

ANNUAL REPORT 2022



Contents

OPERATIONS

- 1 2022 at a glance
- 2 Fasadgruppen in brief
- 4 A word from the CEO
- 6 Financial targets
- 7 Non-financial targets
- 8 Strategy
- 10 Business model
- 12 Acquisitions
- 14 Market
- 16 Offering
- 18 Projects and customers
- 19 Case: Prestigious renovation
- 20 Our companies
- 22 Risk management
- 26 The share
- 27 Fasadgruppen as an investment

SUSTAINABILITY

- 28 Sustainability Report
- 41 Reporting in accordance with the EU Taxonomy Regulation

CORPORATE GOVERNANCE

- 45 A word from the Chair
- 46 Corporate Governance Report
- 52 Board of Directors
- 54 Group Management

FINANCIAL INFORMATION

- 57 Board of Directors' Report
- 63 Financial statements
- 72 Notes
- 100 Summary of Key Performance Indicators
- 101 Signatures of the Board of Directors
- 102 Auditor's Report

OTHER INFORMATION

- 106 Definitions
- 108 Information for shareholders

COVER IMAGE

Fasadgruppen's subsidiary P. Andersen & Son was responsible for the façade work at the Nly Østergade project in Denmark. In 2021, the construction was named Building of the Year In Denmark in the Residential category.

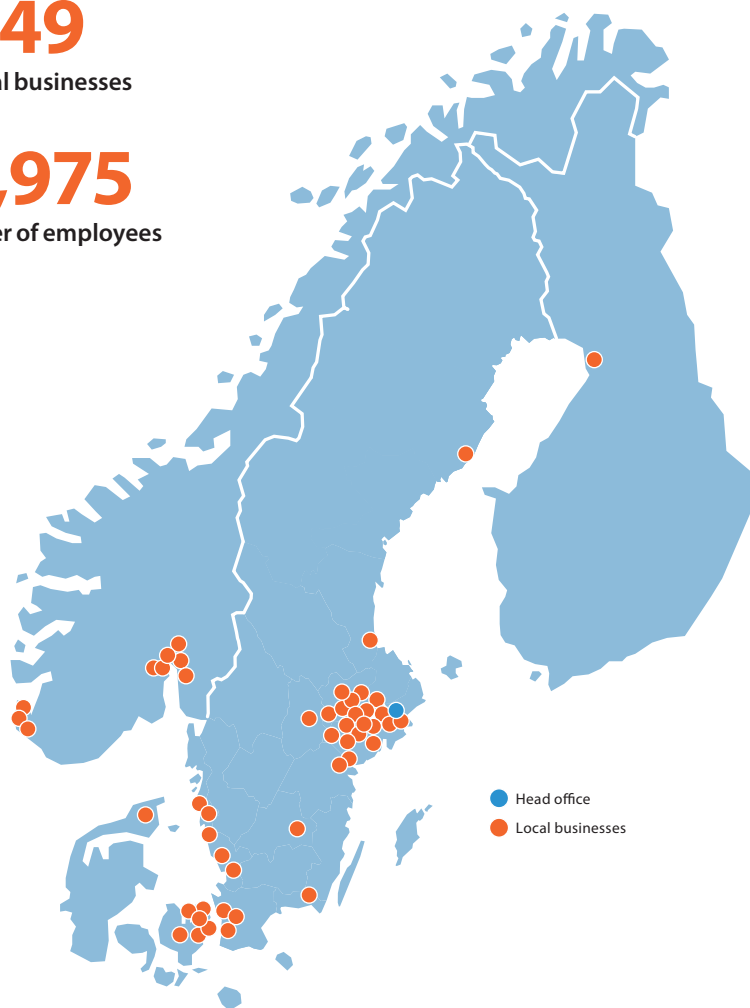
Fasadgruppen is the largest complete provider of building exteriors in the Nordics

49

Local businesses

1,975

Number of employees



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 57–101. The Corporate Governance Report is presented on pages 45–51 and the statutory Sustainability Report can be found on pages 28–43. The Group's Remuneration Report is published separately at www.fasadgruppen.se

2022 AT A GLANCE

Fasadgruppen showed strong growth in 2022, driven by a combination of the continued consolidation of the Nordic façade market and high organic growth. Altogether, 20 new acquisitions were completed. Sales increased by 69.9 percent, with organic growth accounting for 12.2 percent.

Key figures Group 2022

**SEK
4,548 m**
Net sales

**SEK
432 m**
Adjusted EBITA

**SEK
5.62**
Earnings per share

**SEK
402 m**
Operating cash flow

Events in 2022

- During the year, Fasadgruppen experienced strong demand for energy efficiency improvement services, which in combination with high price inflation resulted in organic growth of 54.6 percent in the order backlog.
- In March, a directed new issue of 3 million shares was carried out with the aim of accelerating value creation through continued consolidation of the façade market. The new issue corresponded to proceeds of SEK 420 million before transaction costs.
- Ulrika Dellby was elected as the new Chair of the Board at the 2022 Annual General Meeting.

