in companies in the Group since 2024.
Member of the Group Management since 2025.

Principal education: MSc Façade Engineering from the University of Bath and BSc Construction Project Management from the University of Huddersfield.

Other significant posts: —

Experience: David is Head of Project Management and since 2008 has worked at UK company Clear Line, which was acquired by Fasadgruppen in 2024.

Shareholding: 296,838 shares.

W = Warrants.

Financial information

CONTENTS

Board of Directors' Report

The Board of Directors and CEO of Fasadgruppen Group AB (publ), corporate identity number 559158-4122 (the "Company"), hereby present the annual accounts and consolidated accounts for the financial year 1 January 2024 to 31 December 2024. Unless otherwise stated, the information refers to the Group (the "Group" or "Fasadgruppen").

Group operations

Fasadgruppen is the leading complete provider of sustainable façades with a local presence in Sweden, Norway, Denmark, Finland and the UK. The Group's main customers are property companies, municipal authorities, regions and government agencies, tenant-owner associations, consultants and construction companies.

Fasadgruppen's business concept is to acquire locally leading entrepreneurial specialist companies, which through cooperation can become more efficient and offer multidisciplinary solutions that contribute to sustainable properties.

Since Fasadgruppen's inception, Group sales have multiplied several times over, driven primarily by acquisitions but also by organic growth. Fasadgruppen completed five business acquisitions in 2024. The acquired companies generate annual revenue of approximately SEK 968 million and have around 241 employees. Fasadgruppen's acquisition strategy is based on the decentralised business model, where the acquired companies are able to operate with a high degree of autonomy but in a new entrepreneurial context. Common to all companies is that they operate in a niche that focuses on building exteriors and they are therefore able to identify synergies with their sister companies in the Group.

In line with the expansion of the business, the Group benefits from the synergies that arise between its subsidiaries, which help build an organisation with low overheads that can share resources, purchasing agreements and best practice in an effective manner. Fasadgruppen comprises the Parent Company and its subsidiaries, all of which have solid local knowledge and responsibility for a geographical area. The Fasadgruppen philosophy is that customers should be able to benefit from contracting a local, trusted partner, thereby spending less time identifying, contacting and hiring separate contractors spread across the country. Although the Group, in its current form, was founded in 2016, the subsidiaries have extensive experience of complex projects in different environments and in multiple disciplines. For example, the Swedish companies Ahlins Plåt AB and Haga Plåt i Umeå AB were founded in 1909 and 1926 respectively.

Market

Fasadgruppen's markets are characterised by long-term stability, driven by an underlying need to renovate both residential and commercial properties. With regard to new construction, façade work also represents a crucial and specialised activity that construction companies largely outsource. In addition to the underlying need for façade work, the trend towards more energy-efficient façade solutions is also considered to be capable of driving further market growth.

Fasadgruppen focuses on the mid-size segment of the market, where projects are in the magnitude of SEK 1–100 million, but have an average size of SEK 3–4 million. References, customer relationships, local presence, short lead times and competitive pricing are key factors in successfully tendering for these projects. In some cases, the projects are larger than SEK 100 million, but these are then often divided into phases spanning several years.

Based on this, the Group has created a diversified structure with many smaller, flexible companies in a large number of geographic areas. Local subsidiary company CEOs can take quick business decisions independently and adapt to customer requirements. The means the Group has a stable platform from which to enjoy sustainable profitable growth moving forward.

The Nordic market for building envelopes is estimated at around SEK 125 billion a year. The Swedish market is estimated at around SEK 36 billion, the Norwegian market SEK 37 billion, the Danish market around SEK 27 billion and the Finnish market around 25 billion. The metropolitan regions account for around half of all turnover in the Nordic region. The UK market for façades, where Fasadgruppen's subsidiary operates, is estimated to be worth around SEK 140 billion a year.

Significant events in 2024

First quarter

- In January and March respectively, the acquisitions were completed of Danish balcony specialist Alument and Norwegian roofing and solar cell company Elenta.
- Fasadgruppen entered into a partnership with Skandinaviska Enskilda Banken (SEB) on energy renovations for tenant-owner associations.

Second quarter

- Fasadgruppen launched a new subsidiary with a focus on solar cell solutions under the name Elenta Solar AB.

Third quarter

- Fasadgruppen entered into agreements for the acquisition of Brenden, one of Norway's leading scaffolding companies, as well as Swedish steel and forging company JE:s Svets & Smide.

Fourth quarter

- Fasadgruppen acquired Clear Line, a specialised full-service contractor in façades and fire safety in the UK.
- Fasadgruppen held a Capital Markets Day and presented its strategy and priorities up to 2028.

Net sales and profit

Net sales for the full year 2024 amounted to SEK 4,926.8 million (5,109.7), a total decrease of -3.6 percent compared with the same period in the previous year. The decrease consists of organic change of -10.4 percent in local currencies, exchange rate changes of -0.5 percent and acquired growth of +7.3 percent. In local currencies, the full year has seen positive organic growth on all markets except Sweden. Fasadgruppen acquired five companies and launched a new subsidiary during the period January to December. For more information on acquisitions, see Note 9.

EBITA for the full year 2024 amounted to SEK 231.1 million (421.2) and adjusted EBITA to SEK 282.4 million (448.0). Items affecting comparability during the period totalled SEK -51.4 million (-26.8) with an adjusted EBITA margin of 5.7 percent (8.8). The margin development during the year has been negatively affected by a gradually weakened market combined with increasing competition in Sweden in particular. Other operating income/expenses were impacted by the revaluation of contingent earnouts during the current period, in the net amount of SEK -6.2 million (-16.4), the items being treated as affecting comparability; see also Notes 6 and 7. Net financial items for the quarter amounted to SEK -127.7 million (-101.9). Interest expenses on loans from credit institutions amounted to SEK -109.0 million (-84.1) net. Profit for the period amounted to SEK 0.6 million (219.2), corresponding to earnings per share of SEK 0.05 (4.42) before and after dilution. The total tax expense for the year was SEK -37.8 million (-82.7). The high effective tax is due to the add-back of various non-deductible items into the tax calculation. These costs amount to approximately SEK 145.1 million and have a tax effect of around SEK 29.9 million.

Order backlog

At the end of December 2024, the order backlog amounted to SEK 3,790.0 million (2,867.0), an increase of +32.2 percent. The increase consists of negative organic growth of -8.0 percent, exchange rate changes of +1.1 percent and acquired growth of +39.1 percent. From a geographical perspective, the order backlog trend was negative in Sweden and Norway. The Group reports its highest-ever order backlog level, driven primarily by the acquisition of Clear Line during the fourth quarter. This has also strengthened the order backlog margin.

Financial position and financing

At the end of the period, shareholders' equity was SEK 2,334.4 million (2,182.3). Changes in shareholders' equity between the period ends can be attributed primarily to offset share issues of SEK +898.4 million, the valuation of options on subsidiary company shares of SEK -685.4 million and dividends of SEK -87.7 million. The rest of the change in shareholders' equity is mainly attributable to the comprehensive income for the period. Interest-bearing net debt on 31 December 2024 amounted to SEK 2,141.6 million (1,240.2). The interest-bearing net debt includes lease liabilities amounting to SEK 197.4 million (168.1). Acquisition-related financial liabilities are not included in interest-bearing net debt and on 31 December 2024 comprised earnouts of SEK 166.5 million (232.5) and the valuation of options on subsidiary company shares of SEK 685.4 million (0). The fixed interest period for interest-bearing liabilities varies between 1 and 3 months and the average interest expense paid for the period January–December 2024 was approximately 6.1 percent (5.8). The ratio of Fasadgruppen's interest-bearing net debt to adjusted EBITDA 12M (not on a pro forma basis) was 5.3 (2.3) at the end of the period. This increase is the result of the acquisition of Clear Line in October. On 30 December 2024, the Group held cash and cash equivalents and other short-term investments amounting to SEK 482.3 million (467.6). In addition to cash and cash equivalents and other short-term investments, there were unutilised credit facilities of around SEK 177 million at the end of the period.

Cash flow and investments

The positive change in working capital for the period January to December 2024 was higher than the comparison period and amounted to SEK 172.7 million (123.9). The reduction in operating cash flow to SEK 421.6 million (547.6) is the result of weaker earnings in the current period. The positive change in working capital contributed to the strong cash conversion, which amounted to 118.5 percent (104.7). Group net investments in property, plant and equipment increased to SEK -106.8 million (-99.4) for the period January to December 2024, primarily as a result of acquisitions made. Depreciation, amortisation and impairment of non-current assets amounted to SEK -189.6 million (-119.3). Of these, the amortisation of acquired intangible assets, such as customer relationships, amounted to SEK -29.8 million (-17.3), alongside the impairment of goodwill and brands of SEK -34.6 million (0) which was applied on the discontinuation of the operations of subsidiary Er-Jill during the fourth quarter. Investments in company acquisitions for the period January to December 2024 amounted to SEK -735.5 million (-112.7). Contingent earnouts were paid in relation to acquisitions made in previous years at an amount of SEK 129.2 million during the period January to December 2024.

Parent Company

Fasadgruppen Group AB acts as a holding company for the Group and provides head office functions such as Group-wide management, administration and a finance department. Income comprises management fees from Group companies for Group-wide services and costs covered by the Parent Company. Net financial items mainly comprise dividends and interest income from Group companies, as well as interest expenses from external financing. Profit/loss for the period January to December amounted to SEK 70.7 million (79.7). Assets, primarily consisting of participations in and receivables from Group company Fasadgruppen Norden AB, amounted to SEK 2,973.2 million (3,110.6) at the end of the period. Shareholders' equity amounted to SEK 1,714.8 million (1,520.2) on the balance sheet date. The number of employees at the Parent Company at the end of the period was 2 (2).

Seasonal variations

Fasadgruppen's activities and markets are affected by seasonal variations to a certain degree. As a rule, the first quarter of the year is weaker than the remaining nine-month period as the winter conditions can make roof work and other outdoor services, for example, more difficult. Low temperatures mean it is more difficult for rendering and masonry work to be cured to the expected compressive strength and therefore larger projects involving rendering and masonry are avoided during winter months. New production projects are generally less seasonal than renovation projects, with the latter often starting up in spring. The Group's diversified structure, with regard to both market offering and geographic presence, limits exposure to seasonal variations to a certain extent, however.

Incentive programmes

The Annual General Meetings of 2022, 2023 and 2024 resolved to implement long-term incentive programmes for employees in the Group, consisting of warrants. Each warrant entitles the holder to subscribe for one new share in the company at a predetermined price and within a specified subscription period. The subscription price corresponds to 125 percent of the volume-weighted average price for the company's shares on Nasdaq Stockholm during the last ten trading days prior to the respective Annual General Meeting that approved the incentive programme. See also the table below for a summary of the current warrant programmes. Read more about the warrant programmes in Note 4 Remuneration to employees and the Board of Directors.

Warrants have been transferred to employees at a market price calculated in accordance with the Black–Scholes model. Warrants not transferred to employees have been transferred to the company's wholly owned subsidiary Fasadgruppen Norden AB free of charge.

Under certain circumstances, the company has the right to buy back warrants from holders who cease to be employees of the Group or who wish to transfer their warrants to a third party. Further information on the terms and conditions for the warrants is available on the company's website.

The table below shows a summary of the current warrant programmes.

The share, share capital and buy-backs

As at 31 December 2024, the share capital amounted to SEK 2.7 million distributed over 53,832,113 shares corresponding to a quota value of SEK 0.05 per share. All shares are of the same class, with equal voting rights and share of the company's capital and profit. At the same time, the company held 114,234 repurchased shares from the buy-back programme carried out around the turn of the year 2023/2024, which are intended to be used to finance future acquisitions.

The total number of outstanding shares after the buy-back was 53,717,879. The Board of Directors has authorisation during the period until the next Annual General Meeting to decide on share issues and on the buy-back and transfer of own shares. The three largest shareholders in the company at the end of December 2024 were Connecting Capital, Swedbank Robur Fonder and Gallows Pole Ltd. No single holding represents 10 percent or more of the votes in the company.

According to the Swedish Annual Accounts Act, listed companies are required to disclose information concerning certain circumstances that may affect opportunities to take over the company through a public takeover bid for the shares in the company. Fasadgruppen's lenders are entitled to cancel approved committed credit facilities if the company's shares are delisted from Nasdaq Stockholm or in connection with public takeover bids if the bidder secures a shareholding of more than 50 percent of the number of shares in Fasadgruppen or controls at least 50 percent of the votes. Otherwise the company has not entered into any significant agreements with suppliers, Board members or employees that would be affected, change, expire or stipulate the payment of financial remuneration should control of the company change as a result of a public takeover bid for the shares in the company.

Incentive programmes	Maximum number of warrants	Number of warrants transferred	Number of employees who acquired warrants	Warrant premium paid (SEK m)	Subscription period	Subscription price (SEK)
2022/2025	484,000	236,196	46	1.7	June 2025	179.80
2023/2026	500,000	213,410	68	4.3	June 2026	104.00
2024/2027	500,000	137,023	41	1.8	June 2027	83.50

Risks and uncertainty factors

Fasadgruppen's business is affected by a number of risks whose effects on earnings and financial position can be managed to varying degrees. When assessing the Group's future development, it is important to consider the risk factors in addition to possible opportunities for earnings growth. The Group is exposed to different types of risk in its business and these are categorised as operational risks, financial risks and external risks. External risks are primarily related to factors outside Fasadgruppen's own businesses, such as macroeconomic growth on the Group's main markets. Operational risks are related to day-to-day operations such as tendering, capacity utilisation, percentage of completion and price risks. The financial risks include liquidity and loan financing risks. Risk management is clearly defined in the Fasadgruppen management system, which is designed to prevent and reduce the Group's risk exposure. Risk management in the Group aims to identify, measure, control and limit risks in the business.

The macroeconomic challenges, combined with global geopolitical tensions, are contributing to continued uncertainty on the market during 2024. Although Fasadgruppen does not have any direct exposure to the troublespots, the business is affected by the general economic situation, just like everyone else. Since the beginning of 2024, inflation has eased as the economy has slowed, resulting in a general increase in competition. The longer-term consequences of higher interest rate levels, which are mostly considered to be of a general cyclical nature, remain hard to predict.

The construction and property sector has continued to be marked by uncertainty and economic decline, with the largest impact in Sweden. Fasadgruppen focuses predominantly on the renovation market and approximately 80 percent of sales in 2024 consisted of renovation of apartment buildings and commercial properties. Demand in the renovation sector remained solid, driven by the underlying renovation requirements of the ageing property stock in the Nordic region together with a new EU Directive that places more stringent requirements on the energy performance of properties. The UK market is also being driven by specific fire prevention measures for façades following the catastrophic Grenfell Tower fire in 2017.

The longer-term consequences of the rising interest rate levels, which are mostly considered to be of a general cyclical nature, remain hard to predict. The Group continues to monitor developments closely as part of its ongoing risk management work, making adjustments when necessary.

Fasadgruppen's external interest-bearing financing is subject to two covenants requiring that the key debt ratio (external interest-bearing net debt in relation to adjusted EBITDA) for a rolling 12-month period does not exceed a multiple of 3.5 on a pro forma basis and that the interest coverage ratio for a rolling 12-month period does not fall below a multiple of 3.0. If Fasadgruppen were to breach the above covenant, this could have an impact on the Group's loan financing. For the fourth quarter, the covenant outcome for the key debt ratio is 3.3 and for the interest coverage ratio is 3.6. With a cautious acquisition agenda and based on historical seasonal patterns for cash flow and net debt with the current portfolio companies, the assessment is that the key debt ratio and the interest coverage ratio will be able to show positive trends overall for 2025. The acquisition of Clear Line and its financial profile significantly improve the conditions for positive development in relation to covenants during 2025. In addition, a change in policy has removed the distribution of 30 percent of annual net profit.

Under the updated financing agreement, which came into effect during the fourth quarter, the reduction of the covenant for the key debt ratio is now gradual from 3.5x down to 3.0x: Q1 2025: 3.5x, Q2 2025: 3.25x and finally Q3, 2025: 3.0x. The Group continues to monitor developments closely as part of its ongoing risk management work, making adjustments when necessary.

More information about the Group's risks can be found on pages 20–23.

Sustainability Report

Sustainability is an integral part of Fasadgruppen's operations. The statutory sustainability report in accordance with the Swedish Annual Accounts Act is prepared separately to the Board of Directors' Report and can be found on pages 24–39. The risk analysis in relation to sustainability issues is included in the combined risk section on pages 20–23. The diversity policy is described in the Corporate Governance Report on page 43.

Employees

The Group had 2,074 employees (2,069) on 31 December 2024, of whom 117 were women (90). The average number of employees for the period January–December 2024 was 2,081 (2,001). The change relative to the comparison period is primarily attributable to new acquisitions balanced by downsizing of a total of 240 jobs between the periods.

For further information, see Note 4 Remuneration to employees and the Board of Directors. Fasadgruppen fosters a workplace that values gender equality and diversity. The Group's Code of Conduct and diversity policy provide the framework for the Group's work for inclusion and equal treatment. Employee appraisals are conducted to map and ensure skills and expertise, personal development and job satisfaction. Fasadgruppen engages in extensive occupational health and safety work throughout the organisation in accordance with systematic occupational health and safety management.

Guidelines for remuneration to senior executives

The Board of Directors proposed that the following guidelines for the remuneration of senior executives apply to the remuneration agreed by the Company after the 2024 AGM. The guidelines do not encompass remuneration resolved by the General Meeting.

The differences compared with the remuneration guidelines adopted by the 2022 AGM include clarification that the criteria to be met in order for variable salaries to be payable must be linked to both financial and sustainability targets, that the variable salary can amount to a maximum of 75 percent, compared with the previous figure of 50 percent, and that a reinvestment component has been added to the principles on variable salary. A section on share-based incentive programmes has also been removed as this is resolved by the General Meeting.

In these guidelines, senior executives refers to the CEO, members of the Company's Group Management and Board members in the Company who have entered into an employment or consulting agreement with the Company or another Group company. The Company's remuneration principles are to ensure responsible remuneration decisions that support the company's strategy, long-term interests and sustainability. Salaries and other employment terms and conditions should enable the Group to retain and recruit skilled senior executives at a reasonable expense. Remuneration to senior executives can comprise a fixed salary, variable salary, pension and other benefits. The Annual General Meeting may also, irrespective of these principles, resolve on share-based or share price-based incentive programmes.

Fixed salaries should be in line with market rates and based on the senior executive's responsibilities, expertise and performance. Variable salaries should be in line with market rates and based on the senior executive's responsibilities, expertise and performance. Payment of variable remuneration should be conditional on a number of pre-determined criteria. The criteria must be linked to both financial and sustainability targets and be designed to promote the Company's strategy and long-term value creation.

The assessment of whether the targets for payment are met is to be made when the relevant measurement period for the targets has ended. The Board's Remuneration Committee is responsible for assessing variable remuneration for the CEO. The CEO is responsible for the assessment with regard to variable remuneration for other senior executives. Variable remuneration may not exceed 75 percent of annual fixed salary (i.e. annual fixed salary excluding pensions, benefits and similar).

An amount corresponding to 25 percent of the variable remuneration received by the senior executive before deduction of income tax (i.e. the gross amount) must be used to acquire shares in Fasadgruppen. The shares acquired must be held for at least three years, subject to certain customary exceptions. The purpose of reserving a portion of the variable remuneration for the acquisition of shares in Fasadgruppen is to increase the long-term commitment of the senior executives to the Company and so benefit the strategy and long-term value creation of the Company. The acquisition of Fasadgruppen shares by senior executives using the portion of variable remuneration shall normally take place in May–June and is subject to the applicable market abuse regulations.