Acquisitions in 2022

- **First quarter:** Miljø-Sanering AS, Helsingborgs Fasad & Kakel AB, Herrängens Plåtslageri AB*, Vantörs Bleck och Plåtslageri AB*, E.P.M. Elektra Plåt och Maskin AB*, Alnova Balkongsystem AB, Meyer-Mørch AS, Murpartnern AS, Malercompagniet Oslo AS
- **Second quarter:** A Co Tak & Montage AB*, Kjær Knudsen A/S, GAJ Stålkonstruktioner AB, Mur o Puts i Kristianstad AB, Murmestrene Fjeldheim-Knudsen AS, Stenklint A/S, Chem-Con AS
- **Third quarter:** Altana A/S, RKC Construction OY, Jan Tryk Facadepuds Aps*
- **Fourth quarter:** Sydskipper AB

* Asset acquisitions



FASADGRUPPEN IN BRIEF

Fasadgruppen is the largest complete provider of sustainable façades in the Nordics. The operations are based in local entrepreneurial subsidiaries that maintain a clear focus on collaboration, commitment and expertise.

Fasadgruppen was established in 2016 via the merger of the Swedish companies STARK Fasadrenovering and AB Karlssons Fasadrenovering. At year-end 2022, the Group consisted of around 50 businesses distributed across Sweden, Norway, Denmark and Finland. With our small, Group-wide organisation, we combine the drive and proximity of locally-based companies with the scope a large group has to provide comprehensive solutions to customers.

Fasadgruppen possesses expertise in all aspects of exterior work on properties such as façade renovation, window replace-

ment, balcony and roof renovation. Common to most services is that they contribute to higher energy efficiency and a better living environment. Our customers are private property owners, property companies, tenant-owner associations, operations managers, consultants and construction companies.

Acquisitions are a key part of the Fasadgruppen strategy for profitable growth. Acquisitions enable the Group to expand geographically, broaden its offering, enhance its expertise and achieve economies of scale within existing companies.



Sustainable enterprise

Sustainable enterprise is an integral part of Fasadgruppen's strategy and a necessity for sustainable, profitable growth. We work within three focus areas – **The industry's best workplace**, **Leading the climate transition** and **The industry's most stable partner** – which will contribute to both the Group's goals and the UN's Sustainable Development Goals. Below are the global goals where Fasadgruppen believes it has the greatest opportunity to for impact.





Our vision

A future with beautiful, sustainable buildings and good living environments for people.

Our mission

With solid craftsmanship, we create buildings with sustainable exteriors.

Our business concept

Fasadgruppen's business concept is to offer competitive, multidisciplinary solutions by enabling cooperation between local leading and specialised subsidiaries to achieve economies of scale and synergy effects between the companies.

Our core 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.

Commitment

Local commitment in every region and market where we are represented.

Expertise

Broad expertise and experience accumulated over a long period of time make us a secure partner able to deliver optimum customer value.

Fasadgruppen's history of growth



HIGH GROWTH IN A SPECIAL YEAR

In various ways, 2022 was a special year, but despite the challenges that existed, Fasadgruppen showed high growth, both organic and acquired, with a margin close to our long-term financial target. We have also established the Group in Finland, a market which, like the rest of the Nordic region, is characterised by many local façade players with good opportunities for consolidation.

Strong market position in the Nordics

During the year, Fasadgruppen continued to consolidate the Nordic façade market with a focus on specialised businesses with local leading positions. Among other things, we have grown with the new offering in balconies and other niche façade services, and expanded into new regions such as Jutland in Denmark. We have also strengthened our positions in all Scandinavian capital regions with new operations in, among other things, masonry and plastering and sheet metal fabrication. Finally, it feels very exciting to have established Fasadgruppen in Finland, where we see good opportunities for growth in the coming years.

When we search for acquisition candidates, we look at a variety of criteria, including how the culture and leadership match Fasadgruppen's. Today, we consist of over 50 subsidiary companies where entrepreneurial spirit and craftsmanship are of the utmost importance for success. From a financial perspective, we want the companies to show stable profitability for many years, and we consequently avoid turnarounds.

Impact of inflation

The strong inflation affected Fasadgruppen in terms of both revenue and costs during the year. In the second quarter, most of our material suppliers began to announce large price increases at short notice, which in turn were followed by several different price increases due to increased energy and transportation costs. We largely succeeded in passing on the increased costs to the customer, but without being able to maintain a normal margin on the addition. To some extent, this was based on commercial grounds, as we have many returning customers with whom we want to protect our long-term relationships. All in all, the rapidly increasing material prices resulted in unusually high organic growth and a margin slightly below our long-term target. I am not satisfied with the margin, but this must be seen in the light of the recent exceptional circumstances. At the beginning of 2023, we have seen a more normalised development in material prices.

Looking at the demand for our services, inflation had no noticeable effect during the year, as the vast majority of property owners adhere to their maintenance plans. The development in new construction, which amounts to approximately 25 percent of Fasadgruppen's turnover, was also unaffected. We know that new builds in housing will decrease in the coming years, but at the same time many other types of properties are being built, especially in the public sector. From a historical perspective, Fasadgruppen's markets have shown stability through various economic cycles, and when one driving force diminishes, another one often takes its place.

Tightened requirements for energy efficiency in properties

A strong component of inflation was the very high and volatile electricity prices that hit the Nordic countries particularly in the second half of 2022 and the beginning of 2023. In turn, they have highlighted the great benefits of energy renovating properties to reduce electricity consumption and we have generally noticed that energy efficiency has become an increasingly prominent factor in project enquiries. Fasadgruppen has an advantage in that we can provide several services within the same project, for example both additional insulation and window renovation. For the customer, in addition to greater energy efficiency gains, it also means a smoother process, as everything can be managed via one project manager. For those staying in the property, disturbances are also reduced because the measures taken are not spread over different time periods.

In addition to the financial incentives, new stricter requirements for energy efficiency from EU level are also expected in the coming year. The starting point in the negotiations that are now being conducted means that all properties within the EU must achieve energy class D by 2033. The huge investment in real estate that would be required to achieve this should not be underestimated. From Fasadgruppen's perspective, the new requirements support the long-term growth of the renovation market, while also opening up opportunities to implement even more collaborative projects.

More focus on sustainability

In addition to the contributions that Fasadgruppen's services provide in the form of more energy-efficient properties, we are increasingly focusing on how we can work for a more sustainable and professional façade industry. As a



» Today, we consist of around 50 subsidiaries where entrepreneurial spirit and craftsmanship are of the utmost importance for success. «

Group, we have much greater opportunities to pursue an ambitious sustainability agenda than that which small local players can manage. One example is that we try to increase the proportion of sustainable materials in projects, for example bricks produced with biogas. It is long-term commitment that includes, among other things, efforts to provide information to the customer, because durable material is often a little more expensive. Another example is that we have linked our financing to sustainability indicators that enable a better interest rate if targets are met. Internally, we see how we can continue to develop efforts around safe working environments and skills development. Here, among other things, we will invest more in training for our employees in the coming years, both in practical tasks and in issues related to, for example, our Code of Conduct.

New CEO in May 2023

At the beginning of 2023, it was announced in connection with the Annual General Meeting in May that I will leave as

CEO of Fasadgruppen and that the Board of Directors has appointed Deputy CEO and Head of M & A Martin Jacobsson to succeed me. It feels very comfortable to be passing the baton to Martin, and I am convinced that with his great commitment he will develop Fasadgruppen to the next level. I would like to thank all employees, the Board of Directors, customers, suppliers and shareholders for the past years. It has been an amazing journey! At the same time, I look with confidence at Fasadgruppen's continued opportunities to both consolidate the Nordic façade market and to further advance positions in energy efficiency improvements. We have, in many respects, only scratched the surface of the long-term potential.

Stockholm in April 2023

Pål Warolin
CEO and Group President

FINANCIAL TARGETS

The industry's most stable partner



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

Targets

Outcomes 2022 and comments

GROWTH	
<p>≥15% Average growth in net sales shall be at least 15 percent per year^{1,2}</p>	<p>Organic growth constitutes 12.2 percent (6.1) and growth through acquisitions 57.7 percent (93.6). Exchange rate fluctuations positively affected organic growth by 1.5 percentage points. Weak comparative figures for the first quarter of 2021 due to the Covid-19 pandemic and substantial cost inflation of materials drove organic growth further. In 2022, the Group acquired and took over a total of 20 new businesses.</p>
PROFITABILITY	
<p>≥10% Adjusted EBITA margin shall be at least 10 per cent per year¹</p>	<p>The cost inflation of materials has had a negative effect on profitability during the current year, which mainly refers to effects from low margins on the additional cost of increased prices of materials. The war in Ukraine has had a limited impact on the business. The Group operates only in Sweden, Norway, Denmark and recently Finland where a very limited number of personnel and quantities of input goods come from the warring countries.</p>
CASH CONVERSION	
<p>≥100% The cash conversion shall amount to at least 100 percent</p>	<p>The cash conversion in 2022 improved compared with 2021 and the operating cash flow increased during the year as a whole. The operating cash flow was especially strong during the fourth quarter, which was partly counteracted by a weak development during the second quarter. The previously weak development is judged to be due to earlier purchases of material because of the change in pricing, which created a shift in relation to invoicing to customers.</p>
DIVIDEND	
<p>30% The dividend as a percentage of the net profit shall be 30 percent, taking into consideration other factors like financial position, cash flow and growth opportunities</p>	<p>The Board of Directors proposes to the Annual General Meeting in 2023 that a dividend of SEK 1.70 (1.20) per share be paid for the year, which is in line with Fasadgruppen's dividend policy to distribute 30 percent of the Group's consolidated net profit taking into account factors such as financial position, cash flow and growth opportunities.</p>
DEBT	
<p>≤2,5x Interest-bearing net liabilities in relation to adjusted EBITDA (R12) shall be less than 2.5 times</p>	<p>Interest-bearing net debt on 31 December 2022 amounted to SEK 1,274.3 million (885.9). The interest-bearing net debt includes lease liabilities amounting to SEK 166.8 million (131.2). Expanded financing in the period January to December 2022 has primarily been utilised in association with acquisitions completed.</p>

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.