The Company has the right to reclaim variable remuneration paid if it has been calculated or paid out on incorrect grounds.

Agreements regarding pensions are, where possible, to be contribution-based and structured in accordance with the levels and practices applicable in the country where the senior executive is employed. Pension premiums for defined contribution pensions may not exceed 40 percent of annual fixed salary (i.e. annual fixed salary excluding pensions, benefits and similar) unless applicable collective agreement stipulates otherwise.

Other benefits may include life insurance, health insurance and company car benefits, for example. Premiums and other costs related to such benefits may not exceed 15 percent of annual fixed salary (i.e. annual fixed salary excluding pensions, benefits and similar).

Basic salary during the notice period and severance pay, including remuneration for any restriction of competition, shall not exceed an amount corresponding to the fixed salary for two years.

If a Board member performs work for the Group in addition to ordinary Board work, market-based consulting fees must be paid.

These guidelines have been drawn up by the Board after preparation by the Board's Remuneration Committee. In the Remuneration Committee's preparation of whether the guidelines and the limitations that apply according to the guidelines are reasonable, the Remuneration Committee has taken into account information on the total remuneration to all of the Company's employees, including various remuneration components as well as the remuneration's increase and rate of increase over time.

The Remuneration Committee must monitor and evaluate the programmes for the variable remuneration of senior executives, the application of these guidelines as well as the current remuneration structures and remuneration levels at the Company.

The members of the Remuneration Committee are independent in relation to the Company and the Company Management. The CEO and the other members of the Group Management do not participate in the discussion of and decisions on remuneration-related issues to the extent that they are affected by these issues.

These guidelines shall apply until new guidelines have been adopted by the General Meeting. The Board must draw up proposals for new remuneration guidelines when there is a need for substantial changes to the guidelines, but at least every four years.

When revising the guidelines, the Company must describe all significant changes and how any views of shareholders have been taken into account.

The Board of Directors has the right to fully or partially deviate from the guidelines if the Board judges that in an individual case there are special reasons that justify this and if a deviation is necessary to safeguard the Company's long-term interests and sustainability or to ensure the Company's financial viability.

Corporate Governance Report

The Corporate Governance Report is presented as a separate part of Fasadgruppen's 2024 Annual Report and does not form part of the formal annual report documents, see pages 40–51.

Significant events after the end of the year

For significant events after the end of the financial year, see Note 27 Events after the balance sheet date.

Future projections

The Nordic market is expected to continue to have stable underlying renovation requirements in the future. Driving forces, such as urbanisation, ageing properties and increased focus on improving energy efficiency in buildings, where new demands are made from both a regulatory and a financing perspective, are considered to lead to a continuing willingness to invest among the Group's customer groups, which points to long-term growth potential for Fasadgruppen. The new production market is also expected to be able to recover over the coming years, albeit from low levels, given improved macroeconomic conditions. On the UK market, major investments are expected in remedial measures for flammable façades for a long time to come, together with similar driving forces for renovation on the Nordic markets. In both the Nordic region and the UK, there are large numbers of companies that focus on building exteriors, which provides long-term conditions for continued consolidation.

You can also read about how the Group is working to counter possible risks as a consequence of the shortage of materials and energy in several industries and rising interest rates in the section on Risks and uncertainties.

Proposed appropriation of profit

The Board's proposal to the 2025 AGM for the appropriation of profit is set out in Note 26 Proposed appropriation of profit.

Consolidated statement of comprehensive income

SEK m	Note	2024	2023
Net sales	2	4,926.8	5,109.7
Other operating income		73.2	61.4
Operating income		**5,000.0**	**5,171.1**
Materials and consumables		-2,520.9	-2,680.8
Remuneration to employees	4, 5	-1,670.1	-1,565.4
Depreciation and impairments of tangible and intangible non-current assets	6	-189.6	-119.3
Other operating costs	3	-453.4	-401.8
Operating costs		**-4,834.0**	**-4,767.3**
Operating profit/loss		**166.1**	**403.8**
Financial income	7	23.1	28.0
Financial costs	7	-150.7	-130.0
Profit/loss from financial items		**-127.7**	**-101.9**
Profit/loss after financial items		**38.4**	**301.9**
Tax on profit for the year	8	-37.8	-82.7
Profit/loss for the year		**0.6**	**219.2**
Other comprehensive income for the year:			
Items that can be reclassified to profit or loss:			
Exchange rate differences on translation of foreign operations		32.0	-50.1
Hedging of net investments		-9.2	5.8
Tax attributable to components in other comprehensive income		0.0	-1.2
Items that will not be reclassified to profit or loss:			
Other comprehensive income for the year, net after tax		**22.8**	**-45.4**
Comprehensive income for the year		**23.4**	**173.7**
Comprehensive income for the year attributable to:			
Shareholders in the Parent Company		25.3	173.7
Holdings without controlling interest		-1.9	-
Earnings per share for the year before dilution, SEK		0.05	4.42
Earnings per share for the year after dilution, SEK		0.05	4.42
Average no. of shares before dilution		49,779,967	49,615,784
Average no. of shares after dilution		49,779,967	49,615,784
Actual no. of shares at the end of the period		53,717,879	49,555,089

Consolidated statement of financial position

SEK m	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	10	4,341.6	2,917.3
Brands	10	554.0	432.0
Customer relationships	10	152.5	0.1
Other intangible assets	10	2.5	1.5
Total intangible assets		**5,050.6**	**3,350.9**
Property, plant and equipment			
Right-of-use assets	6	199.1	169.3
Buildings and land	11	3.7	2.4
Equipment	11	158.9	139.4
Total property, plant and equipment		**361.7**	**311.1**
Non-current financial assets			
Non-current securities holdings		1.1	0.6
Other non-current receivables		3.0	6.2
Total non-current financial assets		**4.1**	**6.9**
Deferred tax assets	8	30.4	5.0
Total non-current assets		**5,446.8**	**3,673.9**
Current assets	14		
Inventories		33.7	29.4
Accounts receivable	13, 15	651.2	721.5
Current tax assets		60.9	-
Revenues from contracts with customers and similar receivables	16	278.9	215.1
Prepaid expenses and accrued income	17	53.5	46.9
Current receivables		55.7	57.8
Cash and cash equivalents	18	482.3	467.6
Total current assets		**1,616.1**	**1,538.2**
TOTAL ASSETS		**7,063.0**	**5,212.0**

SEK m	Note	31 Dec 2024	31 Dec 2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	19		
Share capital		2.7	2.5
Other contributed capital		2,321.2	1,423.9
Reserves		65.8	43.0
Retained earnings including profit/loss for the year		-57.3	712.9
Equity attributable to Parent Company shareholders		**2,332.4**	**2,182.3**
Holdings without controlling interest		2.0	-
Total shareholders' equity		**2,334.4**	**2,182.3**
Non-current liabilities	13, 14		
Liabilities to credit institutions	21	2,269.7	1,430.9
Non-current lease liabilities	6	114.4	102.3
Deferred tax liabilities	8	239.6	146.3
Appropriations	20	15.6	8.5
Other non-current liabilities	14	768.7	130.4
Total non-current liabilities		**3,408.1**	**1,818.3**
Current liabilities	13, 14		
Liabilities to credit institutions	21	156.8	108.8
Current lease liabilities	6	83.0	65.8
Accounts payable		426.9	385.9
Current tax liabilities		-	25.0
Contract and similar liabilities	22	99.5	109.6
Other liabilities		307.5	243.8
Accrued expenses and prepaid income	23	246.8	272.4
Total current liabilities		**1,320.5**	**1,211.3**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**7,063.0**	**5,212.0**

Consolidated statement of changes in equity

SEK m	Note	Share capital	Other contributed capital	Retained earnings incl. profit/ loss for the year	Reserves	Total	Holdings without controlling interest	Total share-holders' equity
		Equity attributable to Parent Company shareholders						
Shareholders' equity 01 January 2023	**19**	**2.5**	**1,423.4**	**578.1**	**88.5**	**2,092.5**	**-**	**2,092.5**
Comprehensive income								
Profit/loss for the year				219.2		219.2		219.2
Other comprehensive income for the year:								
Exchange rate differences on translation of foreign operations					-50.1	-50.1		-50.1
Hedging of net investments					5.8	5.8		5.8
Income tax attributable to components in other comprehensive income					-1.2	-1.2		-1.2
Total comprehensive income		**-**	**-**	**219.2**	**-45.5**	**173.7**	**-**	**173.7**
Transactions with owners								
Dividend				-84.4		-84.4		-84.4
Premium received for issued share options			4.3			4.3		4.3
Buy-back of own shares			-3.8			-3.8		-3.8
Total transactions with owners		**-**	**0.5**	**-84.4**	**0.0**	**-83.9**	**-**	**-83.9**
Shareholders' equity 31 December 2023		**2.5**	**1,423.9**	**712.9**	**43.0**	**2,182.3**	**-**	**2,182.3**
Shareholders' equity 01 January 2024	**19**	**2.5**	**1,423.9**	**712.9**	**43.0**	**2,182.3**	**-**	**2,182.3**
Comprehensive income								
Profit/loss for the year				2.4		2.4	-1.9	0.6
Other comprehensive income for the year:								
Exchange rate differences on translation of foreign operations					32.0	32.0		32.0
Hedging of net investments					-9.2	-9.2		-9.2
Income tax attributable to components in other comprehensive income						-		-
Total comprehensive income		**-**	**-**	**2.4**	**22.8**	**25.3**	**-1.9**	**23.4**
Transactions with owners								
Changes in holdings without controlling interest				0.5		0.5	3.8	4.3
Changes in value of options issued on subsidiary company shares				-685.4		-685.4		-685.4
Dividend				-87.7		-87.7		-87.7
Share issues		0.2	898.2			898.4		898.4
Premium received for issued share options			1.8			1.8		1.8
Buy-back of own shares			-2.7			-2.7		-2.7
Total transactions with owners		**0.2**	**897.3**	**-772.6**	**-**	**124.9**	**3.8**	**128.7**
Shareholders' equity 31 December 2024		**2.7**	**2,321.2**	**-57.3**	**65.8**	**2,332.4**	**2.0**	**2,334.4**

Consolidated statement of cash flows

SEK m	Note	2024	2023
OPERATING ACTIVITIES			
Profit/loss after financial items		38.4	301.9
Reversal of depreciation and impairment		189.6	119.3
Adjustment for non-cash items	24	94.3	132.1
Changes in working capital:			
Change in inventories		0.2	1.9
Change in receivables		221.0	5.8
Change in liabilities		-48.5	116.2
Cash flow from operations		**494.9**	**677.2**
Interest paid	24	-141.5	-66.7
Tax paid		-68.1	-81.3
Cash flow from operating activities		**285.4**	**529.1**
INVESTING ACTIVITIES			
Acquisition of subsidiaries and businesses	9	-735.5	-112.7
Net investments in other non-current assets	11	-106.8	-99.4
Net investments in financial assets		3.6	-4.3
Cash flow from investing activities		**-838.7**	**-216.4**
FINANCING ACTIVITIES			
Transactions with owners		-0.9	0.5
Dividend paid		-87.7	-84.4
Proceeds from financial liability	24	1,091.8	1,931.0
Amortisation of financial liability	24	-354.3	-2,061.0
Repayment of lease liability	24	-85.5	-70.5
Cash flow from financing activities		**563.3**	**-284.3**
Cash flow for the year		**10.0**	**28.4**
Cash and cash equivalents at beginning of year		467.6	452.6
Translation difference in cash and cash equivalents		4.7	-13.5
Cash and cash equivalents at end of year		**482.3**	**467.6**

Parent Company income statement

SEK m	Note	2024	2023
Operating income		10.3	12.0
Operating costs	3, 4	-15.3	-17.6
Operating profit/loss		**-5.0**	**-5.6**
Financial income	7	173.1	108.7
Financial costs	7	-115.6	-105.3
Profit/loss from financial items		**57.4**	**3.4**
Profit/loss after financial items		**52.4**	**-2.2**
Appropriations	8	4.5	92.9
Profit/loss before tax		**56.9**	**90.7**
Tax on profit for the year	8	13.8	-10.9
Profit for the year*		**70.7**	**79.7**

* There are no items recognised in other comprehensive income at the Parent Company and therefore the total comprehensive income is the same as the profit/loss for the period.

Parent Company balance sheet

SEK m	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible and tangible non-current assets			
Other intangible non-current assets		0.1	0.1
Right-of-use assets	6	0.3	0.0
Total intangible and tangible non-current assets		**0.3**	**0.1**
Financial non-current assets			
Participations in Group companies	12	450.0	450.0
Receivables from Group companies		2,496.2	2,660.1
Other non-current receivables		0.5	-
Total financial non-current assets		**2,946.7**	**3,110.1**
Deferred tax assets	8	15.2	-
Total non-current assets		**2,962.2**	**3,110.2**
Current assets	14		
Other receivables		9.0	0.2
Prepaid expenses and accrued income	17	0.5	0.1
Cash and bank	18	1.6	0.0
Total current assets		**11.0**	**0.4**
TOTAL ASSETS		**2,973.2**	**3,110.6**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	19		
Restricted shareholders' equity			
Share capital		2.7	2.5
Total restricted shareholders' equity		**2.7**	**2.5**
Unrestricted shareholders' equity			
Share premium reserve		1,635.4	1,423.9
Retained earnings		6.1	14.1
Profit/loss for the year		70.7	79.7
Total unrestricted shareholders' equity		**1,712.1**	**1,517.7**
Total shareholders' equity		**1,714.8**	**1,520.2**
Non-current liabilities	13, 14		
Liabilities to credit institutions	21	1,146.8	1,435.0
Other non-current liabilities		0.8	-
Total non-current liabilities		**1,147.6**	**1,435.0**
Current liabilities	13, 14		
Liabilities to credit institutions	21	105.2	107.8
Accounts payable		0.9	1.6
Current tax liabilities		-	13.8
Accrued expenses and prepaid income	23	4.2	31.7
Other current liabilities		0.5	0.4
Total current liabilities		**110.8**	**155.3**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,973.2**	**3,110.6**

Change in the Parent Company's equity

		Restricted shareholders' equity	Unrestricted shareholders' equity		
SEK m	**Note**	**Share capital**	**Share premium reserve**	**Retained earnings**	**Total share-holders' equity**
Shareholders' equity 01 January 2023	**19**	**2.5**	**1,423.4**	**98.4**	**1,524.3**
Comprehensive income					
Profit/loss for the year				79.7	79.7
Total comprehensive income				**79.7**	**79.7**
Transactions with owners					
Dividend				-84.4	-84.4
Warrant payment			4.3		4.3
Buy-back of own shares			-3.8		-3.8
Total transactions with owners		**0.0**	**0.5**	**-84.4**	**-83.9**
Shareholders' equity 31 December 2023		**2.5**	**1,423.9**	**93.8**	**1,520.2**
Shareholders' equity 01 January 2024	**19**	**2.5**	**1,423.9**	**93.8**	**1,520.2**
Comprehensive income					
Profit/loss for the year				70.7	70.7
Total comprehensive income				**70.7**	**70.7**
Transactions with owners					
Dividend				-87.7	-87.7
Share issues		0.2	212.4		212.6
Warrant payment			1.8		1.8
Buy-back of own shares			-2.7		-2.7
Total transactions with owners		**0.2**	**211.5**	**-87.7**	**123.9**
Shareholders' equity 31 December 2024		**2.7**	**1,635.4**	**76.8**	**1,714.8**

Parent Company statement of cash flows

SEK m	Note	2024	2023
OPERATING ACTIVITIES			
Profit/loss after financial items		52.4	-2.2
Reversal of depreciation and impairment		0.2	0.3
Adjustment for non-cash items	24	90.1	91.8
Changes in working capital:			
Changes in inventories		0.0	0.0
Changes in receivables		-98.9	86.0
Changes in liabilities		-9.8	-0.9
Cash flow from operations		**33.9**	**175.0**
Interest paid	24	-123.2	-66.7
Tax paid		-8.7	-11.3
Cash flow from operating activities		**-97.9**	**97.0**
INVESTING ACTIVITIES			
Net investments in non-current assets		-0.4	-0.3
Cash flow from investing activities		**-0.4**	**-0.3**
FINANCING ACTIVITIES			
Transactions with owners		-0.9	0.5
Dividend paid		-87.7	-84.4
Proceeds from financial liability		323.6	1,920.4
Amortisation of financial liability	24	-135.1	-1,933.3
Cash flow from financing activities		**99.8**	**-96.7**
Cash flow for the year		**1.5**	**0.0**
Cash and cash equivalents at beginning of year		0.0	0.0
Cash and cash equivalents at end of year		**1.6**	**0.0**

Notes

Note 1 Accounting policies

General information

Fasadgruppen Group AB (559158-4122) is a public limited company that was formed and has its registered office in Sweden. The head office is located at Lilla Bantorget 11 in Stockholm, Sweden.

Fasadgruppen was established in 2016 through the merger of Swedish companies STARK Fasadrenovering and AB Karlssons Fasadrenovering. Today, the Group consists of more than 50 businesses distributed across Sweden, Norway, Denmark, Finland and the UK. With our small, Group-wide organisation, we combine the drive and proximity of locally based companies with the scope of a large group to achieve synergies and provide comprehensive solutions to customers.

Fasadgruppen possesses expertise in all aspects of building envelopes, such as façades, windows, balconies and roofs. Common to most services is that they contribute to greater energy efficiency and a better living environment. We also help to protect our shared cultural heritage. Our customers include property companies, municipal authorities, regions and government agencies, tenant-owner associations, consultants and construction companies.

ESEF data

Domicile of entity:	Sweden
Description of nature of entity's operations and principal activities:	Work pertaining to building envelopes, such as façades, windows, balconies and roofs. Common to most services is that they contribute to greater energy efficiency and a better living environment.
Country of incorporation:	Sweden
Legal form of entity:	Aktiebolag (limited liability company)
Name of reporting entity:	Fasadgruppen Group AB (publ)
Address of entity's registered office:	Lilla Bantorget 11, 111 23 Stockholm, Sweden
Name of parent entity:	Fasadgruppen Group AB

Compliance with regulations and the going concern principle

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's annual report has been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The financial statements have been prepared on the assumption that the Group conducts its operations according to the going concern principle.

The financial statements for the financial year ended 31 December 2024 (including comparative figures) were approved for issuance by the Board of Directors on 16 April 2025 and will be submitted to the Annual General Meeting on 13 May 2025 for approval.

The key accounting and valuation principles applied to the preparation of the financial statements are summarised below. In cases where the Parent Company applies deviating principles, these are stated at the end of this note under the heading Parent Company Accounting and Valuation Principles.

New and amended accounting principles

No new or amended standards, and interpretations of existing standards, which are mandatory to apply for the first time for financial years beginning on or after 1 January 2024 are deemed to have had any material significance for the Group. During the 2024 financial year, the following changes have been made to the accounting principles:

- End of hedge accounting for net investments in foreign operations in 2024. See Note 13 for more information.
- Non-controlling interests with options. See Note 14 for more information.
- Options issued relating to company shares. See Note 14 for more information.

New and amended accounting principles not yet applied

No new or amended standards that have not yet been applied, and interpretations of existing standards, which are mandatory to apply for the first time for financial years beginning on or after 1 January 2025 are deemed to have had any material significance for the Group.