Target level 2030

Outcomes 2022 and comments

ATTRACTIVE EMPLOYER	
<p>>50 eNPS (Employee Net Promotor Score)</p> <p>eNPS which measures how likely it is that an employee would recommend their workplace to others shall increase annually and exceed 50 by 2030.</p>	<p>Fasadgruppen strives to be an attractive employer. The work is carried out both out in the subsidiaries and via central initiatives.</p>
WORKPLACE SAFETY	
<p><4 LTIF (Lost time injury frequency)</p> <p>Accident frequency per one million worked hours (LTIF) shall decrease at least annually and fall below 4 by 2030.</p>	<p>Fasadgruppen's operations are exposed to risks related to occupational health and safety. Our occupational health and safety group acts to ensure a safe and secure workplace in close collaboration with the subsidiaries.</p>
GENDER EQUALITY	
<p>50% Proportion of women in newly-appointed senior positions¹</p> <p>The proportion of women in newly-appointed senior positions shall be representative of the gender distribution in society at large and reach 50 percent by 2030 at the latest.</p>	<p>Fasadgruppen operates in a sector that has historically been heavily male-dominated. We therefore work actively to increase diversity in the Group, especially among employees.</p>

Leading the climate transition



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

EMISSIONS FROM OUR OWN OPERATIONS	
<p>≤0.76 tCO₂e/SEK million in net sales (Scope 1 & 2)²</p> <p>Direct and indirect greenhouse emissions from our own operations in relation to SEK million in net sales are to be reduced annually and amount to 0.76 or lower by 2030.</p>	<p>Fasadgruppen strives to reduce our own climate impact through responsible transportation, travel, purchasing and energy use.</p>
EMISSIONS IN THE VALUE CHAIN	
<p>≤14.6 tCO₂e/SEK million in net sales (Scope 3, upstream)³</p> <p>Indirect greenhouse gas emissions upstream in the value chain in relation to SEK million in net sales shall decrease annually and amount to 14.6 or lower by 2030.</p>	<p>Materials constitute the largest climate impact in Fasadgruppen's value chain and we strive to increase the proportion of sustainable purchases, for example bricks produced with biogas.</p>

1) Senior positions refer to Group Management, Chief Financial Officer, Group Accounting Manager, subsidiary CEOs, project managers or equivalent roles. The level is calculated based on new appointments over a rolling two-year period to reduce fluctuation over time.

2) Scope 1 refers to emissions related to Fasadgruppen's company vehicles. Scope 2 refers to emissions related to purchased electricity and district heating given Fasadgruppen's system limits.

3) Scope 3 refers to indirect emissions related to the Group's purchasing of bricks, plaster, mortar and sheet metal.

STRATEGY

Fasadgruppen's strategy is based on acquiring and developing local market leaders, benefiting from collaboration and economies of scale within the Group and being able to provide a sustainable and secure offering to customers.

Acquire and develop local market leaders

Fasadgruppen strives to continue growing through its established acquisition model and develop local market leaders in façade work. When acquiring a new company, an important component is that the entrepreneur remains and continues to run the business successfully. By reinvesting part of the purchase price in shares in Fasadgruppen, common incentives are created. Each subsidiary has a high degree of autonomy to ensure that the business can be run optimally based on its expertise, customer knowledge and local market. In addition to this, Fasadgruppen offers a number of training courses to ensure good staff development at all levels in the companies.