Changed accounting principles for the Parent Company

The changes to RFR 2 Accounting for Legal Entities that have entered into force and are valid for the financial year 2024 have not had any significant impact on the Parent Company's financial statements.

Basis for preparation

The consolidated financial statements have been prepared with the application of the accrual principle and based on cost. The financial statements are presented in Swedish kronor (SEK), which is the parent company's functional currency. Amounts are rounded to the nearest million (SEK m) with one decimal place unless otherwise stated. As a consequence of rounding, figures presented in the financial reports may not add up to the exact total in certain cases and percentage figures can differ from the exact percentage figures. Amounts in parentheses indicate the figure for the previous year.

Basis for consolidation

In the consolidated financial statements, the operations of the Parent Company and subsidiaries are consolidated to the end of 31 December 2024.

All intra-Group transactions and balance sheet items are eliminated upon consolidation, including unrealised gains and losses on transactions between Group companies. If the unrealised losses on intra-Group sales of assets are reversed upon consolidation, the underlying asset's impairment requirements are also tested based on a Group perspective. Amounts recognised in the annual accounts of subsidiaries have been adjusted where required to ensure compliance with the Group's accounting and valuation principles.

Earnings and other comprehensive income for subsidiaries acquired during the year are recognised as of the date the acquisition enters into effect, as appropriate.

Internal pricing

Market-based pricing, i.e. pricing based on market prices, is applied to deliveries between the companies and to other related parties.

Foreign currency translation

Reporting currency

The consolidated financial statements are presented in SEK, which is also the parent company's reporting currency.

Transactions and balance sheet items in foreign currencies

Transactions in foreign currency are translated to the reporting currency SEK for the respective Group company based on the current exchange rates on the transaction date (spot rate). Exchange rate gains and losses as a result of the settlement of such transactions and as a result of the revaluation of monetary items to the balance sheet date rate are recognised in the income statement.

Non-monetary items are not translated on the balance sheet date, but rather valued at historical cost (translated at the rate on the transaction date), except for non-monetary items measured at fair value, which are translated at the exchange rate on the date when fair value was determined.

Foreign operations

In the consolidated financial statements, all assets, liabilities and transactions in Group companies that have a functional currency other than SEK (the Group's reporting currency) are translated to SEK upon consolidation. The functional currency of Group companies was unchanged during the reporting period.

On consolidation, assets and liabilities were translated at the balance sheet date rate. Adjustments of goodwill and fair value that arise in the acquisition of a foreign operation have been recognised as assets and liabilities in foreign operations and translated to SEK at the balance sheet date rate. Income and expenses have been translated to SEK according to an average rate over the reporting period. Exchange rate differences are recognised directly against other comprehensive income and are recognised in the foreign currency translation reserve in shareholders' equity. On divestment of a foreign operation, the attributable accumulated translation differences recognised in shareholders' equity are reclassified to the income statement and recognised as a part of the gain or loss on divestment.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs for commonly replaceable items are allocated according to the first in, first out principle. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Parent Company's accounting policies and valuation principles

The Parent Company's accounting policies and valuation principles are the same as those of the Group except as stated below.

Presentation

The income statement and balance sheet follow the presentation forms in the Swedish Annual Accounts Act. The differences here relate to designations primarily with regard to financial items in the income statement and shareholders' equity. The statement of changes in shareholders' equity has been adapted to the items to be stated on the balance sheet in accordance with the Swedish Annual Accounts Act.

Note 2 Operating income

Accounting principles

Fasadgruppen applies IFRS 15 Revenue from Contracts with Customers. The Group's income mainly derives from the performance of contract assignments for work on building exteriors. The Group mainly has customer contracts with a maturity of 12 months, which means separate reporting is not necessary. The income in the business is recognised over time as performance takes place, i.e. in line with the degree of completion (recognised costs in relation to estimated total project costs), for assets controlled by the customer (percentage of completion method). In addition to this, there is also a small percentage of sales of goods related to the construction contracts and a small number of services. All construction contracts include a guarantee on work done.

The Group has some assignments on a time and materials basis, but fixed price contracts are the dominant type. The Group does not usually have any variable components, except for penalties. Penalty clauses for delays are usual in all contracts. The Group estimates the penalty outcome in accordance with the rules in IFRS 15 Revenue from Contracts with Customers regarding variable compensation and recognises penalties as a deduction from income. There are no financing components with a credit period in excess of 12 months in the Group. Work performed, but not invoiced, is recognised on the balance sheet as earned income and recognised as Contract assets.

Contract assets are the subject of impairment testing in accordance with IFRS 9 Financial instruments in the same way as accounts receivable. If advance payments are received from customers before the Group has carried out its performance, these are recognised in the item Contract liabilities on the balance sheet.

Additional work in the form of more work or other work than expected, e.g. sheet metal or similar, may be added during the course of the project. Alterations and additions in the contract arrangements are always part of the contract; they are not distinct and do not constitute a separate new contract. They must therefore be reported as part of the existing contract, using a cumulative catch-up method. When they arise, they become part of the turnkey contract, are inserted in the project calculations which are then updated, and form the basis for the time and materials expenses as income (margin) affected by a catch up effect.

Segment reporting

Segments are reported in accordance with IFRS 8 Operating Segments. The Group's segment information is presented based on Group Management's perspective and operating segments are identified based on the internal reporting to the Group's highest executive decision-maker. The Group has identified the Parent Company CEO, the Group CEO, as its highest executive decision-maker. The internal reporting used by the CEO to monitor the operations and make decisions on resource allocation is presented in the financial information for the Group as a whole. As our customers and services are similar, i.e. work on building exteriors and where the end customer is the property owner in some form, the accounts of subsidiaries are merged and reported as one segment. The Group accordingly consists of one single operating segment.

Significant assessments and assumptions

Recognition of income from projects in progress

Recognised income and associated contract assets for contracts in building exteriors reflect Group Management's best estimate of the outcome and degree of completion for each contract. In more complex contracts, there is an uncertainty in the assessment of the costs for completion and the assessment of profitability. The order backlog is mostly expected to be recognised as revenue in the next 30 months with the majority in the coming year.

Geographical areas	Order backlog		Net sales		Non-current assets*	
Group, SEK m	2024	2023	2024	2023	2024	2023
Sweden	1,251.1	1,426.4	2,512.0	2,969.1	2,200.3	2,229.5
Denmark	977.2	806.6	1,040.0	959.9	706.2	670.9
Norway	350.3	487.8	1,021.1	980.9	680.2	486.4
Finland	176.0	146.1	227.5	199.8	284.3	275.2
UK	1,035.4	0.0	126.2	0.0	1,541.3	0.0

* Refers to non-current assets (including right-of-use assets) that are not financial instruments, deferred tax assets, assets relating to post-employment benefits or post-employment rights arising under insurance policies.

Income

Group, SEK m	2024	2023
Work performed but not invoiced	278.9	215.1
Invoiced but not performed work	-99.5	-109.6

Revenue reported in 2024 that derives from work performed in 2023 is not considered to come to any significant amounts. Invoiced but not performed work as of 31 December 2023 is deemed to have been performed in 2024.

Sales come from external customers, with no individual customer accounting for 10 percent or more of sales.

Net sales outside Sweden account for approximately 49 percent of the Group's total sales.

Note 3 Remuneration to auditors

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Deloitte				
Audit assignment	7.0	5.4	0.6	0.3
Auditing activities in addition to audit assignment	0.6	0.7	0.0	0.0
Tax advice	0.0	0.0	0.0	0.0
Other services	0.5	0.3	0.1	0.0
Mazars Statsautoriseret Revisionspartnerselskab				
Audit assignment	0.0	0.7	0.0	0.0
Auditing activities in addition to audit assignment	0.0	0.0	0.0	0.0
Tax advice	0.6	0.1	0.0	0.0
Other services	0.1	0.3	0.0	0.0
Other companies				
Audit assignment	0.3	0.3	0.0	0.0
Auditing activities in addition to audit assignment	0.0	0.0	0.0	0.0
Tax advice	0.8	0.6	0.0	0.0
Other services	0.5	0.1	0.1	0.0
Total	**10.4**	**8.5**	**0.8**	**0.3**

The audit assignment refers to fees charged for the statutory audit, review of the annual report and consolidated financial statements, the accounting, the Board's and CEO's management, i.e. such work as was necessary to prepare the auditor's report, as well as auditing advice provided in connection with the audit assignment. The assignment also includes audits and other reviews performed in accordance with agreement or contract. Auditing activities in addition to audit assignment comprise other quality assurance services that are performed in accordance with regulations, the Articles of Association, statutes or agreements. Tax advice includes both advice and auditing of compliance in matters of taxation. Any other assignments are referred to as Other services.

Note 4 Remuneration to employees and the Board

Accounting principles

Pension obligations

The company pays fixed contributions to independent companies regarding several state pension plans, as well as insurance for individual employees. The Group has no legal or constructive obligation to pay further contributions in addition to the payment of the fixed contributions, which are expensed in the period in which the associated service is provided by the employee. Obligations for old-age pension and family pension for white-collar workers in Sweden are secured through insurance at Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting of ITP 2 pension plan financed through insurance at Alecta, this is a multi-employer defined benefit plan. According to the ITP 2 agreement, the size of the old-age pension is determined by the employee's number of years of service and their final salary at the time of retirement. The size of the family pension is determined by the employee's estimated number of years of service (calculated as the number of years of service from the time of employment to the time of retirement) and salary at the time of death. The size of the employee's and survivor's pension does not depend on the premiums that the Company pays into the plan, as well as the return on capital that these premiums provide. Old-age pensions and family pensions therefore do not meet the definition of defined contribution plans in IAS 19 Employee Benefits.

The Group has not, however, had access to the information required in order to report its proportional share of the plan obligations and of the plan assets and costs and has therefore been unable to report the plan as a defined benefit plan. The ITP 2 pension plan, which is secured through an insurance policy at Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit old-age and family pension is individually calculated and is dependent, among other things, on salary, pension previously earned and expected remaining period of service.

The collective funding level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated in accordance with Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding level is normally permitted to vary between 125 and 175 per cent. In order to strengthen the collective funding level if it is judged to be too low, possible measures include increasing the agreed price for new registrations and extending existing benefits. If the collective funding level exceeds 150 percent, premium reductions can be introduced.

Short-term benefits

Short-term benefits to employees, including holiday benefits, that have not been paid are classified as current liabilities. These are valued at the undiscounted amount that the Group expects to pay as a result of the unexercised right.

Restructuring reserve

A provision for restructuring is recognised when the Group has adopted a comprehensive and formal restructuring plan and the restructuring has either begun or been publicly announced. No provisions are set aside for future operating expenses.

Severance pay

In connection with the termination of employment, a provision is recognised only in cases when the company is obligated either to terminate an employee's or a group of employees' employment before the normal point in time, or when benefits are given as an offer to encourage voluntary termination of employment. In the latter case, a liability and expense are recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Remuneration to employees

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Salaries and other benefits	1,278.4	1,192.7	8.9	8.0
Social security contributions	295.4	280.4	2.1	3.0
Pension costs (defined contribution plans)	75.5	65.0	1.4	2.2
Total	**1,649.3**	**1,538.1**	**12.4**	**13.2**

Salaries, other benefits and social security contributions

	GROUP		
2024 SEK m	Salaries and other benefits	Pension costs	Social security contributions
Board members, CEOs and other senior executives	12.8	2.6	4.0
Other employees	1,265.6	72.9	291.4
Total	**1,278.4**	**75.5**	**295.4**

2023 SEK m	Salaries and other benefits	Pension costs	Social security contributions
Board members, CEOs and other senior executives	17.2	3.4	4.9
Other employees	1,175.5	61.6	275.5
Total	**1,192.7**	**65.0**	**280.4**

Remuneration to the Board of Directors and senior executives

	GROUP	
SEK m	2024	2023
Salaries and other short-term benefits	12.8	17.2
Severance pay	0.0	0.0
Post-employment benefits	0.0	0.0
Other long-term benefits	2.6	3.4
Total	**15.4**	**20.6**

2024, SEK	Basic salary	Variable remuneration	Other benefits	Pension benefits	Total
Board of Directors					
Ulrika Dellby, Chair	607,331	-	-	-	**607,331**
Magnus Meyer	172,081	-	-	-	**172,081**
Christina Lindbäck	284,497	-	-	-	**284,497**
Tomas Ståhl	363,327	-	-	-	**363,327**
Gunilla Öhman	284,497	-	-	-	**284,497**
Mats Karlsson	265,835	-	-	-	**265,835**
Tomas Georgiadis	97,151	-	-	-	**97,151**
Senior executives					
CEO Martin Jacobsson	3,072,000	743,178	103,154	976,668	**4,895,000**
Other senior executives (4)	5,622,450	1,043,836	153,066	1,598,019	**8,417,371**
Total	**10,769,169**	**1,787,014**	**256,220**	**2,574,687**	**15,387,090**

Remuneration to senior executives consists of basic salary, other benefits and defined contribution pension, and can additionally consist of variable remuneration based on fixed target indicators. Results in 2024 provided a bonus outcome for senior executives totalling SEK 1,787,014. Other benefits refer to normal, non-monetary benefits, such as a company car and occupational health cover. The retirement age for all senior executives is 65.

The period of notice on termination of employment by the Company is normally three to six months, and on the resignation of a senior executive is normally three months, or six months in exceptional cases. No severance pay is payable. The notice period from the Company for the CEO is six months and from the CEO is also six months.

2023, SEK	Basic salary	Variable remuneration	Other benefits	Pension benefits	Total
Board of Directors					
Ulrika Dellby, Chair	540,833	-	-	-	**540,833**
Tomas Georgiadis	255,836	-	-	-	**255,836**
Christina Lindbäck	255,836	-	-	-	**255,836**
Tomas Ståhl	333,748	-	-	-	**333,748**
Gunilla Öhman	255,836	-	-	-	**255,836**
Mats Karlsson	151,669	-	-	-	**151,669**
Senior executives					
CEO up to end of May, Pål Warolin	1,551,666	-	65,430	419,901	**2,036,997**
Deputy CEO up to end of May, thereafter CEO, Martin Jacobsson	2,478,820	984,091	107,382	804,790	**4,375,083**
Other senior executives (5)	9,674,288	199,360	383,998	2,233,898	**12,491,544**
Total	**15,498,532**	**1,183,451**	**556,810**	**3,458,589**	**20,697,382**

Remuneration to senior executives consists of basic salary, other benefits and defined contribution pension, and can additionally consist of variable remuneration based on fixed target indicators. Results in 2023 provided a bonus outcome for senior executives totalling SEK 1,183,451. Other benefits refer to normal, non-monetary benefits, such as a company car and occupational health cover. The retirement age for all senior executives is 65.
The period of notice on termination of employment by the Company is normally three to six months, and on the resignation of a senior executive is normally three months, or six months in exceptional cases. No severance pay is payable. The notice period from the Company for the CEO is six months and from the CEO is also six months. The figure for 2023 includes remuneration to other senior executives who have had assignments for part of the year (5 people), as the number of senior executives was decreased from 11 to 5.

Warrants

The Annual General Meetings of 2022, 2023 and 2024 resolved to implement long-term incentive programmes for employees in the Group, consisting of warrants. Each warrant entitles the holder to subscribe for one new share in the company at a predetermined price and within a specified subscription period. The subscription price corresponds to 125 percent of the volume-weighted average price for the company's shares on Nasdaq Stockholm during the last ten trading days prior to the respective Annual General Meeting that approved the incentive programme. See also the table below for a summary of the current warrant programmes.

Warrants have been transferred to employees at a market price calculated in accordance with the Black–Scholes model. Warrants not transferred to employees have been transferred to the company's wholly owned subsidiary Fasadgruppen Norden AB free of charge.

Under certain circumstances, the company has the right to buy back warrants from holders who cease to be employees of the Group or who wish to transfer their warrants to a third party. Further information on the terms and conditions for the warrants is available on the company's website.

Warrants in the series 2024/2027, 2023/2026 and 2022/2025

Warrant series	Subscription period	Max. number of warrants	Number of warrants transferred to employees	Number of employees who have acquired warrants	Cost, SEK m	Time of allotment	Subscription price, SEK
Series 2024/2027	1 June 2027 to 30 June 2027	500,000	137,023	41	1.8	2024	83.5
Series 2023/2026	1 June 2026 to 30 June 2026	500,000	213,410	68	4.3	2023	104.0
Series 2022/2025	1 June 2025 to 30 June 2025	484,000	236,196	46	1.7	2022	179.8

Average number of employees

Group	2024 Average number of employees	2024 Of which men	2024 Of which women	2023 Average number of employees	2023 Of which men	2023 Of which women
Sweden	1,212	1,156	56	1,223	1,169	54
Denmark	295	273	22	283	266	17
Norway	523	505	18	462	445	17
Finland	36	36	0	33	33	0
UK	15	11	4	0	0	0
Total	**2,081**	**1,981**	**100**	**2,001**	**1,913**	**88**

Average number of employees

Parent	2023 Average number of employees	2023 Of which men	2023 Of which women	2022 Average number of employees	2022 Of which men	2022 Of which women
Sweden	2	2	0	2	2	0
Total	**2**	**2**	**0**	**2**	**2**	**0**

The average number of employees is calculated as full-time equivalents.

Gender balance of senior executives

The gender balance of the Board and other senior executives on the balance sheet date on 31 December 2024 and 2023 is presented in the table below:

Group	2024 Number	2024 Of which men	2024 Of which women	2023 Number	2023 Of which men	2023 Of which women
Board of Directors	6	3	3	6	3	3
Senior executives	5	5	0	5	5	0

Note 5 Transactions with related parties

Accounting principles

The Group has related-party transactions with persons on the Board and in the Group Management, their relatives, and companies that are under their controlling influence. Other related parties are comprised of companies on behalf of which the aforementioned persons perform services for the Group. The Parent Company, Fasadgruppen Group AB, has related party relationships with its subsidiaries. Transactions with related parties are based on commercial terms and market prices.

As at 31 December 2024, shares corresponding to 9.9 percent of the Fasadgruppen Group's share capital and voting rights were held by Connecting Capital Sweden AB. The company is considered to be a related party to the Group. As at 31 December 2024, no other shareholder owned shares corresponding to ten percent or more of the Fasadgruppen Group's share capital and voting rights.

The remuneration of Board members and senior executives is described in Note 4 Remuneration of employees and the Board.

Transactions with related parties

Sale of services, SEK m	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Within the Group:				
Sale of contract services	270.9	284.8	-	-
Invoiced costs	25.9	14.4	-	-
Sale of administrative services	86.3	79.7	10.7	12.0
Total	**383.1**	**378.9**	**10.7**	**12.0**

The transactions pertain to sales of services between Group companies as part of operating activities.
There were no services sold between Fasadgruppen and companies controlled by senior executives in 2024 or 2023.

Purchase of services, SEK m	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Within the Group	**383.1**	**378.9**	**10.7**	**12.0**
Companies controlled by senior executives:				
KFAB Förvaltning AB	0.9	0.6	-	-
Sterner Stenhus Services AB	0.2	1.2	-	-
KB Träflöjten	0.0	0.2	-	-
Sterner Stenhus Entreprenad AB	0.0	0.1	-	-
Total	**384.2**	**381.0**	**10.7**	**12.0**

Transactions within the Group pertain to purchases of services between Group companies as part of operating activities. Transactions with companies controlled by senior executives primarily comprise invoiced consultancy fees for acquisition-related consulting services, financial advisory services, management fees and rent for office premises. In 2024, senior executives connected with the company Sterner Stenhus Entreprenad AB left the management team.

Balances

The following balances concerning transactions with related parties are outstanding as at the balance sheet date:

	GROUP		PARENT COMPANY	
Receivables from related parties, SEK m	**2024**	**2023**	**2024**	**2023**
Within the Group:	-	-	2,496.2	2,660.1
Total	**-**	**-**	**2,496.2**	**2,660.1**
Liabilities to related parties, SEK m				
Companies controlled by senior executives:				
KFAB Förvaltning AB	-	0.1	-	-
KB Träflöjten	-	0.1	-	-
Sterner Stenhus Services AB	-	0.4	-	-
Total	**-**	**0.6**	**-**	**-**

Liabilities to related parties are attributable to purchase transactions that mature 30 days after the purchase date. The liabilities accrue without interest. No receivables from related parties are outstanding as at the balance sheet date on 31 December 2024 and 31 December 2023.

Note 6 Leases

Accounting principles

Group as lessee

For all contracts, the Group assesses whether the contract is a lease or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration".

Valuation and recognition of leases

At the beginning of the lease, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is valued at cost, which comprises the amount that the lease liability is originally valued at, any initial direct expenses that the Group incurs and lease payments that were paid before the beginning of the lease (less any benefits received). The Group depreciates the right-of-use asset on a straight-line basis from the beginning of the lease to the earlier of the end of the right-of-use asset's useful life and the end of the lease. The Group also makes an assessment of whether there is any impairment requirement for the right-of-use asset when there is an indication of a decrease in value.

At the beginning of the lease, the Group measures the lease liability at the present value of the lease payments that have not been paid at that date. The lease payments are discounted using the interest rate implicit in the lease if this rate can be readily determined, or the Group's incremental borrowing rate. Lease payments included in the valuation of the lease liability include fixed payments (including essentially fixed payments), variable lease payments that are based on an index, amounts that are expected to be paid by the Group in accordance with residual value guarantees and payments under options that the Group is reasonably certain will be exercised. An assessment of the utilisation of extension options has been made for each lease agreement.

After the start date, the liability is reduced by payments made and increased by the interest added. The liability is revalued to reflect any new assessment or change or if there are changes in the essentially fixed payments. When the lease liability is revalued, a corresponding adjustment shall be made regarding the right-of-use or in the income statement if the right-of-use has already been assigned a value of zero. The Group has chosen to recognise short-term lease agreements and lease agreements for which the underlying asset has a low value by applying the practical solution in IFRS 16 Leases. Instead of recognising a right-of-use and a lease liability, lease payments relating to these leases are expensed on a straight-line basis over the lease term. Right-of-use assets are reported separately on the balance sheet under Property, plant and equipment, while the lease liability is reported separately under Liabilities.

Significant assessments and assumptions

Leasing of premises

A number of assumptions are made when calculating the lease liability and the right-of-use asset, such as the assessment of the term of a lease. The Group takes into account whether there is reasonable certainty that an extension option will be exercised, primarily with regard to commercial premises, taking into account the circumstances that apply for the lease in question. With regard to Group leases that expire within a five-year period, the Company considers whether it is reasonable to assume an extension period, depending on the nature of the respective asset and the length of the respective extension period. No extension has been assumed for leases that run beyond 2029. How operations will look and develop beyond this period is difficult to assess and the Company assessment is therefore that further extensions cannot be assumed with reasonable probability at the moment. This assessment will be continuously reviewed.

Lease liabilities presented in the statement of financial position are as follows:

	GROUP		PARENT COMPANY	
SEK m	**2024**	**2023**	**2024**	**2023**
Non-current	114.4	102.3	-	-
Current	83.0	65.8	-	-
Total	**197.4**	**168.1**	**-**	**-**

Interest expenses for leases in the 2024 financial year amounted to SEK 5.2 million (3.8); see also Note 7. The Group mainly leases premises for offices and warehouses, as well as vehicles. With the exception of short-term leases and leases for which the underlying asset has a low value, rights-of-use and lease liabilities are recognised on the balance sheet. Variable lease payments that are not indexed are excluded in the initial calculation of the lease liability and asset. The Group recognises its right-of-use assets under property, plant and equipment. In general, the leases are limited in terms of lessee rights, insofar as there is no contractual right for the Group to rent out the asset to another party so that only the Group can utilise the asset. The leases are either interminable or can only be terminated for a material termination fee. The Group must keep rented premises for offices and warehouses in good condition. In addition, the Group must insure the leased assets and pay expenses for their maintenance in accordance with the lease agreement.

The table below describes the Group's leases recognised on the balance sheet based on type of right-of-use asset:

Right-of-use assets	Offices and warehouses	Vehicles	Other
Number of right-of-use assets	103	452	15
Range of remaining lease term	0–11	0–5	0–5
Average remaining lease period	2.4	1.8	1.8

Leases for offices and warehouses generally include an extension option and the possibility of termination. In most cases, they also include variable index-based payments.

Leases for vehicles and other assets do not usually include any extension options, possibilities of termination or variable index-based payments.

A lease liability is guaranteed by the underlying asset being pledged as collateral for the liability.

The Group's future lease payments as at 31 December 2024 and 31 December 2023 amounted to the following:

Lease payments

31 December 2024, SEK m	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	After 5 years
Lease payments excluding financial expenses	84.4	54.9	30.1	16.0	6.7	12.9
31 December 2023, SEK m						
Lease payments excluding financial expenses	69.6	50.1	25.8	13.0	7.0	8.5

Leases that are not recognised as a liability

The Group has chosen not to recognise a lease liability for short-term leases (leases with an expected lease term of 12 months or less) and for leases for which the underlying asset has a low value. Payments for such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as a lease liability and these are therefore also expensed on an ongoing basis.

The cost for lease payments not included in the calculation of the lease liability amounts to SEK 61.4 million (78.7).

Changes in the carrying amounts of right-of-use assets in the Group are:

2024 SEK m	Offices and warehouses	Vehicles	Other	Total
Opening accumulated cost	189.7	105.2	4.3	**299.2**
New leases	19.8	46.3	0.2	**66.3**
Acquisition via business combinations	23.7	2.7	1.3	**27.7**
Changed leases for the year	26.2	0.2	0.0	**26.4**
Terminated leases	-11.0	-28.1	-2.4	**-41.5**
Exchange rate differences	-0.3	0.8	0.0	**0.5**
Closing accumulated cost	**248.1**	**127.1**	**3.4**	**378.6**
Opening accumulated depreciation	-87.1	-40.3	-2.5	**-129.9**
Terminated leases	9.7	24.2	2.4	**36.3**
Depreciation for the year	-47.6	-37.1	-1.0	**-85.7**
Exchange rate differences	0.2	-0.2	-0.2	**-0.2**
Closing accumulated depreciation	**-124.8**	**-53.4**	**-1.3**	**-179.5**
Carrying amount	**123.3**	**73.7**	**2.1**	**199.1**

2023 SEK m	Offices and warehouses	Vehicles	Other	Total
Opening accumulated cost	172.3	69.5	6.1	**247.9**
New leases	21.9	53.1	0.4	**75.4**
Acquisition via business combinations	5.0	3.2	0.0	**8.2**
Changed leases for the year	6.3	-1.2	0.0	**5.1**
Terminated leases	-13.1	-18.2	-2.2	**-33.5**
Exchange rate differences	-2.7	-1.2	0.0	**-3.9**
Closing accumulated cost	**189.7**	**105.2**	**4.3**	**299.2**
Opening accumulated depreciation	-56.4	-25.5	-2.7	**-84.6**
Terminated leases	6.5	15.3	2.1	**23.9**
Depreciation for the year	-38.1	-30.4	-2.0	**-70.5**
Exchange rate differences	0.9	0.3	0.1	**1.3**
Closing accumulated depreciation	**-87.1**	**-40.3**	**-2.5**	**-129.9**
Carrying amount	**102.6**	**64.9**	**1.8**	**169.3**

Total cash flow for leasing in the Group in 2024 amounted to SEK -85.5 million (-70.5).

Note 7 Profit/loss from financial items

Accounting principles

Financial income and expenses consist of interest income on bank funds and receivables, and of interest-bearing securities, interest expenses on loans, dividend income, exchange rate differences and unrealised and realised gains/losses on financial investments. Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the rate that discounts the estimated future receipts and disbursements during the financial instrument's expected term to the net carrying amount of the financial asset or the liability. Interest expense includes the accrued amount of issuance costs and similar direct transaction costs in connection with borrowing.

	GROUP		PARENT COMPANY	
SEK m	**2024**	**2023**	**2024**	**2023**
Interest income	14.1	9.6	37.2	35.6
Dividends, Group companies	-	-	132.0	70.0
Exchange rate differences	8.0	18.2	3.9	3.1
Other	1.0	0.2	-	-
Financial income	**23.1**	**28.0**	**173.1**	**108.7**
Interest expenses, borrowing at amortised cost	-122.0	-92.8	-105.7	-91.8
Interest expenses for leases	-5.2	-3.8	-	-
Exchange rate differences	-13.9	-20.0	-4.9	-8.4
Other financial expenses	-9.6	-13.4	-5.0	-5.1
Financial costs	**-150.7**	**-130.0**	**-115.6**	**-105.3**

Note 8 Tax and appropriations

Accounting principles

The tax expense recognised in the income statement consists of the sum of deferred tax and current tax that is not recognised in other comprehensive income or directly in shareholders' equity. The calculation of current tax is based on tax rates and tax regulation enacted or practically enacted at the end of the financial year. Deferred income tax is calculated on temporary differences according to the balance sheet method. Deferred tax assets are recognised to the extent it is likely that the underlying tax loss carry-forward or the deductible temporary differences may be used against future taxable surpluses. This is assessed based on the Group's forecast regarding future operating profit, adjusted for significant non taxable income and expenses and specific limitations in the utilisation of unutilised tax loss carry-forwards or credits. Deferred tax liabilities are essentially recognised in their entirety, even if IAS 12 Income Taxes allows limited exceptions. As a result of these exceptions, the Group does not recognise deferred tax on temporary differences attributable to goodwill or investments in subsidiaries.

Group contributions

All Group contributions paid and received are recognised as appropriations.

Anticipated dividends

The Parent Company recognises anticipated dividends from subsidiaries if the Parent Company is entitled to solely decide on the size of the transfer of value and the Parent Company decides on the size of the transfer of value before its financial statements are published.

Deferred income tax

The deferred tax liability attributable to untaxed reserves is not recognised at the Parent Company. This is therefore recognised gross on the balance sheet. Appropriations are recognised gross in the income statement.

Significant assessments and assumptions

The Group operates in several countries, resulting in increased complexity in the calculation of deferred tax assets and tax liabilities. Determining the value of the deferred tax asset and tax liability on the balance sheet date requires various assessments and assumptions to be made. The Company's future taxable surpluses, and thereby the ability to utilise deferred tax assets on tax loss carry-forward and other temporary differences, are affected by changes in tax legislation and the business climate. If the likelihood of future taxable surpluses is reassessed, this may have either a positive or negative impact. Fasadgruppen's assessment is that at the end of 2024, there are no significant uncertain tax items in the financial statements that could involve a material adjustment of the carrying amounts during the next financial year. Significant assessments and assumptions are also made in relation to the reporting of provisions and contingent liabilities for tax risks.

The most important components in the tax expense for the financial year and the relationship between expected tax expense based on the effective Swedish tax rate for the Group of 98.5 percent (27.4) and for the Parent Company of -24.2 percent (12.0) are as follows:

	GROUP		PARENT COMPANY	
SEK m	**2024**	**2023**	**2024**	**2023**
Profit/loss before tax	38.4	301.9	56.9	90.7
Tax at applicable tax rate	-7.9	-62.2	-11.7	-18.7
Non-taxable income	0.9	1.8	27.2	14.4
Non-deductible expenses	-1.8	-3.6	-0.1	-0.1
Difference in foreign tax rates	-3.8	-3.5	0.0	0.0
Tax reversal of net interest	0.0	-10.4	0.0	-6.1
Impairment of goodwill and brands	-7.1	0.0	0.0	0.0
Net effect of the revaluation of earnouts	-8.6	-3.4	0.0	0.0
Uncapitalised loss carry-forward	-3.5	0.0	-1.1	0.0
Recognition of income from projects in progress	-1.9	0.0	0.0	0.0
Impairment of merger goodwill	-0.9	0.0	0.0	0.0
Restructuring costs	-0.5	0.0	0.0	0.0
Adjustment attributable to previous year	0.0	-1.1	0.0	0.0
Other	-2.8	-0.4	-0.5	-0.4
Tax recognised in income statement	**-37.8**	**-82.7**	**13.8**	**-10.9**
The tax expense comprises the following components:				
Current tax on profit/loss for the year	-56.1	-80.3	-1.4	-10.9
Deferred tax	18.3	-2.4	15.2	0.0
Tax recognised in income statement	**-37.8**	**-82.7**	**13.8**	**-10.9**

Deferred taxes arising as a result of temporary differences are summarised as follows:

			RECOGNISED IN		
Changes during the year, SEK thousand	**1 January 2024**	**From acquisitions**	**other comprehensive income**	**income statement**	**31 December 2024**
Intangible non-current assets	-95.8	-67.9	0.0	-3.7	-167.4
Leasing, net	0.0	0.0	0.0	0.3	0.3
Inventories, work in progress	-45.5	-17.2	0.0	4.1	-58.6
Accounts receivable	4.4	0.0	0.0	1.7	6.1
Currency-hedged loan	-2.4	0.0	1.2	1.2	0.0
Tax reversal of net interest	0.0	0.0	0.0	15.1	15.1
Other temporary differences	-3.1	0.0	0.0	-1.6	-4.7
Total	**-142.4**	**-85.1**	**1.2**	**17.1**	**-209.2**

			RECOGNISED IN		
Changes during the year, SEK thousand	**1 January 2023**	**From acquisitions**	**other comprehensive income**	**income statement**	**31 December 2023**
Intangible non-current assets	-96.8	0.0	0.0	1.0	-95.8
Leasing, net	0.6	0.0	0.0	-0.6	0.0
Inventories, work in progress	-6.5	-4.0	0.0	-35.0	-45.5
Accounts receivable	0.0	0.0	0.0	4.4	4.4
Currency-hedged loan	0.0	0.0	-1.2	-1.2	-2.4
Other temporary differences	-18.1	3.1	0.0	11.9	-3.1
Total	**-120.8**	**-0.9**	**-1.2**	**-19.5**	**-142.4**

All deferred tax receivables (including loss carry-forwards and other tax deductions) have been recognised on the balance sheet.

	PARENT COMPANY	
Appropriations, SEK thousand	**2024**	**2023**
Group contributions received	4.5	94.6
Group contributions paid	0.0	-1.7
Total	**4.5**	**92.9**

Note 9 Acquisitions

Accounting principles

The Group applies the acquisition method of accounting for business combinations. The compensation transferred by the Group to obtain control over a subsidiary is calculated as the sum of the fair values on the acquisition date of the transferred assets, the liabilities assumed and the equity instrument that was issued by the Group, which includes the fair value of an asset or liability that arose in an agreement on a contingent earnout. Acquisition costs are expensed as they arise.

The cost is calculated as the sum of the fair value on the transaction date of assets acquired, liabilities arising or assumed, as well as equity instruments issued by the acquirer in exchange for control over the acquired entities. Acquired assets and assumed liabilities are valued at fair value at the time of acquisition.

Holdings without controlling interest

There are two methods for recognising non-controlling interests: (i) by recognising the non-controlling interest's share of the proportional net assets or (ii) by recognising the non-controlling interest at fair value, meaning that the non-controlling interest has a share of the goodwill. Which of these two alternatives is to be applied for the recognition of non-controlling interests can be determined on a case-by-case basis. For all acquisitions to date, non-controlling interests have been recognised at fair value.

Significant assessments and assumptions

In the assessment of fair values, Group Management uses various valuation techniques for the assets and liabilities acquired in a business combination. Above all, the fair value of conditional earnouts is dependent on the outcome of several variables including the acquired company's future profitability.

Business combinations in 2024

Company acquisitions January–December 2024 excluding Clear Line

During the period, Fasadgruppen completed the acquisition of all of the shares in Alumentdk ApS and Brenden & Stillasutleie AS. Fasadgruppen acquired 97 percent of the shares in Elenta AS and 91 percent of the shares in JEs Svets & Smide AB. The acquisitions were made to strengthen the Group's position geographically within its respective markets. Alument renovates, installs and glazes in balconies and also provides, among other things, solutions for roof terraces and sun protection in Denmark. The acquisition of Elenta is oriented towards services within roofing, solar panels and energy storage in the Oslo region. JE:s supplies steel structures and construction forging to a well-established customer portfolio, mainly in the Stockholm region. Brenden provides services within scaffolding, weather protection and construction hoists with a focus on renovation projects in Oslo and the surrounding area.

The acquired companies reported total earnings of around SEK 295 million and EBITA amounted to approximately SEK 32 million for the 2023 calendar year. Since the time of acquisition and up to 31 December 2024, the companies have contributed SEK 142.3 million to Group net sales and SEK 1.6 million to Group EBITA.

The combined purchase consideration amounted to SEK 252.3 million, of which SEK 200.0 million has been paid in cash and cash equivalents on closing and SEK 52.3 million constituted earnouts. The outcome of the earnouts that are dependent on future operating profits achieved by the company concerned has been valued via a probability assessment for different outcomes within the term of the earnout period, which is 1–4 years. Acquisition costs totalling SEK 6.0 million are recognised as other operating expenses.

Earnouts settled

During the period, earnouts have been paid in the net amount of SEK 129.2 million on the basis of performance up to the end of 2023 relating to the acquisitions of SH Bygg, Er-Jill Byggnadsplåt, Engman Tak, Front and the asset acquisition of A Co Tak from Karlaplans Plåtslageri.

Holdings without controlling interest

The Group has recognised non-controlling interests at fair value based on the full amount of goodwill at the last known market value, which is considered equivalent to the acquisition price for the respective acquisition.

Acquisition analyses – other company acquisitions excluding Clear Line

Some of the surplus value in the preliminary acquisition analyses has been allocated to the company brand and customer relationships while unallocated surplus value has been attributed to goodwill.

The brands consist of the acquired company brands that are retained and utilised indefinitely, which is a key part of the Fasadgruppen strategy. Goodwill is primarily attributable to the expected future profitability of the business, the significant knowledge and expertise possessed by the personnel and synergies on the cost side. Customer relationships derive from the written agreements comprising the order backlog at the time of acquisition. Most of the agreements have a term shorter than 12 months and all are deemed to have been terminated within a maximum of 24 months.

Goodwill and brands have an indeterminable useful life and are not amortised but are tested for impairment annually or if such is indicated. The estimated value of customer relationships is amortised over the term of the order backlog.

Value according to acquisition analysis
Other company acquisitions excluding Clear Line

SEK m	Carrying amount	Fair value adjustment	Fair value
Brand	-	35.9	35.9
Property, plant and equipment	39.7	4.2	43.9
Financial non-current assets	5.1	-	5.1
Inventories	4.6	-	4.6
Accounts receivable and other receivables	39.0	-	39.0
Cash and cash equivalents	41.0	-	41.0
Deferred tax liabilities	-0.5	-7.9	-8.3
Liabilities to credit institutions	-20.1	-	-20.1
Other liabilities	-16.9	-4.2	-21.1
Accounts payable and other liabilities	-22.0	-	-22.0
Identifiable net assets	**69.9**	**28.0**	**98.0**
Goodwill			156.0
Holdings without controlling interest			-1.7
Consideration			**252.3**
Of which earnout			52.3
Of which cash and cash equivalents transferred			**-200.0**
Acquired cash and cash equivalents			41.0
Change in Group cash and cash equivalents			**-159.0**

Company acquisition Clear Line Holdings Ltd October 2024

On 29 October, Fasadgruppen completed the acquisition of all of the shares in Clear Line Holdings Ltd (Clear Line). This acquisition establishes Fasadgruppen in the United Kingdom. Clear Line is a specialised full-service contractor in façades that has built up a strong position on the market for fire prevention measures for properties in the UK.