Strong local entrepreneurship with economies of scale

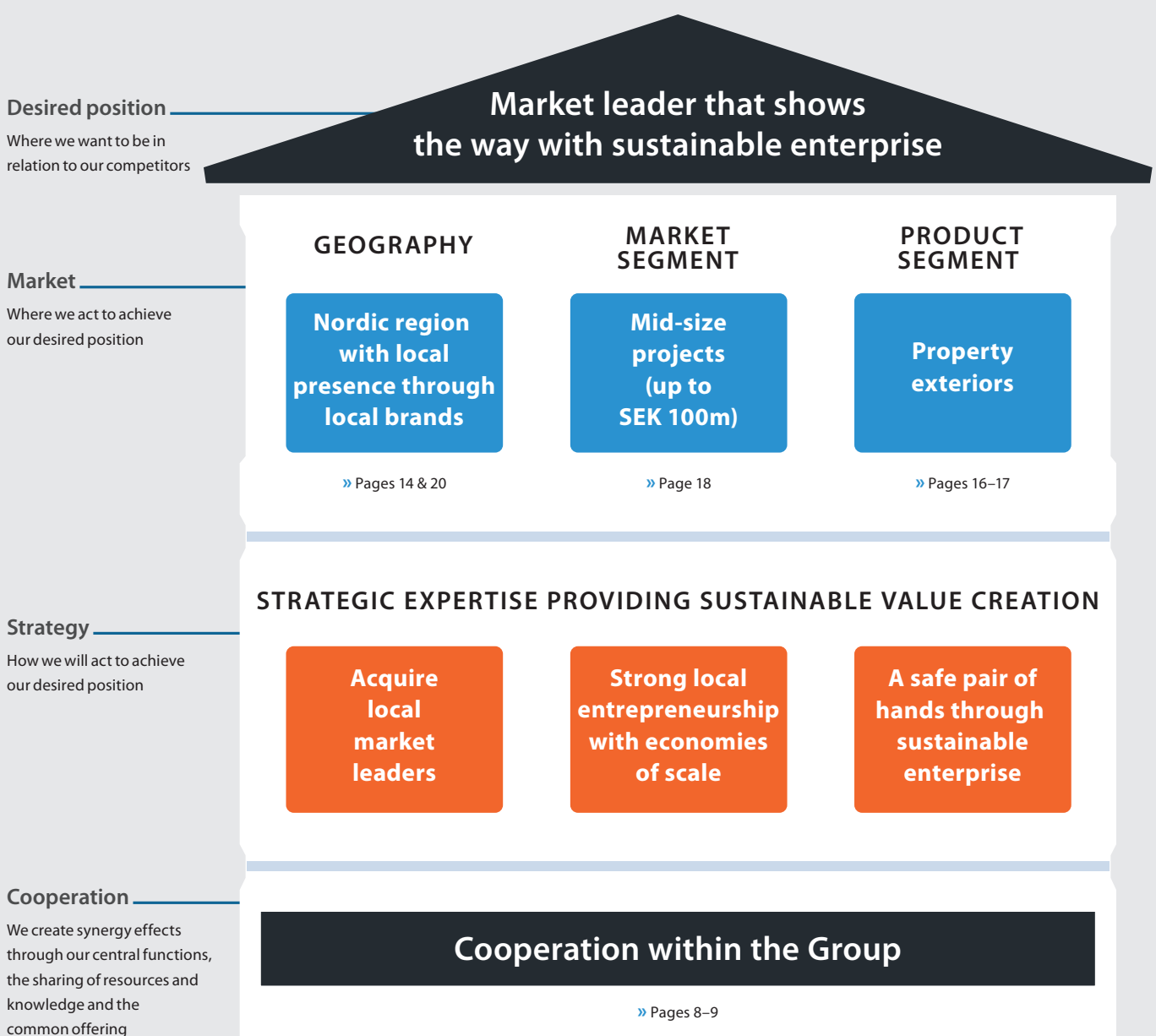
Through Fasadgruppen's business model, local entrepreneurship is combined with economies of scale. Through certain central functions and synergy effects at regional level, it is possible for the subsidiaries to place greater focus on day-to-day operations and at the same time benefit from each other's expertise. Fasadgruppen's ambition is to provide an organisation that effectively shares resources, purchasing agreements and best practice. The Group uses a proven model to achieve economies of scale that is implemented directly at the time of acquisitions.

A safe pair of hands through sustainable enterprise

Sustainable enterprise is an integral part of Fasadgruppen's strategy and a necessity for sustainable, profitable growth. As the biggest player in façade work in the Nordics, the Group works sustainably, locally and with a high level of craftsmanship when it comes to whole property exteriors. Thanks to well-established and energy-efficient working methods with short lead times and delivery precision, Fasadgruppen offers conscious customers personal commitment, competitive prices and a safe pair of hands throughout the project.



Fasadgruppen's strategy house



BUSINESS MODEL

Fasadgruppen’s business model is based on a decentralised structure that enhances the entrepreneurial endeavour, proximity to customers and limited overheads of each local company through Group 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 a Group-wide organisation. Three geographical business areas simplify regional coordination through the sharing of resources and best practice, identification of cross-selling opportunities and joint sales initiatives. In this way, the entrepreneurial endeavour, proximity to customers and limited

overheads of each local company are enhanced by Group opportunities to achieve economies of scale and offer comprehensive solutions to customers.

● Central functions

Our central functions include purchasing, HR, acquisitions, finance, and other support services. By procuring contracts for materials and insurance at a central level,

economies of scale are achieved which enable a reduction in costs for the subsidiaries. Through the Group, the subsidiaries also receive support with, for example, financial reporting, employee issues and law to enable greater focus on day-to-day operations.