Clear Line reported total earnings of around SEK 673 million and adjusted EBITA amounted to approximately SEK 299 million for the rolling 12-month period ending on 30 June 2024. Since the time of acquisition and up to 31 December 2024, Clear Line has contributed SEK 126.2 million to Group net sales and SEK 57.1 million to Group EBITA.

The combined purchase consideration amounted to SEK 1,608.6 million, of which SEK 672.4 million has been paid in cash and cash equivalents on closing and SEK 212.6 million as an offset share issue in Fasadgruppen Group AB, SEK 685.9 million as an offset share issue in Fasadgruppen's local parent company in the UK, Fasadgruppen UK Bidco Ltd, (Parent Company Shares) and SEK 37.7 million retained for performance guarantees under the purchase agreement.

The Parent Company Shares comprise two classes of preference shares. The final value will be determined by Clear Line's future earnings. Preference share class 1 provides entitlement to a dividend corresponding to 1.64 percent of the net profit of Clear Line for the period between acquisition and the end of 2026. Preference share class 2 provides entitlement to a dividend of 42.90 percent of the net profit of Clear Line for the period between acquisition and the end of 2028. Any dividend will be paid after the end of the respective period. After the end of each period, there is also an option for the vendors to sell and for Fasadgruppen's UK parent company to buy the preference shares at a value based on Clear Line's average earnings (EBITDA) during 2024–2026 and 2026–2028 respectively. The maximum transfer value is GBP 2.95 million for preference share 1 and GBP 77.2 million for preference share 2, excluding accumulated dividend. On the transfer of preference shares, up to 25 percent of the payment received can comprise new shares in Fasadgruppen. If neither party exercises the right to acquire or sell the preference shares, these will continue to provide entitlement to an annual dividend of 1.64 percent for preference share class 1 and 42.90 percent for preference share class 2 of the net profit of Clear Line.

Acquisition costs totalling SEK 22.5 million are recognised as other operating expenses.

Acquisition analysis – Clear Line

Some of the surplus value in the preliminary acquisition analysis has been allocated to the company brand and customer relationships, while unallocated surplus value has been attributed to goodwill.

The brands consist of the acquired company brands that are retained and utilised indefinitely, which is a key part of the Fasadgruppen strategy. Goodwill is primarily attributable to the expected future profitability of the business, the significant knowledge and expertise possessed by the personnel and synergies on the cost side. Customer relationships derive from the written agreements comprising the order backlog at the time of acquisition. Most of the agreements have a term shorter than 12 months and all are deemed to have been terminated within a maximum of 24 months.

Goodwill and brands have an indeterminable useful life and are not amortised but are tested for impairment annually or if such is indicated. The estimated value of customer relationships is amortised over the term of the order backlog.

Value according to acquisition analysis
Company acquisition of Clear Line Holdings Ltd

SEK m	Carrying amount	Fair value adjustment	Fair value
Brand	-	87.7	87.7
Customer relationships	-	182.8	182.8
Property, plant and equipment	6.5	17.9	24.4
Financial non-current assets	0.0	-	0.0
Inventories	-	-	-
Accounts receivable and other receivables	206.7	-	206.7
Cash and cash equivalents	95.9	-	95.9
Deferred tax liabilities	-	-67.6	-67.6
Liabilities to credit institutions	-	-	-
Other liabilities	-133.9	-17.9	-151.8
Accounts payable and other liabilities	-51.6	-	-51.6
Identifiable net assets	**123.6**	**202.9**	**326.5**
Goodwill			1,282.1
Consideration			**1,608.6**
Of which performance guarantees			37.7
Of which offset share issue in Fasadgruppen Group			212.6
Of which offset share issue in Fasadgruppen UK Bidco			685.9
Of which cash and cash equivalents transferred			**-672.4**
Acquired cash and cash equivalents			95.9
Change in Group cash and cash equivalents			**-576.5**

Acquisitions of companies

Closing	Acquisition	Country	Estimated annual sales at time of acquisition, SEK m	No. of employees
January 2025	Liab Plåtbyggarna AB	Sweden	80	46
October 2024	Clear Line Holdings Ltd	United Kingdom	673	60
August 2024	Brenden Materialer AS & Brenden & Co Stillasutleie AS	Norway	185	133
July 2024	JE:s Svets & Smide AB	Sweden	31	18
March 2024	Elenta AS	Norway	24	17
January 2024	Alumentdk ApS	Denmark	55	13
			1,048	**287**

Note 10 Intangible assets

Accounting principles

Acquired intangible assets

Surplus values in acquisition analyses are allocated to brands and customer relationships while unallocated surplus values are attributed to goodwill.

Brands

The brands consist of the acquired company brands that are retained and utilised indefinitely, which is a key part of the Fasadgruppen strategy. Brands have an indeterminable useful life and are not amortised but are tested for impairment annually or if such is indicated. Brands are recognised at cost less accumulated impairment.

Customer relationships

Customer relationships derive from the written agreements comprising the order backlog at the time of acquisition. Most of the agreements have a term shorter than 12 months and all are deemed to have been terminated within a maximum of 24 months. The estimated value of customer relationships is amortised over the term of the order backlog.

Goodwill

Goodwill is primarily attributable to the expected future profitability of the business, the significant knowledge and expertise possessed by the personnel and synergies on the cost side. Goodwill has an indeterminable useful life and is not amortised but is tested for impairment annually or if such is indicated. Goodwill is recognised at cost less accumulated impairment.

Other intangible non-current assets

Software licences
Software licences that meet the conditions for capitalisation are recognised as intangible non-current assets and initially measured at fair value.
All intangible non-current assets with finite useful lives are valued based on their cost, whereby expenses are amortised on a straight-line basis over the estimated useful life, which amounts to three to five years. Useful lives are reviewed on each balance sheet date. Impairment testing also takes place if there is an indication of a decrease in value. Amortisation is included in the item Depreciation and amortisations of tangible and intangible non-current assets. Additional expenses for software maintenance are expensed when they arise. When intangible non-current assets are sold, the capital gain/loss is calculated as the difference between the selling price and the carrying amount of the asset and is recognised in the income statement under either Other operating income or Other operating expenses.

Significant assessments and assumptions

Impairment testing of acquired intangible assets

The need for impairment at the cash-generating units to which acquired intangible assets have been allocated is tested at least once per year or when indications of need arise. In order to assess the need for impairment, Group Management calculates the recoverable amount (value in use) for every cash-generating unit (the Group's three business areas) based on expected future cash flows and with the application of a suitable interest rate to discount these cash flows. There are uncertainties in the assumptions regarding future operating profit and the determination of a suitable discount rate. To date, the Group has assessed that the value in use of goodwill, brands and customer relationships exceeds their carrying amount.

Impairment testing of other intangible assets

Other individual assets are impairment tested when events or changed circumstances indicate that the carrying amount cannot be recovered. An impairment is reversed if the recoverable amount of the asset exceeds the carrying amount. Amortisation is applied over the estimated useful life to an assessed residual value. Both the useful life and the residual value are reassessed at least at the end of each reporting period. The carrying amount of intangible assets that are not yet ready for use is tested every year. If such analysis indicates a carrying amount that is too high, the recoverable amount of the asset is determined. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. The value in use is calculated as the expected future discounted cash flow from the asset, or the cash-generating unit to which the asset belongs. The carrying amount is also tested for impairment when a non-current asset is classified as held for sale. This is recognised at the lower of the carrying amount and the fair value less selling costs.

Goodwill, brands and customer relationships are distributed according to the table below:

	GROUP	
Goodwill, brands and customer relationships per business area, SEK m	**2024**	**2023**
BA NorthEast	-	1,678.5
BA SouthWest	-	1,078.9
BA Denmark	621.3	628.6
BA Norway	633.1	-
BA Sweden (incl. Finland & UK)	3,775.1	-
Total	**5,029.5**	**3,386.0**
Exchange rate differences	18.6	-36.6
Closing accumulated cost	**5,048.1**	**3,349.4**

The Group's acquired intangible assets have arisen through acquisitions of wholly owned companies and asset acquisitions that are allocated to cash-generating units (CGUs). The Group's assessment is that the business areas each constitute a CGU. Each business area has a manager who manages a group of underlying businesses with a natural geographical affinity, similar customer base and synergy effects. Together, the companies in a business area generate revenues and cash flows that are greater than the sum from the individual companies if these were to be run completely independently. Acquired intangible assets are tested for impairment at the three CGUs that the Company has determined for 2024. The CGUs correspond to the three business areas Denmark, Norway and Sweden. BA Sweden also includes the Group's only company in Finland. In 2023, there were also three business areas established within the Group, but these were NorthEast (included parts of Sweden & Finland), SouthWest (included parts of Sweden & Norway) and Denmark. At the end of October 2024, the Group acquired the UK group Clear Line, which although it forms part of BA Sweden, it has been tested for impairment independently as the acquisition took place so close to the turn of the year.

Changes in reported values for intangible assets are as follows:

Goodwill, SEK m	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Opening cost	2,917.3	2,842.3	-	-
Purchases	1,438.1	105.5	-	-
Exchange rate differences	16.8	-29.4	-	-
Reclassifications	0.0	-1.1	-	-
Closing accumulated cost	**4,372.2**	**2,917.3**	**-**	**-**
Opening impairment	-	-	-	-
Impairment for the year	-30.6	-	-	-
Closing accumulated impairment	**-30.6**	**-**	**-**	**-**
Carrying amount	**4,341.6**	**2,917.3**	**-**	**-**

Brands, SEK m	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Opening cost	432.0	406.7	-	-
Purchases	123.6	32.5	-	-
Exchange rate differences	2.4	-7.2	-	-
Closing accumulated cost	**558.0**	**432.0**	**-**	**-**
Opening impairment	-	-	-	-
Impairment for the year	-4.0	-	-	-
Exchange rate differences	-	-	-	-
Closing accumulated impairment	**-4.0**	**-**	**-**	**-**
Carrying amount	**554.0**	**432.0**	**-**	**-**

Customer relationships, SEK m	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Opening cost	84.2	84.2	-	-
Purchases	182.8	0.0	-	-
Exchange rate differences	-0.6	0.0	-	-
Closing accumulated cost	**266.4**	**84.2**	**-**	**-**
Opening amortisation	-84.1	-67.2	-	-
Amortisation for the year	-29.8	-16.9	-	-
Exchange rate differences	0.0	0.0	-	-
Closing accumulated amortisation	**-113.9**	**-84.1**	**-**	**-**
Carrying amount	**152.5**	**0.1**	**-**	**-**

Other intangible assets, SEK m	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Opening cost	3.6	2.9	-	-
Purchases	1.2	0.6	-	-
Acquisitions	0.0	0.0	-	-
Closing accumulated cost	**4.8**	**3.6**	**-**	**-**
Opening amortisation	-2.1	-1.2	-	-
Amortisation for the year	-0.2	-0.9	-	-
Closing accumulated amortisation	**-2.3**	**-2.1**	**-**	**-**
Closing carrying amount	**2.5**	**1.5**	**-**	**-**

The estimated value of customer relationships is amortised over the term of the order backlog. For 2024 and 2023, the recoverable amount for each cash-generating unit was determined by the value in use being calculated and then compared with the carrying amount. The impairment testing shows that the recoverable amounts per cash-generating unit exceed the carrying amounts and no impairment requirement has been indicated for either of these years.

Assumptions

The calculation of the value in use requires a number of critical assumptions to be made. These are described below. Estimated outcome is the basis for the forecast for year 1 and the budget for the companies included in each CGU for year 2. Annual growth rate in years 3–5 has been assumed to amount to 5.0 (4.0) percent. Cash flows beyond the five-year forecast period are extrapolated using a long-term industry growth rate and have been assumed to be 2.0 (2.0) percent. Management is not aware of any other reasonable possible changes in the key assumptions made that could result in a cash-generating unit's carrying amount exceeding its recoverable amount and thereby requiring impairment.

A sensitivity analysis is performed by the model where the value in use is stress tested against the carrying amount for different scenarios of WACC and growth for a given year. The sensitivity analysis for 2024 shows that a WACC after tax of approximately 9–10 percent and negative growth for 2025 would be required for an impairment need to arise. Accordingly there remains scope for variation (head room), which means a reduce risk of impairment.

The following variables are material and common to all cash-generating units when calculating value in use: Sales, the competitiveness of the business, expected economic trends in the construction sector, general socio-economic trends, central and local government investment plans, interest rates, and local market conditions.

Operating margin: Historical profitability levels and efficiency in the business, access to key personnel and qualified labour, customer relationships, access to internal resources, cost trends for pay, materials and subcontractors.

Working capital requirements: An assessment in each individual case of whether the working capital reflects the operational requirements or needs to be adjusted for the forecast periods. For the trend going forward, a reasonable or cautious assumption is that working capital will track sales growth.

Investment requirement: Investment requirements in the businesses are assessed based on the investments required to achieve the forecast cash flows from the baseline, i.e. without investments for expansion. Normally, the level of investment has corresponded to the rate of depreciation of property, plant and equipment.

Terminal value: Forecast cash flows and residual values are discounted to present value using the Weighted Average Cost of Capital (WACC). The interest rate paid on borrowed capital is defined as the average interest rate on consolidated net debt. The required rate of return on equity is defined using the Capital Asset Pricing Model (CAPM). The following applies for all CGUs:

Group	2024	2023
Discount rate (WACC), before tax, %	8.8	10.8
Discount rate (WACC), after tax, %	7.4	9.0

Note 11 Property, plant and equipment

Accounting principles

Land

Land is recognised at cost, less any impairment.

Equipment, tools, fixtures and fittings

Equipment, tools, fixtures and fittings are initially recognised at cost and thereafter at cost less accumulated depreciation and impairment. Equipment, tools, fixtures and fittings are depreciated on a straight-line basis from cost with a useful life of five to ten years. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between what has been received and the carrying amount of the assets and are recognised in the items Other operating income or Other operating expenses.

Significant assessments and assumptions

Useful life

The useful life is determined based on the estimated economic life of the asset. The length of the useful life is based on estimates and assessments made. The useful life chosen and a change in the useful life can have a significant impact. The carrying amount of the Group's non-current assets is tested when events or changed circumstances indicate that the carrying amount cannot be recovered.

Changes in the carrying amounts of land and buildings:

	GROUP		PARENT COMPANY	
Buildings and land, SEK m	**2024**	**2023**	**2024**	**2023**
Opening accumulated cost	3.3	3.2	-	-
Purchases via business combinations	2.0	1.5	-	-
Purchases	0.1	0.0	-	
Sales/disposals	0.0	0.0	-	-
Reclassifications	-0.6	-1.4	-	-
Exchange rate differences	0.1	0.0	-	-
Closing accumulated cost	**4.9**	**3.3**	**-**	**-**
Opening accumulated depreciation	-0.9	-0.8	-	-
Depreciation for the year	-0.3	-0.5	-	-
Sales/disposals	0.0	0.0	-	-
Reclassifications	0.0	0.4	-	-
Exchange rate differences	0.0	0.0	-	-
Closing accumulated depreciation	**-1.2**	**-0.9**	**-**	**-**
Carrying amount	**3.7**	**2.4**	**-**	**-**

Buildings and land refer to expenses on someone else's property where depreciation takes place over 10 years.

Changes in carrying amounts for equipment, tools, fixtures and fittings:

	GROUP		PARENT COMPANY	
Equipment, tools, fixtures and fittings, SEK m	**2024**	**2023**	**2024**	**2023**
Opening accumulated cost	194.5	149.3	-	-
Purchases via business combinations	65.6	27.1	-	-
Purchases	8.8	34.9	-	-
Sales/disposals	-11.3	-15.7	-	-
Reclassifications	0.6	1.4	-	-
Exchange rate differences	-0.4	-2.5	-	-
Closing accumulated cost	**257.8**	**194.5**	**-**	**-**
Opening accumulated depreciation	-55.1	-33.0	-	-
Depreciation for the year	-51.4	-30.1	-	-
Sales/disposals	7.1	7.5	-	-
Reclassifications	0.0	-0.4	-	-
Exchange rate differences	0.5	0.9	-	-
Closing accumulated depreciation	**-98.9**	**-55.1**	**-**	**-**
Carrying amount	**158.9**	**139.4**	**-**	**-**

Note 12 Participations in Group companies

Accounting principles

Subsidiaries

The Parent Company's accounting policy for holdings in subsidiaries is valued according to the cost method. There is no reclassification of assets held for sale.

	PARENT COMPANY	
SEK m	**2024**	**2023**
Opening cost	450.0	450.0
Closing carrying amount	**450.0**	**450.0**

According to impairment testing for the Parent Company's carrying amount in the Group companies, there is no impairment requirement as at 31 December 2024.

The Group's direct and indirect holdings in subsidiaries as at 31 December 2024 are presented in the table below. Unless otherwise indicated, their share capital consists solely of ordinary shares held directly by the Group and the share of ownership is the same as the share of votes.

Parent Company's direct holdings of participations in subsidiaries and associates

Subsidiaries	Corp. ID No.	Registered office	Share of equity, %[1]	No. of participations[2]	Carrying amount, 31 December 2024, SEK m	Carrying amount, 31 December 2023, SEK m
Fasadgruppen Norden AB[1]	556949–8271	Stockholm	100	8,633	450.0	450.0
Total participations in Group companies					**450.0**	**450.0**

1) Share of ownership is the same as share of equity.
2) Number of shares in thousands.

Note 13 Financial risk management

Financial strategy and objectives

The Group's activities expose it to various financial risks: market risk (extensive interest rate risk and currency risk), credit risk and financing risk. Summary information on the Group's financial assets and financial liabilities divided into categories is presented in Note 14. Fasadgruppen has clearly stated that the operating profit from the core business shall be the dominant source of revenue. The Group's goal is to minimise the financial risks that operations create. Finance operations are to be centralised to achieve proper control, leverage economies of scale and obtain favourable terms and conditions on financial markets. Negative effects on earnings and cash flow from short-term movements on financial markets are to be limited as a basic principle through natural hedging; formal hedging should only be applied in special cases of large exposures. Capital efficiency is to be achieved in connection with tied-up capital in the business and in the composition of the capital structure.

The general financial objective is to secure the Group's payment ability and financial capacity, and to increase the return on equity on the basis of cost-effective and commercial financial management. Financing activities are to be conducted in a safe and effective manner without speculative elements and in such a way that adequate security is always maintained. The Group is to ensure it has cash and cash equivalents at all times to conduct its operating activities. The Finance department is to support the Group's acquisition and investment activities with short-term and long-term financing at a cost and level of risk that best support the adopted business objectives in the long term. Speculation on financial markets, i.e. transactions that increase the financial risks that arise from operating activities, is not permitted.

The capital structure is key to the creation of shareholder value and for long-term financial risks. These factors should therefore guide in all decisions concerning long-term capital provision. The objective of the Group's financing structure is to achieve the following overall goals. The Group is to have a financing structure that assures the financing needs of operations and at the same time optimises the risk-adjusted return for shareholders. Low refinancing risk should be targeted in the credit portfolio. Satisfactory equity and credit facilities for planned commitments must be included in the business plan. In the long term, the Group should seek a capital structure that enables the Company to have a well-balanced payment capacity in the short term and the long term, and to be perceived externally as a financially strong company. The Group should be an attractive borrower with a forward planning approach that means it can always be offered financing on favourable terms for comparable borrowers and security.

Risk management is handled centrally by the Group CFO in line with the finance policy adopted by the Board. All external financial transactions are to be performed by, or coordinated with, the CFO. Subsidiaries do not have the right to enter into financial transactions without the express approval of the Group CFO. The CFO identifies, evaluates and hedges financial risk in close consultation with the Group operating units.

The Group has well-developed internal procedures and control systems to minimise the risk of mistakes, late payments, theft and fraud. Financial transactions agreed are to be documented internally. Transaction confirmations from banks are to be reconciled against this internal documentation. The Group employs the segregation of duties principle, i.e. there should be a clear demarcation between transaction and control/accounting. This means that the person who entered into a financial transaction may not control or post the same transaction. Reports are produced both to provide support for planning and decisions, and for governance and control purposes to check the level of compliance with the guidelines and objectives of the finance policy. Actual and forecast financial exposure and status are reported on an ongoing basis. Reporting takes place in association with normal monthly reports or as necessary.

Market risk

The Group is exposed to market risk through its use of financial instruments and particularly to currency risk, interest rate risk and certain other price risks, as a result of both operating and investing activities.

Currency risk

An absolute majority of the Group's transactions are conducted in the local currency of each respective country where the Group operates, namely SEK, DKK, NOK, EUR and GBP. Transactions between the countries are limited and can be attributed primarily to the payment of management fees to holding companies in connection with acquisition transactions and financial transactions. Minor exposure to exchange rate fluctuations can arise from purchases in EUR (transaction exposure) and from Danish, Norwegian, Finnish and British subsidiaries with principal exposure in DKK, NOK, EUR and GBP respectively (transaction and balance sheet exposure). Currency exposure consists primarily of translation exposure at Group level from the Danish, Norwegian, Finnish and British subsidiaries. As the proportion of sales outside Sweden amounted to 49 percent for 2024, the translation exposure from the income statement is not insignificant. Exchange rate fluctuations in 2024 had a negative effect on net sales of -0.5 percent relative to the comparison period. Balance sheet exposure gave rise to a positive translation effect of SEK +32.0 million (-50.1). Loans raised in DKK and NOK by Fasadgruppen Group, as reported in hedge accounting, gave rise to a negative net translation effect of SEK -9.2 million. Hedge accounting ended in November 2024, when the loans in question were transferred to the respective holding companies in Denmark and Norway.

Fasadgruppen should strive to minimise the effect of changed exchange rates on the consolidated income statement by limiting its exposure to foreign currencies. Companies in the Group should, as a starting point, aim for optimal matching between the purchase and sales currency to minimise the net exposure in a currency. The Group's policy is to reduce exposure through natural hedging as a basic principle; formal hedging should only be applied in special cases of larger exposures, with fixed payment times in relation to transaction exposure. In the event of acquisitions in currencies other than SEK, the Group should strive, where appropriate, to have any financing matched with loans in the same currency in order to reduce balance sheet exposure. The threshold for formal hedging is at least SEK 250 million for each net investment in foreign operations, based on a materiality assessment of the potential effects of changed exchange rates on the key performance indicator of net debt to EBITDA (R12).

Hedging of net investments in foreign operations

Fasadgruppen has used hedge accounting for parts of its net investments in foreign operations up to November 2024, when this ended on the transfer of the loans in question to the respective holding companies in Denmark and Norway. The Group uses loans as hedging instruments. Hedging of net investments in foreign operations is recognised in a similar way to cash flow hedging. The proportion of gain or loss on the hedging instrument that is deemed to be an effective hedge is recognised in Other comprehensive income. The gain or loss attributable to the ineffective portion is recognised in the income statement. Accumulated gains and losses in shareholders' equity are recognised in the income statement when the foreign operations are divested in whole or in part.

IFRS 9 is not applied at the Parent Company and therefore does not affect its reporting.

Sensitivity analysis

Below is a sensitivity analysis for the key assumptions that affect the profit reported for exposure currencies. Note that the sensitivity analysis is not intended to express an opinion from the company on the likelihood of these occurring. If the rates for all exposure currencies were to change by 5 percent in an unfavourable direction, the total EBITA for a 12-month period would change by approximately SEK -12.2 million, given the same composition as at the turn of the year.

Sensitivity analysis by currency

GBP	EUR	NOK	DKK	Other	Total
-2.8	-2.0	-4.1	-3.3	-	**-12.2**

Interest rate risk

Interest-bearing assets are to be used in the first instance to reduce existing borrowing with consideration given to the need to maintain at all times the ability to pay or the liquidity reserve. Fixed interest rates should accordingly not be for longer than the soonest the Group's loan can be amortised. The Group's consolidated interest rate exposure is to be managed by the Group CFO. Interest-bearing liabilities to lenders carry a variable interest rate and amounted to SEK 2,426.5 million (1,539.7) as at the balance sheet date.

The following table shows the profit sensitivity in the event of an estimated change in interest rate levels of +/- 2 percent, calculated based on interest-bearing liabilities from lenders at the end of the year. These changes are considered to be reasonable based on observations of current market conditions. The calculations are based on a change in the average market interest rate for the entire period and the interest-bearing liabilities from lenders together with any financial instruments that are held on the respective balance sheet date that are sensitive to changes in interest rates. All other variables remain unchanged.

Group, 2024, SEK m	Change, %	Effect on profit before tax	Effect on shareholders' equity
Interest-bearing liabilities	+/- 2.0	+/- 48.5 (30.8)	+/- 38.2 (24.2)

Credit risk

The credit risk relating to cash and cash equivalents is managed by assessing the counterparty risk before every transaction. An assessment is made with regard to the net exposure and the Group's total involvement with the counterparty. The Group strives to spread its counterparty risks. To reduce counterparty risk, only approved counterparties are used. Approved counterparties for credit facilities, derivative instruments and investments are Nordic or UK counterparties with a minimum rating of A (S&P) or A2 (Moody's). Cash and cash equivalents are covered by the general model for credit checking in IFRS 9. The calculation is based on the probability of default based on the counterparty's credit rating, a maturity of well below 12 months and the amount on the balance sheet date. With short maturities and stable counterparties, the provision is assessed as totally insignificant.

All companies within the Group are to minimise and avoid exposure to credit risk associated with accounts receivable from customers. The Group takes out credit insurance policies for protection against losses in the event of insolvency and unmade payments. The credit insurance covers all companies in the Group and is for a period of 12 months with the possibility of extension. Customers that are excluded from the credit insurance are to be specified in a list that is to be continuously updated. Accounts receivable are written off (i.e. removed from the accounts) when there is no reasonable expectation of receiving payment. Failure to make payments within 180 days of the invoice date and failure to agree with the Group on an alternative payment plan are to be considered indicators that there is no likely expectation of receiving payment.

Bank guarantees may not be issued by companies in Fasadgruppen. Parent Company guarantees shall primarily be used for normal business operations if required by a customer. Subsidiaries can enter into an insurance guarantee if the Parent Company guarantee is not accepted by a client. Accounts receivable are covered by the simplified model in IFRS 9. Expected credit losses are measured using a provisioning matrix based on historical credit losses, adjusted for factors for general economic conditions and an assessment of both the current and forecast factors at the end of the reporting period. The reserve amounts to an insignificant sum. For more information, see Note 15.

Financing risk

To limit financing risk, the Group works to maintain a good liquidity reserve, an adapted maturity structure for loans and credit facilities that harmonises with expected cash flows as far as possible over time, and to achieve diversification between forms of financing and markets. This provides the conditions for implementing necessary alternative capital procurement measures should these be required. Financing takes the form of long-term credit agreements, which secure the financing of the business. To limit the refinancing risk, discussions to obtain long-term credit facilities begin long before the current credit facilities expire. Fasadgruppen adopts a central approach to financing, which then finances the Group's holding companies, both within and outside Sweden, in local currencies. Cash pools are established in the currencies SEK, DKK, NOK, EUR and GBP. The Group aims to achieve a reasonable balance between shareholders' equity, loan financing and liquidity, so that the Group secures financing at a reasonable capital cost.

Liquidity risk

The strategy for liquidity management is to centralise all available liquidity in the Group's cash pools in order to strengthen the financial position and reduce financing needs. All companies in the Group are to ensure that they have sufficient funds to be able to pay expected or unforeseen expenses. This should be managed in the first instance via the company's own cash flow using rolling cash flow forecasts, secondly by the Group's cash pools or in exceptional cases, loans from the Parent Company. Surplus liquidity is defined as all liquidity in addition to the liquidity reserve. Surplus liquidity is to be used to repay interest-bearing external borrowing in the first instance. Surplus liquidity that cannot be used to repay external borrowing is to be invested in accordance with the investment policy.

The Group manages the liquidity requirement by monitoring planned loan payments for non-current financial liabilities and forecast incoming and outgoing payments in daily operations. To identify the payment flows, forecasts are made of liquidity/cash flow once a month covering the next two months for each company and 6–12 months for the Group. A full-year forecast is made on a quarterly basis for the current year at Group level and a full-year forecast is made on an annual basis for the next five years at Group level.

Credit facilities, Group:

31 December 2024, SEK m	Nominal	Utilised	Available
Overdraft facility	30.0	0.0	30.0
RCF	1,097.2	950.3	146.9
Approved borrowing, other	1,486.6	1,486.6	0.0
Total unutilised approved borrowing	**2,613.8**	**2,436.9**	**176.9**
Available cash and cash equivalents			482.3
Disposable liquidity			**659.2**

31 December 2023, SEK m	Nominal	Utilised	Available
Overdraft facility	30.0	0.0	30.0
RCF	1,600.0	470.3	1,129.7
Approved borrowing, other	1,075.2	1,075.2	0.0
Total unutilised approved borrowing	**2,705.2**	**1,545.5**	**1,159.7**
Available cash and cash equivalents			467.6
Disposable liquidity			**1,627.3**

As at 31 December 2024, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as follows:

	CURRENT		NON-CURRENT		
Group, SEK m	**Within 6 months**	**6–12 months**	**1–5 years**	**Later than 5 years**	**Total**
Bank loans	55.8	56.7	2,858.9	0.0	**2,971.4**
Accounts payable and other liabilities	510.6	0.0	82.8	0.0	**593.4**
Total	**566.4**	**56.7**	**2,941.7**	**0.0**	**3,564.8**

As at 31 December 2023, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as follows:

	CURRENT		NON-CURRENT		
Group, SEK m	**Within 6 months**	**6–12 months**	**1–5 years**	**Later than 5 years**	**Total**
Bank loans	55.2	56.0	1,778.3	0.0	**1,889.4**
Accounts payable and other liabilities	488.0	0.0	130.4	0.0	**618.4**
Total	**543.2**	**56.0**	**1,908.7**	**0.0**	**2,507.8**

The amounts above reflect the agreed undiscounted cash flows, which may differ from the carrying amounts of the liabilities as at the balance sheet date.

Note 14 Financial instruments

Accounting principles

Classification and measurement of financial assets on initial recognition

All financial assets are initially measured at fair value, adjusted for transaction costs (where appropriate). Financial assets are classified only in the category amortised cost.

All financial assets are measured at amortised cost because:

- they are held within the framework of a business model whose goal is to hold the financial assets and collect contractual cash flows (in the vast majority of cases amounts according to the contract with the customer)
- the contractual terms of the financial assets give rise to cash flows that are only payments of principal and interest on the outstanding principal

After initial recognition, these financial assets are measured at amortised cost using the effective interest method. Discounting is not applied if the effect of discounting is immaterial. The Group's liquid assets, accounts receivable and most other receivables belong to this category of financial instruments. A financial asset, or a portion of a financial asset, is derecognised from the balance sheet when the contractual rights are realised or expire or the Group loses control over them. A financial liability, or a portion of a financial liability, is derecognised from the balance sheet when the obligation in the contract is fulfilled or ceases to apply in some other way. Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date when the Group undertakes to acquire or dispose of assets.

Classification and measurement of financial liabilities on initial recognition

The Group's financial liabilities include loans, accounts payable and other liabilities. Financial liabilities are initially measured at fair value. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities measured at fair value through profit or loss

Contingent earnouts are recognised in the category Financial liabilities measured at fair value through profit or loss. All of the Group's financial instruments are considered to belong to Level 3 according to the relevant standard and fair value is determined by calculating discounted cash flows.

Earnouts

Earnouts attributable to business combinations are measured at fair value according to Level 3. Contingent earnouts are measured at fair value on the date of acquisition and form part of the purchase consideration for the acquisition. Earnouts are recognised as a financial liability until they are settled. Earnouts are measured at fair value on each balance sheet date. Any remeasurement effects are recognised in consolidated profit and loss. The measurement of earnouts is based on the terms and conditions stipulated by the respective purchase agreement. Earnouts are usually based on the financial development of the acquired company.

Changes in the fair value of a contingent earnout resulting from further information that is received within 12 months after the time of acquisition concerning facts and circumstances that existed at the time of acquisition qualify as adjustments during the measurement period and are adjusted with the corresponding adjustment of goodwill. All other changes in the fair value of a contingent earnout are recognised in profit and loss.

Level 1: The fair value of financial instruments which are traded in an active market is based on quoted market prices on the reporting date. The quoted market price used for the Group's financial assets is the current bid price.

Level 2: The fair value of financial instruments which are not traded in an active market is determined using valuation techniques that are based as far as possible on market data, with company-specific data used as little as possible. All significant input data required for the fair valuation of an instrument is observable.

Level 3: Where one or more pieces of significant input data is not based on observable market data. For example, unlisted instruments.

Options issued on subsidiary company shares

When Fasadgruppen makes acquisitions that give rise either to non-controlling interests with options or the issuing of parent company shares with options, the acquisition is regulated in a purchase agreement. The purchase agreement contains terms and conditions relating to the company and its business and, where appropriate, terms and conditions relating to call and put options for buyout. These options give the parties the right, at a time 3–5 years after the purchase agreement is entered into, annually to sell or acquire some or all of the non-controlling interests. If this right is not exercised at the maturity date, this is usually extended by one year.

Call and put options for shares in subsidiaries are measured at fair value. Fasadgruppen applies IFRS 10 to the recognition of non-controlling interests. The options are revalued on each balance sheet date and changes in fair value are recognised in shareholders' equity.

Fasadgruppen's strategy is to create a structure with a common incentive together with subsidiaries that benefits the Group's long-term profitability. The likelihood of Fasadgruppen deciding to exercise its call options is negligible. This normally means that the call options do not give rise to any financial asset. An assessment is made for each call option on the relevant balance sheet date.

The amount that will be paid if the put option is exercised is initially recognised directly in shareholders' equity as a Level 3 financial liability at an amount corresponding to the present value of the redemption price that applies when the option can be expected to be exercised. If the put option is not exercised at the maturity date, the liability will be reclassified in shareholders' equity.

Options issued relating to company shares

Fasadgruppen has issued options relating to preference shares (parent company shares) in subsidiaries, with both a call and put option so that either party is able to exercise the option. The parent company shares do not have any dilutive effect on the parent company.

Financial instruments in the Parent Company

All financial instruments in the Parent Company are valued based on cost in accordance with the Annual Accounts Act.

Significant assessments and assumptions

Measurement takes place continuously and is based on the conditions specified in the purchase agreement, discounted on the balance sheet date. Measurement initially takes place by determining an appropriate discount rate that corresponds to the forecast length for the cash flow.

Categorisation of financial assets and liabilities

The carrying amounts of financial assets and liabilities per category are presented in the tables below.

Group, 2024, SEK m	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Total statement of financial position
Assets					
Accounts receivable	651.2		651.2		**651.2**
Other receivables	278.9		278.9		**278.9**
Cash and cash equivalents	482.3		482.3		**482.3**
Total	**1,412.4**		**1,412.4**		**1,412.4**
Liabilities					
Non-current interest-bearing liabilities		2,269.7	2,269.7		**2,269.7**
Current interest-bearing liabilities		156.8	156.8		**156.8**
Earnouts				166.5	**166.5**
Options in subsidiary company shares				685.4	**685.4**
Accounts payable		426.9	426.9		**426.9**
Total		**2,853.4**	**2,853.4**	**851.9**	**3,705.3**

Group, 2023, SEK m	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Total statement of financial position
Assets					
Accounts receivable	721.5		721.5		**721.5**
Other receivables	215.1		215.1		**215.1**
Cash and cash equivalents	467.6		467.6		**467.6**
Total	**1,404.2**		**1,404.2**		**1,404.2**
Liabilities					
Non-current interest-bearing liabilities		1,430.9	1,430.9		**1,430.9**
Current interest-bearing liabilities		108.8	108.8		**108.8**
Earnouts				232.5	**232.5**
Accounts payable		385.9	385.9		**385.9**
Total		**1,925.6**	**1,925.6**	**232.5**	**2,158.1**

Parent Company, 2024, SEK m	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Total statement of financial position
Assets					
Receivables from Group companies	2,496.2		2,496.2		**2,496.2**
Cash and cash equivalents	1.6		1.6		**1.6**
Total	**2,497.8**		**2,497.8**		**2,497.8**
Liabilities					
Accounts payable		0.9	0.9		**0.9**
Liabilities to credit institutions		1,252.0	1,252.0		**1,252.0**
Total		**1,252.9**	**1,252.9**		**1,252.9**

Parent Company, 2023, SEK m	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Total statement of financial position
Assets					
Receivables from Group companies	2,660.1		2,660.1		**2,660.1**
Cash and cash equivalents	0.0		0.0		**0.0**
Total	**2,660.1**		**2,660.1**		**2,660.1**
Liabilities					
Accounts payable		1.6	1.6		**1.6**
Liabilities to credit institutions		1,542.8	1,542.8		**1,542.8**
Total		**1,544.4**	**1,544.4**		**1,544.4**

A description of the Group's risks regarding financial instruments, including risk management targets, can be found in Note 13.

Fair value of financial instruments

The Group reports financial instruments measured at fair value in the statement of financial position.

The fair value of the Group's financial assets and liabilities is estimated as equal to their book value. The Group does not apply netting for any of its significant assets and liabilities. There were no transfers between levels or measurement categories during the period.

Financial liabilities measured at fair value through profit or loss pertain to earnouts not yet settled and amounted to SEK 232.5 million as at 1 January 2024. For the period January to December 2024, earnouts were settled in the amount of SEK -129.2 million. At the end of the period, earnouts not yet settled amounted to SEK 166.5 million. The earnout amounts are mostly based on either EBITDA, EBIT or post-tax profits for the years 2022, 2023, 2024, 2025, 2026 and/or 2027. The earnouts are valued on an ongoing basis using a probability assessment, where an evaluation is made of whether they will be paid at the agreed amounts. Management has considered here the risk for the outcome of the company's future profitability. In the assessed valuation during the period January to December 2024, earnouts not yet paid have been increased in value by SEK 11.9 million. At the same time, earnouts settled have exceeded the assessed valuation by SEK 2.0 million.