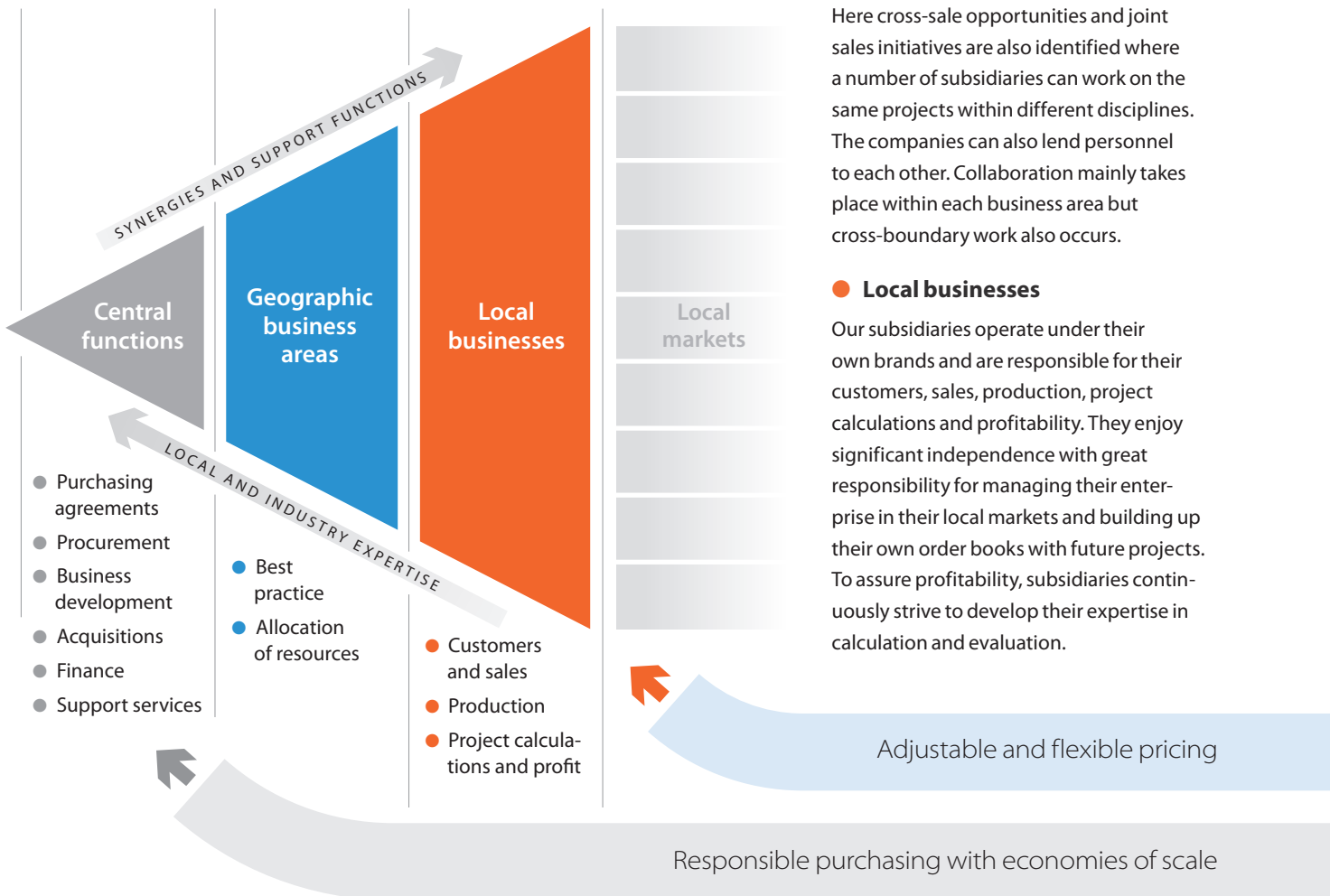
● Business areas

Through the geographic business areas NorthEast, SouthWest and Denmark, the subsidiaries can share resources and best practice, which enables synergy effects. Here cross-sale opportunities and joint sales initiatives are also identified where a number of subsidiaries can work on the same projects within different disciplines. The companies can also lend personnel to each other. Collaboration mainly takes place within each business area but cross-boundary work also occurs.

● Local businesses

Our subsidiaries operate under their own brands and are responsible for their customers, sales, production, project calculations and profitability. They enjoy 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, subsidiaries continuously strive to develop their expertise in calculation and evaluation.

A decentralised structure





Sustainable value creation

Fasadgruppen's services contribute to energy-efficient properties. Owners of both existing and newly-built properties are placing an ever-increasing focus on investing in energy efficient solutions to cut operating costs and meet increasingly tough sustainability demands. In line with the higher electricity prices, demand has further increased.

Each subsidiary company has a responsibility to drive sustainability efforts including both deliveries to customers and internal

aspects such as occupational health and safety and gender equality. Companies with expertise in services that make especially substantial contributions to energy efficiency share their expertise with our other companies via geographic business areas.

Central purchasing puts Fasadgruppen in a strong position with the bargaining power that allows us to work closely with the most sustainable suppliers and buy the most sustainable materials. In many cases, Fasadgruppen works together with suppli-

ers to increase the proportion of sustainable materials in specific projects.

The Group has common policies and guidelines within areas such as the environment, gender equality, and occupational health and safety, plus a Code of Conduct that all employees, suppliers and other business partners are required to follow. Central sustainability support services regularly monitor sustainability work within the Group and ensure compliance with policies and guidelines.

Decentralised pricing

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

Centralised purchasing

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 position when negotiating prices. These cost savings are particularly substantial for newly-acquired companies. The centralised purchasing process is managed by our Purchasing Manager who works continuously to improve the process and negotiate framework agreements. Fasadgruppen procures materials from several different suppliers and is therefore not exposed to individual suppliers. Our Purchasing Manager is also responsible for ensuring Fasadgruppen buys sustainable materials and that suppliers act responsibly and adhere to Fasadgruppen's Code of Conduct.

ACQUISITIONS

Via acquisitions, Fasadgruppen strengthens 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 exchange of experiences, collaboration and central support services.

Acquisition strategy

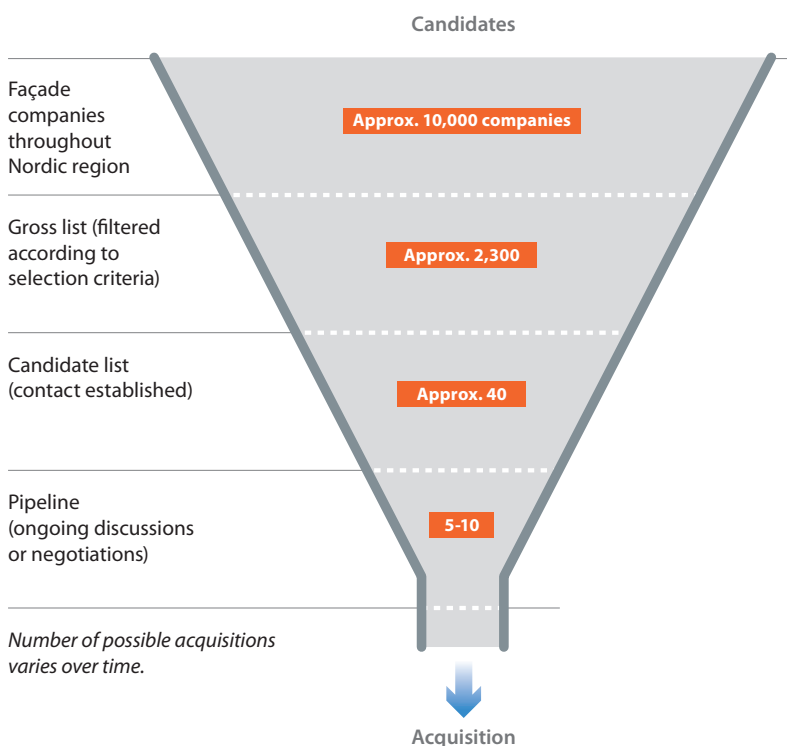
Fasadgruppen has an active acquisition strategy that aims to broaden its geographical presence and strengthen its market offer. In addition to acquiring new Group companies, asset acquisitions are also made, to complement existing companies with the aim of increasing expertise and reaching critical mass. Fasadgruppen applies a number of acquisition criteria such as good profitability, geographic location and long-term management. When identifying potential

acquisitions, considerable emphasis is placed on a company's craftsmanship, as well as the entrepreneurial skills and expertise of management.

In the Nordic region, there are approximately 2,300 potential acquisition candidates, of which approximately half are active in masonry and plastering. Other companies are mainly found in the categories of roofing, windows, balconies and scaffolding.

Identification of potential acquisitions

Through continuous contact with, and evaluation of, interesting candidates the Group can generate a flow of potential acquisitions over time.



Selection criteria for acquisitions

The company

Should add structural capital, cross-selling opportunities and a high degree of craftsmanship. At the same time, the company should demonstrate stable historical development with regard to profitability, growth and cash flow, plus ideally a high proportion of income from renovation projects.

Management

Should consist of skilful entrepreneurs that are a natural fit with the Fasadgruppen company culture and prepared to commit to the future plans of the Group.

Market

An acquisition candidate should have a strong position on the local market and operate in a region where the market is growing.

Fasadgruppen's integration and synergy model

Acquisition process

Fasadgruppen is active within established sector networks and is known as an attractive buyer among companies on the market. The Group's contacts and partnerships with various industry associations make it easier to quickly identify interesting local companies and acquisition candidates.

The primary sources for potential acquisitions are references from local Fasadgruppen management teams and central management team networks. Each new acquisition tends to create additional acquisition opportunities via contacts and knowledge about the relevant local market possessed by the newly-acquired company. In line with the rate at which Fasadgruppen has grown, external tips and company brokers have accordingly become less important in finding interesting acquisition candidates.

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.



Monthly reporting

Subsidiaries report their financial performance each month, and these reports are then consolidated centrally. The aim is to achieve internal comparability and assure complete control over the Group's financial performance and ensure our organisation is managed in the best way. Through a score card system, the subsidiary can see how they perform in comparison with other subsidiaries and Fasadgruppen's financial targets, in order to strengthen local entrepreneurship and the internal competitive spirit.