Changes in contingent earnouts, SEK m	
Opening contingent earnouts, 01/01/2024	232.5
Contingent earnouts added	52.3
Earnouts settled	-127.2
Earnouts settled above the assessed valuation	-2.0
Changed assessment of contingent earnouts	11.9
Fixed interest time factor	-1.0
Closing contingent earnouts 31/12/2024	**166.5**

Expected disbursements, SEK m	
Expected disbursements in 2025	-83.7
Expected disbursements in 2026–2028	-82.8

Changes in value of options in subsidiary company shares

Group, 2024, SEK m	Opening balance	Acquisitions	Disposals	Paid	Revaluation/FX	Closing balance
Options in subsidiary company shares	0.0	685.4	0.0	0.0	0.0	685.4

Note 15 Accounts receivable and other receivables

Accounting principles

Impairment of accounts receivable and other receivables as well as contract assets

Financial assets include accounts receivable, contract assets and other receivables measured at amortised cost. Accounts receivable and other receivables, as well as contract assets, are covered by the simplified model in IFRS 9 Financial Instruments. Expected credit losses are measured using a provisioning matrix based on historical credit losses, adjusted for factors for general economic conditions and an assessment of both the current and forecast factors at the end of the reporting period. The Group assesses the impairment of accounts receivable collectively, where the receivables are grouped based on the number of days overdue because they have common credit risk characteristics. The assets are covered by a loss provision for expected credit losses; see Note 13. Note 13 contains disclosures relating to credit risk exposures and analyses regarding the reserve for expected credit losses. Both the current and previous year's reserves for impairment losses are attributable to the loss model applied in accordance with IFRS 9, which is a model with expected losses.

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Accounts receivable, gross	678.0	740.1	0.0	0.0
Reserve for expected credit losses/doubtful receivables	-26.9	-18.6	0.0	0.0
Accounts receivable, carrying amount	**651.2**	**721.5**	**0.0**	**0.0**

All amounts are current. The net carrying amount for accounts receivable is considered a reasonable estimate of fair value. Maximum credit exposure amounted to SEK 678.0 million (740.1) as at 31 December 2024. Impairment of accounts receivable in the year amounted to SEK 8.3 million (4.5) and 0 million (0) in the Parent Company. This impairment of accounts receivable is primarily attributable to business customers in financial difficulty. Provisions for doubtful receivables are based on customer payment history over a period of 24 months prior to the start of the financial year. Historical losses are then adjusted to take into account current and forward-looking information on factors that may affect a customer's ability to pay the receivable. Provision for doubtful receivables amounted to SEK 26.9 million on 31 December 2024 (18.6). The change in the reserves for receivables is essentially due to increased balances.

Credit loss provision, Group:

31 December 2024, SEK m	Not overdue	Overdue <31 days	Overdue 31–90 days	Overdue 91–180 days	Overdue >180 days	Total
Expected loss level, %	0.6	4.1	6.8	29.6	65.6	**4.0**
Amount of accounts receivable – gross	498.2	107.5	41.3	10.7	20.3	**678.0**
Credit loss reserve	-3.2	-4.4	-2.8	-3.2	-13.3	**-26.9**
Carrying amount of accounts receivable	**495.1**	**103.1**	**38.5**	**7.5**	**7.0**	**651.2**

31 December 2023, SEK m						
Expected loss level, %	0.5	0.7	3.3	20.2	67.6	**2.5**
Amount of accounts receivable – gross	533.7	157.7	21.3	8.9	18.5	**740.1**
Credit loss reserve	-2.5	-1.1	-0.7	-1.8	-12.5	**-18.6**
Carrying amount of accounts receivable	**531.2**	**156.6**	**20.6**	**7.1**	**6.0**	**721.5**

Approximately 73 percent (72) of the Group's accounts receivables were not overdue as at 31 December 2024.

Note 16 Contract assets and other receivables

Contract assets consist of the following:

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Completed but not invoiced performance obligations	278.9	215.1	-	-
Total	**278.9**	**215.1**	**-**	**-**

Changes in contract assets are due partly to settlement within operating activities, but also to business combinations conducted during the period. However, there are no individual material changes.

Note 17 Prepaid expenses and accrued income

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Prepaid lease payments	2.1	2.7	0.0	0.0
Prepaid insurance premiums	11.8	5.3	0.1	0.1
Accrued supplier bonus	27.6	30.1	0.0	0.0
Prepaid project expenses	2.8	0.0	0.0	0.0
Other accrued income	0.5	1.5	0.0	0.0
Other prepaid expenses	8.7	7.3	0.4	0.0
Total	**53.5**	**46.9**	**0.5**	**0.1**

Note 18 Cash and cash equivalents

Accounting principles

Consolidated cash and cash equivalents consist of cash and bank balances as well as short-term liquid investments such as commercial papers and bank certificates with a maturity date of 90 days or less from the acquisition date, which can readily be converted into a known amount and which are subject to an insignificant risk of value fluctuations. In the statement of financial position, a utilised bank overdraft facility is recognised as borrowing in current liabilities.

Cash and bank

The Parent Company's definition of cash and bank comprises cash funds and available balances at banks and equivalent institutions.

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Cash and bank balances				
SEK	114.8	187.9	1.6	-
NOK (translated from NOK to SEK)	77.1	105.1	-	-
DKK (translated from DKK to SEK)	99.3	147.0	-	-
EUR (translated from EUR to SEK)	68.5	27.6	-	-
GBP (translated from GBP to SEK)	122.6	0.0	-	-
Total	**482.3**	**467.6**	**1.6**	**0.0**

Note 19 Shareholders' equity

Accounting principles

Share capital represents the quotient value for issued shares. Share premium includes premiums (if any) received on the new issue of share capital. Any transaction costs related to a new issue of shares is deducted from the capital, taking into account any income tax effects. Retained earnings include all retained earnings and share-based payments to employees for current and earlier financial years. All transactions with the Parent Company's owner are recognised separately in shareholders' equity. Dividends to be paid to shareholders are included in the item Other current liabilities when the dividends have been approved at a General Meeting before the balance sheet date.

Earnings per share

The calculation of earnings per share is based on consolidated profit or loss for the year attributable to the Parent Company's shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, the average number of shares is adjusted by taking into account the theoretical dilution of the number of shares, which during reported periods relates to warrants issued to employees. The warrants only give rise to a dilutive effect when the average price of the ordinary shares during the period exceeds the exercise price of the warrants. Previously reported earnings per share are not retroactively adjusted to reflect changes in the price of ordinary shares.

Capital comprised of shareholders' equity

Management assesses the Group's capital requirements with the aim of maintaining an effective overall financing structure and at the same time avoiding excessively large leverage effects. The Group manages the capital structure and makes adjustments in the light of changed economic conditions and with regard to the underlying assets' risk properties. In order to maintain or adjust the capital structure, the Group can adjust the amount of the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt. The Group's objective with regard to the capital structure is to safeguard the Group's ability to continue its operations so it can generate a return for its shareholders and benefits for other stakeholders and to maintain an optimum capital structure in order to keep capital costs down.

The Group assesses the capital on the basis of the net debt/equity ratio. This key ratio is calculated as interest-bearing net debt as a percentage of total shareholders' equity. Interest-bearing net debt is calculated as total borrowing (comprising current and non-current interest-bearing liabilities plus current and non-current lease liabilities with deductions for cash and cash equivalents). Earnouts are not included in this performance measure.

Share capital

At the end of 2023 and 2024, share capital in the parent company consists solely of fully paid shares with a nominal value (quotient value) of SEK 0.05 per share. All shares have the same right to a dividend and repayment of paid-in capital. The shares constitute a single class of share corresponding to 1.0 vote per share at a General Meeting of the parent company.

Following the buy-back of a further 45,493 shares during the first quarter of 2024 and the decision to make new and offset issues of 4,208,283 shares in the fourth quarter of 2024 in conjunction with the acquisition of Clear Line, the number of shares and votes as at 31 December 2024 was 53,717,879.

SEK	31 Dec 2024	31 Dec 2023
Subscribed and paid shares:		
- At beginning of year	49,555,089	49,623,830
- New and offset share issues	4,208,283	-
- Buy-back	-45,493	-68,741
Subscribed and paid shares at year-end	**53,717,879**	**49,555,089**

Number of shares and dividend

Number of shares	2024	2023
One share class	53,717,879	49,555,089
	53,717,879	**49,555,089**

Dividend

For the 2023 financial year, a dividend of SEK 1.70/share (1.70) was paid. Given the Group's financial position and growth opportunities, the Board of Directors proposes to the Annual General Meeting 2025 that no dividend be paid for the 2024 financial year. To increase transparency in the Group's capital allocation strategy, the Board has also decided to remove the policy of distributing 30 percent of the net profit, as it believes that a focus on lower net debt initially and growth through acquisitions and organic initiatives over time will create greater value for shareholders than annual dividends.

Instruments with a potential dilutive effect

As at 31 December 2024, Fasadgruppen Group had three outstanding warrant programmes. The exercise price, including adjustment for outstanding vesting costs for the 2022, 2023 and 2024 programmes, exceeded the average share price per share at year-end. These programmes are therefore considered to have no dilutive effect and have been excluded from the calculation of earnings per share after dilution. If the average share price in the future exceeds the exercise price including the adjustment above, these warrants will give rise to dilution. For more details, see Note 4.

Note 20 Provisions

Accounting principles

Provisions for product warranties, legal processes, onerous contracts or other claims are recognised when the Group has a legal or constructive obligation as a result of an earlier event, and it is likely that an outflow of financial resources will be required and a reliable estimate of the amount can be made. The time or amount for the outflow may still be uncertain. Provisions are valued at the amount it is estimated will be required to settle the existing obligation, based on the most reliable information available on the balance sheet date, including the risks and uncertainties relating to the existing obligation. If there are several similar obligations, the probability of an outflow is determined in a collective assessment of the obligations. Provisions are discounted to their present value where the time value of money is significant.

Significant assessments and assumptions

Disputes

Fasadgruppen is involved in various disputes and legal proceedings relating to its operating activities. The Group Management consults with legal experts on issues relating to legal disputes and with other experts both within and outside the Group on issues relating to current business operations. The best assessment is that neither the parent company nor any subsidiary is currently involved in any legal proceedings or arbitration proceedings that are considered will have any material negative impact on the operations, financial position or earnings of the business.

Provisions are recognised as current liabilities in the Group and under the heading Provisions in the Parent Company. The carrying amounts of provisions and changes to them are as follows:

	GROUP		PARENT COMPANY	
SEK m	**2024**	**2023**	**2024**	**2023**
Guarantee provisions	12.5	8.1	-	-
Pension provisions	0.9	0.4	0.5	-
Other provisions	2.2	-	-	-
Total	**15.6**	**8.5**	**0.5**	**-**

SEK m	GROUP	PARENT COMPANY
Opening balance as at 1 January 2023	10.7	-
Acquired provision	-	-
Additional provisions	-	-
Provisions utilised	-2.0	-
Reversal of unused provisions	-0.2	-
Closing balance, 31 December 2023	**8.5**	**-**
Opening balance as at 1 January 2024	8.5	-
Acquired provision	0.0	-
Additional provisions	12.6	-
Provisions utilised	-3.6	-
Reversal of unused provisions	-1.9	-
Closing balance, 31 December 2024	**15.6**	**-**

Provisions that are recognised at the time of acquisition in a business combination are included in Additional provisions above.

Guarantee claims are usually settled within 3 to 18 months from the start, depending on the approaches used in claims negotiations. As the point in time for the settlement of these claims is largely dependent on how quickly the negotiations progress with different counterparties and legal authorities, neither the Group nor the parent company can reliably estimate the amounts that may eventually be paid out more than 12 months after the balance sheet date. The amount is therefore classified as a current liability in the consolidated financial statements.

Note 21 Interest-bearing liabilities

The tables present information on the Group's contractual conditions regarding interest-bearing liabilities. For more information on the Company's exposure to interest rate risk, see Note 13.

		2024				2023			
SEK m	Currency	Nominal interest rate, %	Maturity	Nominal value	Carrying amount	Nominal interest rate, %	Maturity	Nominal value	Carrying amount
Non-current interest-bearing liabilities									
Liabilities to credit institutions, RCF (SEB, Nordea, SEK)	SEK	5.52	31 Jul 2027	300.0	300.0				
Liabilities to credit institutions, RCF (SEB, Nordea, SEK)	DKK	5.54	31 Jul 2027	200.2	200.2				
Liabilities to credit institutions, RCF (SEB, Nordea, SEK)	NOK	7.60	31 Jul 2027	281.2	281.2				
Liabilities to credit institutions, RCF (SEB, Nordea, SEK)	GBP	7.55	31 Jul 2027	169.0	169.0				
Liabilities to credit institutions, RCF (SEB, Nordea, SEK)						6.60	31 Jul 2026	470.3	470.3
Liabilities to credit institutions, term loan (SEB, Nordea, SEK)	GBP	7.55	31 Jul 2027	452.5	452.5				
Liabilities to credit institutions, term loan (SEB, Nordea, SEK)	SEK	5.20	31 Jul 2027	857.3	846.9	6.00	31 Jul 2026	964.7	958.9
Liabilities to credit institutions (several independent borrowings)				20.0	20.0			1.7	1.7
Total non-current interest-bearing liabilities				**2,280.1**	**2,269.7**			**1,436.7**	**1,430.9**
Current interest-bearing liabilities									
Liabilities to credit institutions (several independent borrowings)			31 Dec 2025	1.3	1.3		31 Dec 2024	1.0	1.0
Liabilities to credit institutions, term loan (SEB, Nordea, SEK)	GBP	7.55	31 Jul 2027	50.3	50.3				
Liabilities to credit institutions, term loan (SEB, Nordea, SEK)	SEK	5.20	31 Jul 2027	105.2	105.2	6.00	31 Dec 2024	107.8	107.8
Total current interest-bearing liabilities				**156.8**	**156.8**			**108.8**	**108.8**
Total interest-bearing liabilities				**2,436.9**	**2,426.5**			**1,545.5**	**1,539.7**

In October 2024, Fasadgruppen converted its existing credit facility agreement for a total of SEK 2,700 million to a sustainability-linked loan in connection with the acquisition of Clear Line, which was announced on 29 October 2024. The external interest-bearing financing is subject to a covenant requiring that the key debt ratio (external interest-bearing net debt in relation to adjusted EBITDA) for a rolling 12-month period does not exceed a multiple of 3.5 on a pro forma basis and that the interest coverage ratio for a rolling 12-month period does not fall below a multiple of 3.0 on a pro forma basis. If Fasadgruppen were to breach the above covenant, this could have an impact on the Group's loan financing. For the fourth quarter of 2024, the covenant outcome for the key debt ratio is 3.3 and for the interest coverage ratio is 3.6. With a cautious acquisition agenda and based on historical seasonal patterns for cash flow and net debt with the current portfolio companies, the assessment is that the key debt ratio and the interest coverage ratio will be able to show positive trends overall for 2025. The acquisition of Clear Line and its financial profile significantly improve the conditions for positive development in relation to covenants during 2025. In addition, a change in policy has removed the distribution of 30 percent of annual net profit. Under the newly updated financing agreement, which came into effect during the fourth quarter, the reduction of the covenant for the key debt ratio is now gradual from 3.5x down to 3.0x: Q1 2025 3.5x, Q2 2025 3.25x and finally Q3 2025 3.0x.

The fixed-interest period for interest-bearing liabilities varies between 1 and 6 months.

The converted sustainability-linked credit facility agreement has been entered into with Nordea, SEB and Svensk Exportkredit. The interest margin under the credit facility agreement is linked to three key performance indicators (KPIs) relating to Fasadgruppen's work to reduce the long-term injury rate for work-related injuries, as well as its Scope 1, 2 and 3 emissions.

The facilities have a remaining period of three years to 2027, with the option to further extend by one year. The effect on the interest margin is up to ± 0.05 percent per year if all three sustainability targets for the KPIs are met.

The sustainability-linked loans will support Fasadgruppen's intention to minimise both work-related injuries and the impact on climate and nature that occur as a result of its business and/or its value chain. The agreed KPIs form part of Fasadgruppen's broader sustainability strategy and, according to the sustainability-linked facility agreement, Fasadgruppen will, among other things, reduce long-term workplace accidents, reduce its Scope 1 and Scope 2 greenhouse gas emissions, reduce the emissions intensity of Scope 3 greenhouse gases and increase the proportion of suppliers with validated science-based targets, based on expenditure on purchased goods and services.

Note 22 Contract and similar liabilities

Contract and similar liabilities consist of the following:

	GROUP	
SEK m	2024	2023
Current liabilities		
Advances from customers for construction contracts	99.5	109.6
Total	**99.5**	**109.6**

Changes in contract liabilities are due partly to settlement within operating activities, but also to business combinations conducted during the period. However, there are no individual material changes. Of the income reported in 2024, SEK 109.6 million (81.1) includes income that is included in contractual liabilities at the beginning of the financial year. The Group mainly has agreements whereby assignments are carried out within twelve months. During the year, we reviewed the reporting of earnouts and now report this item as Other liabilities.

Note 23 Accrued expenses and prepaid income

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Employee-related expenses	221.1	219.2	2.9	2.6
Accrued project expenses	5.0	0.0	0.0	0.0
Accrued interest expenses	3.9	29.1	1.0	29.1
Other	16.8	24.1	0.3	-
Total	**246.8**	**272.4**	**4.2**	**31.7**

Note 24 Cash flow statement

The following non-cash adjustments and adjustments for changes in working capital have been made in profit before tax to arrive at the cash flow from operating activities:

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Financial costs	109.0	92.7	105.2	91.8
Capital gain from non-financial items	-28.2	5.7	-	-
Change in provisions	2.7	10.1	-15.1	-
Revaluation of earnouts	10.8	23.5	-	-
Total adjustments	**94.3**	**132.1**	**90.1**	**91.8**
Interest received	0.0	0.0	0.0	0.0
Interest paid	-141.5	-66.7	-123.2	-66.7

Changes in the Group's liabilities from financial activities can be classified as follows:

Group, SEK m	Non-current liabilities	Current liabilities	Lease liabilities	Total
1 January 2024	**1,561.3**	**210.9**	**168.1**	**1,940.3**
Cash flow				
- Repayment of borrowings from credit institutions	-115.2	-110.0	-	**-225.2**
- Repayment of other financial liabilities	0.0	-129.2	-85.5	**-214.7**
- Loans raised from credit institutions	849.0	242.8	-	**1,091.8**
Non-cash flow				
- Assumed through acquisitions	20.1	-	22.1	**42.2**
- Additional leases	0.0	-	92.7	**92.7**
- Contingent earnouts added	52.3	-	-	**52.3**
- Valuation of contingent earnouts	-15.1	26.0	-	**10.9**
31 December 2024	**2,352.4**	**240.5**	**197.4**	**2,790.3**

Group, SEK m	Non-current liabilities	Current liabilities	Lease liabilities	Total
1 January 2023	**1,608.5**	**223.2**	**166.8**	**1,998.5**
Cash flow				
- Repayment of borrowings from credit institutions	-1,686.7	-267.0	-	**-1,953.7**
- Repayment of other financial liabilities	-2.0	-105.3	-70.5	**-177.8**
- Loans raised from credit institutions	1,691.1	239.8	-	**1,930.9**
Non-cash flow				
- Assumed through acquisitions	2.3	-	31.6	**33.9**
- Additional leases	-	-	40.2	**40.2**
- Contingent earnouts added	44.7	-	-	**44.7**
- Valuation of contingent earnouts	-96.7	120.2	-	**23.5**
31 December 2023	**1,561.3**	**210.9**	**168.1**	**1,940.3**

Parent Company, SEK million	Non-current liabilities	Current liabilities	Lease liabilities	Total
1 January 2024	**1,435.0**	**107.8**	**-**	**1,542.8**
Cash flow				
- Repayment of borrowings from credit institutions	-25.0	-110.0	-	**-135.0**
- Repayment of other financial liabilities	-	-	-	**0.0**
- Loans raised from credit institutions	216.3	107.4	-	**323.7**
Non-cash flow				
- Additional leases	-	-	0.3	**0.3**
- Internal transfer of loans from credit institutions	-479.5	-	-	**-479.5**
31 December 2024	**1,146.8**	**105.2**	**0.3**	**1,252.3**

Parent Company, SEK million	Non-current liabilities	Current liabilities	Lease liabilities	Total
1 January 2023	**1,417.7**	**138.0**	**0.0**	**1,555.7**
Cash flow				
- Repayment of borrowings from credit institutions	-1,666.3	-267.0	-	**-1,933.3**
- Repayment of other financial liabilities	-	-	0.0	**0.0**
- Loans raised from credit institutions	1,683.6	236.8	-	**1,920.4**
Non-cash flow				
- Additional leases	-	-	-	**0.0**
31 December 2023	**1,435.0**	**107.8**	**0.0**	**1,542.8**

Note 25 Pledged assets and contingent liabilities

Accounting principles

Pledged assets

Pledged assets in the form of company mortgages mainly refer to credit lines from credit institutions to operating subsidiaries, preferably overdrafts. Guarantee commitments mainly refer to advance and performance guarantees of operating subsidiaries for customer contracts.

Contingent liabilities

Contingent liabilities are potential liabilities arising from past events, the existence of which will be confirmed only by the occurrence or absence of one or more uncertain future events, which are not entirely within the Company's control. The Group's contingent liabilities consist mainly of sureties.

Financial guarantees

The Parent Company's financial guarantee contracts consist mainly of sureties provided for the benefit of subsidiaries. For the accounting of these, the Parent Company applies RFR 2 IFRS 9 p. 1 which entails a relief compared with the rules in IFRS 9 due to the connection between accounting and taxation. The Parent Company reports financial guarantee contracts as a provision on the balance sheet when the Company has an obligation for which payment is likely to be required to settle the obligation.

	GROUP		PARENT COMPANY	
SEK m	2024	2023	2024	2023
Pledged assets				
Company mortgages	27.2	32.2	-	-
Pledged funds	25.9	36.3	-	-
Other pledged assets	4.9	2.7	-	-
Total	**58.0**	**71.2**	**-**	**-**
Contingent liabilities				
Guarantee commitments	555.7	635.4	-	-
Other contingent liabilities	0.0	0.0	-	-
Total	**555.7**	**635.4**	**-**	**-**

Note 26 Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting:

SEK	2024
Share premium reserve	1,635,397,981
Retained earnings	6,071,822
Profit/loss for the year	70,672,232
Total	**1,712,142,035**

The Board and the CEO propose that the unappropriated earnings of SEK 1,712,142,035, be appropriated as follows:

SEK	2024
To be paid to shareholders as dividends:	
SEK 0 per share	0
To carry forward	1,712,142,035
Total	**1,712,142,035**

Given the Group's financial position and growth opportunities, the Board of Directors proposes to the Annual General Meeting 2025 that no dividend be paid for 2024. To increase transparency in the Group's capital allocation strategy, the Board has also decided to remove the policy of distributing 30 percent of the net profit, as it believes that a focus on lower net debt initially and growth through acquisitions and organic initiatives over time will create greater value for shareholders than annual dividends.

Note 27 Events after the balance sheet date

- Fasadgruppen acquired Liab Plåtbyggarna AB ("Liab") in January. Liab offers sheet metal, forging and assembly work as well as steel halls throughout Mälardalen. The company has a well-established customer portfolio including framework agreements with Södertälje municipality, among others. Liab has 46 full-time employees, and for the financial year 2024, its revenues amounted to approximately SEK 80 million. Fasadgruppen is acquiring 80 percent of Liab with an option to purchase the remaining shares, owned by Liab's existing management, after three and five years respectively. Fasadgruppen is using existing cash and available credit facilities to finance the acquisition.
- Fasadgruppen announced in February that the Group intends to carry out a reorganisation involving the removal of a level between the Group Management and the subsidiaries, along with the reshaping of the central support functions unit. The planned new organisation is based on a flat structure, where the subsidiaries are divided into clusters that share a Chair of the Board. To further optimise management, several smaller subsidiaries are being incorporated as departments into larger subsidiaries, which will reduce the number of business units by around 10. In conjunction with the planned reorganisation, the composition of Fasadgruppen's Group Management is changing so that the majority of members will have experience of running subsidiaries.
- Fasadgruppen's Nomination Committee proposes that Mikael Karlsson be elected as the new Chair of the Board at the Annual General Meeting of Fasadgruppen Group AB on 13 May 2025. Fasadgruppen's current Chair, Ulrika Dellby, is not standing for re-election. Mikael Karlsson is one of the founders of Fasadgruppen and was the CEO when the company was formed in 2016 by the merger of STARK Fasadrenovering and Karlssons Fasadrenovering. Mikael Karlsson left the company management in 2019 but was a member of the Board of Directors until the 2021 AGM. Mikael Karlsson has many years of experience in the industry and the Nomination Committee believes he has the right skills to lead the work of Fasadgruppen's Board of Directors and together with the management develop the company's entrepreneurial operations.

Summary of key performance indicators for the Group

Net sales, profit and order backlog	2024	2023	2022	2021	2020	2019
Net sales, SEK m	4,926.8	5,109.7	4,547.7	2,676.3	1,340.4	1,019.0
EBITA, SEK m	231.1	421.2	421.9	283.7	133.9	121.3
EBITA margin, %	4.7	8.2	9.3	10.6	10.0	11.9
Adjusted EBITA, SEK m	282.4	448.0	431.6	301.0	148.9	129.3
Adjusted EBITA margin, %	5.7	8.8	9.5	11.2	11.1	12.7
Profit/loss before tax, SEK m	38.4	301.9	346.3	238.8	114.2	109.2
Order backlog, SEK m	3,790.0	2,867.0	2,983.3	1,930.0	1,021.0	803.0
Cash flow						
Operating cash flow, SEK m	421.6	547.6	401.7	253.5	155.9	98.2
Cash conversion, %	118.5	104.7	79.7	75.7	100.0	73.1
Financial position and return						
Capital employed, SEK m	4,958.3	3,890.1	3,819.4	2,427.1	1,770.5	693.5
Return on capital employed, %	4.3	11.2	12.6	12.4	10.3	19.3
Return on capital employed excluding goodwill etc, %	83.9	78.9	105.5	90.7	58.1	184.7
Shareholders' equity, SEK m	2,334.4	2,182.3	2,092.5	1,269.6	1,046.5	150.7
Return on shareholders' equity, %	0.0	10.3	16.2	16.0	15.0	95.6
Interest-bearing net debt, SEK m	2,141.6	1,240.2	1,274.3	885.9	314.7	510.2
Net debt to adjusted EBITDA ratio (R12), multiple	5.3	2.3	2.5	2.5	1.8	3.5
Net debt to equity ratio, %	91.7	56.8	60.9	69.8	30.1	328.0
Employees						
Number of employees at year-end	2,074	2,069	1,975	1,485	812	532
Average number of employees	2,081	2,001	1,807	1,206	654	519
Key figures per share						
Profit/loss before dilution, SEK	0.05	4.42	5.62	4.11	2.71	3.81
Profit/loss after dilution, SEK	0.05	4.42	5.62	4.11	2.65	3.67
Dividend, SEK	0.00	1.70	1.70	1.20	0.60	0.00
Shareholders' equity before dilution, SEK	46.90	43.98	43.27	28.06	31.59	6.68
Operating cash flow before dilution, SEK	8.47	11.04	8.31	5.60	4.71	4.35
Average no. of shares before dilution	49,779,967	49,615,784	48,360,099	45,243,830	33,124,594	22,552,553
Average no. of shares after dilution	49,779,967	49,615,784	48,360,099	45,243,830	33,876,146	23,394,653
Actual no. of shares at the end of the period	53,717,879	49,555,089	49,623,830	45,387,653	45,132,480	23,635,500

Signatures of the Board of Directors

The income statements and balance sheets of the Parent Company and of the Group will be presented to the Annual General Meeting for adoption on 13 May 2025.

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a fair representation of the financial position and performance of the Group. The annual report has been prepared in accordance with generally accepted accounting policies and provides a true and fair view of the financial position and performance of the Parent Company. The statutory administration report for the Group and the Parent Company provides a true and fair overview of the development of the operations, position and performance of the Group and of the Parent Company and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 16 April 2025
Fasadgruppen Group AB

Ulrika Dellby
Chair of the Board

Magnus Meyer
Board member

Mats Karlsson
Board member

Christina Lindbäck
Board member

Tomas Ståhl
Board member

Gunilla Öhman
Board member

Martin Jacobsson
CEO and Group President

Our audit report was submitted on 16 April 2025

Deloitte AB

Richard Peters
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Fasadgruppen Group AB (publ) corporate identity number 559158-4122

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Fasadgruppen Group AB (publ) for the financial year 2024-01-01 - 2024-12-31. The annual accounts and consolidated accounts of the company are included on pages 53-97 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 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 group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Income from construction contracts

Fasadgruppen's income from contracting assignments are reported in relation to the degree of completion based on incurred costs per balance sheet date in relation to the total cost forecast for the assignment. The forecasts contain assessments of costs for e.g., labour, materials, and subcontractors. The attributes of estimates and assessments mean that the results may deviate from those reported. Given the attributes of estimates and judgements, this constitutes a particularly significant area for the audit. Accounting principles and information related to income can be found in Note 2. Our procedures included, but were not limited to:

- Review of accounting principles and evaluation of processes and controls for the income accounting.
- Project review for a selection of projects with project managers.
- Sample review of revenues and reported project costs as a basis for determining the degree of completion.
- Test of mathematical correctness in the calculation of the percentage of completion.

Valuation of Goodwill

Fasadgruppen reports in the balance sheet as of 31 December 2024, goodwill amounting to SEK 4 341,6 million and brands with an indefinite useful life amounting to SEK 554,0 million. Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test. During an impairment test, calculations are made that are based on assumptions and assessments regarding, among other things, discount rates, growth factors and forecasted cash flows. Valuation of goodwill and brands is a particularly significant area of the audit due to the significant assumptions and judgements made by management in estimating the recoverable amount.

Accounting principles and information related to goodwill and brands can be found in Note 10. Our procedures included, but were not limited to:

- Review of accounting principles and evaluation of processes and controls for impairment testing
- Review of the Company Management's assumptions, mainly linked to the variables that have the greatest impact on the impairment tests, that these are consistently applied and the accuracy of the calculations made.
- Involvement of our own valuation specialists in terms of methodology and discount rates as well as macroeconomic aspects.

Financing and Loan Terms

Fasadgruppen's debts to credit institutions are subject to two covenants: the debt ratio of external interest-bearing net debt in relation to adjusted EBITDA for the rolling 12 months on a pro forma basis must not exceed 3.5x, and the interest coverage ratio for the rolling 12 months must not fall below 3.0x.

If Fasadgruppen were to breach the specified covenant, this could affect the group's loan financing. For 2024, the covenant outcome for the debt ratio is approximately 3.3x and for the interest coverage ratio approximately 3.6x.

Information related to the loan agreements can be found in note 21.

Our audit included, but was not limited to, the following review measures:

- Review of loan agreements.
- Examination of the company's own follow-up.
- Review of future forecasts and results.

Acquisition of ClearLine

On 29 October, Fasadgruppen acquired all shares in Clear Line Holdings Ltd (Clear Line). The group applies the acquisition method for accounting business acquisitions.

The total purchase price amounted to 1,665.0 MSEK, of which 576.5 MSEK was paid in cash at the time of acquisition, 212.6 MSEK as an offset issue in Fasadgruppen Group AB, and 685.8 MSEK as an offset issue in Fasadgruppen's local holding company in the United Kingdom, Fasadgruppen UK Bidco Ltd.

A portion of the excess values in the preliminary acquisition analysis has been allocated to the company brand and customer relationships, while unallocated excess values have been attributed to goodwill.

Accounting for business acquisitions requires significant estimates and judgments by management to identify and recognise acquired assets and assumed liabilities and to determine their fair values on the acquisition date. As there are often no active markets for these assets and liabilities, various valuation models must be used to estimate their fair values, which requires substantial estimates and judgments by management.

Information related to the acquisition can be found in note 9.

Our audit included, but was not limited to, the following review measures:

- Review of the acquisition calculation for business acquisitions with the help of valuation specialists to assess the fair values assigned to acquired assets and assumed liabilities.
- Examination of the acquisition agreement.
- Review of acquired book values.

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 1-14 and 102-104. 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor´s report.

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 Fasadgruppen Group AB (publ) for the financial year 2024-01-01 - 2024-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and 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.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor´s report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Fasadgruppen Group AB (publ) for the financial year 2024-01-01 - 2024-12-31.

Our examination and our opinion relate only to the statutory requirements. In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Fasadgruppen Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

The Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Fasadgruppen Group AB (publ) by the general meeting of the shareholders on the 2024-05-15 and has been the company's auditor since 2018-06-12.

Stockholm 16 april 2025

Deloitte AB

Richard Peters
Authorized Public Accountant

Auditor's report on the corporate governance statement

Engagement and responsibility

It is the Board of Directors who is responsible for the Corporate Governance report for the financial year 2024 on pages 42-49 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 Auditor's examination of the corporate governance report. This means that our examination of the corporate governance 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 opinions.

Opinions

A corporate governance report 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 16 april 2025

Deloitte AB

Richard Peters
Authorized Public Accountant

The auditor´s opinion regarding the statutory sustainability report

Engagement and responsibility

The Board of Directors is responsible for the statutory sustainability report on pages 24-40 and that it is prepared in accordance with the Annual Accounts Act according to the previous version applied before 1 July 2024.

The scope of the audit

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.

Opinions

A statutory sustainability report has been prepared.

Stockholm 16 april 2025

Deloitte AB

Richard Peters
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Definitions

Fasadgruppen reports performance figures to describe the underlying profitability of the business and to improve comparability. The Group applies the ESMA guidelines on alternative performance measures. A list of alternative performance measures is available at www.fasadgruppen.se

Growth in net sales

Change in net sales as a percentage of net sales during the comparison period, previous year.

The change in net sales reflects the sales growth achieved by the Group over time.

Organic growth

Change in net sales as a percentage of net sales during the comparison period, previous year, for the companies that were part of the Group throughout the comparison period and the current period unadjusted for any currency effects.

Organic growth reflects the Group's realised sales growth, excluding acquisitions, over the measurement period.

EBITA

Earnings before interest and taxes (EBIT) before amortisation and impairment of goodwill, brands and customer relationships.

EBITA provides a picture of earnings generated from operating activities.

EBITDA

Earnings before interest and taxes (EBIT) before depreciation, amortisation, write-downs and impairment of tangible and intangible non-current assets.

EBITDA provides a picture of a company's current operating profit before depreciation and amortisation.

EBIT margin

Earnings (EBIT) as a percentage of net sales.

The EBIT margin is used to measure operating profitability.

EBITA margin

EBITA as a percentage of net sales.

The EBITA margin is used to measure operating profitability.

Items affecting comparability

Items affecting comparability are property sales, acquisition-related costs, preparatory costs of floatation and floatation costs, issue costs, restructuring costs and revaluations of earnouts.

Excluding items affecting comparability makes it easier to compare earnings between periods.

Adjusted EBIT

EBIT adjusted for items affecting comparability.

Adjusted EBIT improves comparability between periods.

Adjusted EBITA

EBITA adjusted for items affecting comparability.

Adjusted EBITA improves comparability between periods.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

The adjusted EBITA margin is used to measure operating profitability.

Adjusted EBITDA

EBITDA adjusted for items affecting comparability.

Adjusted EBITDA improves comparability between periods.

Cash flow from operating activities

EBITDA less net investments in tangible and intangible non-current assets plus adjustments for cash flow from changes in working capital.

Cash flow from operating activities is used to monitor the cash flow generated by operating activities.

Cash conversion

Cash flow from operating activities as a percentage of EBITDA.

The cash conversion ratio is used to monitor how efficiently the Group manages investment activities and working capital.

Order backlog

The value of outstanding, not yet accrued project income from orders received at the end of the period.

The order backlog is an indicator of the Group's outstanding project income from orders already received.

Return on shareholders' equity

Total earnings for the last 12 months as a percentage of average shareholders' equity during the corresponding period (shareholders' equity at the start and end of the period respectively divided by two).

Return on shareholders' equity is important for investors who want to be able to compare their investment with alternative investments.

Return on capital employed

Total earnings before tax plus financial expenses over the last 12 months as a percentage of capital employed during the corresponding period (sum of capital employed at the start and end of the period respectively, divided by two).

Return on capital employed is important for assessing profitability on externally financed capital and shareholders' equity.

Return on capital employed, excluding goodwill

Total earnings before tax plus financial expenses for the last 12 months as a percentage of capital employed with deductions for goodwill and other acquisition-related intangible non-current assets over the same period (the sum of capital employed minus goodwill and other acquisition-related intangible non-current assets at the start and end of the period, divided by two).

The return on capital employed, excluding goodwill and other acquisition-related intangible non-current assets is important for assessing profitability on externally financed capital and shareholders' equity adjusted for goodwill arising from acquisitions.

Capital employed

Total capital with or without goodwill minus non-interest-bearing liabilities and appropriations.

Capital employed shows by how much company assets are financed by the return on this capital.

Interest-bearing net debt

Current and non-current interest-bearing liabilities plus current and non-current lease liabilities minus cash and cash equivalents. Acquisition-related financial liabilities are not included in this performance measure.

Interest-bearing net debt is used as a measure showing the Group's total indebtedness.

Net debt to adjusted EBITDA ratio

Interest-bearing net debt at the end of the period divided by adjusted EBITDA for a rolling 12-month period.

The net debt to adjusted EBITDA ratio provides an estimate of the company's ability to reduce its debt. It represents the number of years it would take to repay the debt if the net debt and adjusted EBITDA were to remain constant, without taking into consideration cash flow related to interest, tax and investments.

Net debt to equity ratio

Interest-bearing net debt as a percentage of total shareholders' equity.

The net debt to equity ratio measures the extent to which the Group is financed by loans. As cash and cash equivalents and other current investments can be used to pay off debt at short notice, net debt is used instead of gross debt in the calculation.

Total return on the share

The sum of the direct yield and the increase in value of the share during the year.

The total return on the share is used to indicate the total return for shareholders on their holding in Fasadgruppen.

Information for shareholders

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Financial calendar

Reports

Interim Report Jan–Mar 2025	7 May 2025
Interim Report Apr–Jun 2025	14 August 2025
Interim Report Jul–Sep 2025	31 October 2025
Year-end Report 2025	5 February 2026

General meeting of shareholders

Annual General Meeting 2025	13 May 2025

Annual General Meeting 2025

The Annual General Meeting of Fasadgruppen will take place on 13 May 2025 at A-house, Uggelviksgatan 2A in Stockholm, Sweden, at 13:00 CEST. For further information about the 2025 AGM, please see the notice to shareholders.

Further information

Fasadgruppen's financial statements, press releases, share information and other relevant company information can be found at www.fasadgruppen.se/en. At the website you can also subscribe to receive press releases, financial statements and other relevant information.

All financial statements and press releases are published in both Swedish and English. Fasadgruppen can provide the Annual Report by post to those shareholders who so wish.

www.fasadgruppen.se

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The largest complete provider of building exteriors in the Nordics

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