Percentage of completion method

All subsidiaries shall apply the percentage of completion method, which is an accounting method used for long-term projects and aims to ensure that the Company reports income for an amount that corresponds to the proportion of the total projects 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 receive part of the Group's central purchasing agreement with favourable commercial terms. Furthermore, they are 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, among other things, occupational health and safety. Furthermore, all new subsidiaries are 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

The subsidiaries are introduced to their business area, where collaboration between business area managers and subsidiaries takes place continuously. Within the business area, ongoing projects and acquisitions, cross-selling opportunities and sharing of resources and best practice are dealt with, among other things. Business area managers and subsidiary CEOs also ensure that there are succession plans in each company.



Why Fasadgruppen?

There are a great many companies engaged in façade work in the Nordic countries. Many of these are managed by skilled entrepreneurs with strong positions on their local market and excellent customer relationships. The Fasadgruppen business model is based on companies continuing to operate in the same way as before, but with access to the benefits of economies of scale such as lower material costs and sharing of resources within the Group. Fasadgruppen also provides various support services to these local companies, that are often further developed than those available to the pre-acquisition companies, such as within HR and financial reporting. This enables these local businesses to retain their character while gaining new complementary strengths and advantages.

MARKET

Fasadgruppen is active on the façade market in Sweden, Denmark, Norway and Finland. The façade market can be roughly divided into masonry and plastering, windows, balconies, roofing and sheet metal, plus scaffolding. The underlying markets consist of renovation and construction, respectively.

The Nordic façade market 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. Of the total turnover in the Nordic region, the metropolitan regions account for around half.

Focus on renovation

Fasadgruppen focuses predominantly on the renovation market and approximately 75 percent of sales in 2022 consisted of renovation of residential 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 façade solutions is also considered to be capable of driving further market growth.

Project structure

The façade market is very 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 market segment, which includes projects valued at SEK 1–100 million, but with 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. There is less risk attached to medium-sized projects compared to larger SEK 100 million+ projects, where there is

more uncertainty with regard to estimating costs for time and materials as well as higher profitability than in small projects, below SEK 1 million, where competition is often fierce between many small players.

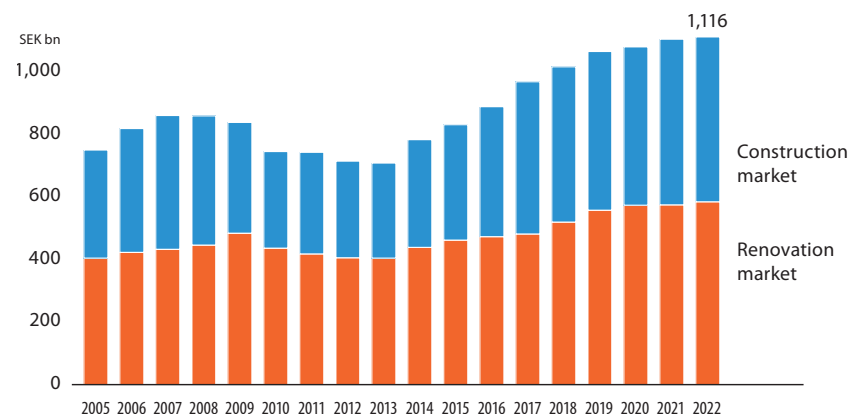
Competitors

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 further boosted by increasing customer demand for turnkey solutions.

Impact of inflation and interest rate rises

Up until now, Fasadgruppen's development as a whole has been affected to a limited extent by the high inflation and subsequent rapid interest rate increases during 2022. Like many other sectors, the prices of materials have increased sharply. The renovation market, which among other things is driven by planned maintenance from property owners, has shown high stability with some positive impact from the sharply increased energy prices which in turn increased the demand for energy efficiency measures in properties. The market for new builds was relatively stable in 2022 but is assessed to be less so in 2023, mainly within housing, as a result of the changing interest rate situation.

The renovation and construction market



Source: Euroconstruct 2022. The year 2022 is based on estimated outcome.

Market's drivers

Green transition and high electricity prices

According to the Swedish National Board of Housing, Building and Planning, heating accounts for around 20 percent of Sweden's energy consumption which means that renovation with modern insulation technologies is crucial to reducing energy use in the future. According to the European Commission, 75 percent of the EU's building stock is energy inefficient, and the annual renovation rate must at least double in order to meet the EU's climate goals. In addition, the EU is expected to decide on new requirements for the energy performance of properties in 2023.

In addition to the long-term need for a green transition, the sharply increased electricity prices in 2022 and 2023 have had a clear impact on the demand for energy-efficient solutions. Property owners are setting a clearer picture of requirements for energy efficiency when making inquiries, and are to a greater extent more willing to pay for the most efficient solutions than before.

Significance for the operations

An increased focus on energy efficiency which, in combination with new legislation, is expected to drive the demand for façade services and installations of environmentally-friendly solutions, such as window installations and additional insulation. Fasadgruppen has extensive experience of projects in which the energy efficiency of properties is significantly improved and, with multiple reference projects, is able to demonstrate the benefits. With knowledge sharing and the application of best practice within the Group, the awareness of optimum solutions among all of the subsidiaries is constantly being improved.

Urbanisation and housing shortage

Urbanisation is taking place in all of the Nordic countries, driving the need for more housing in the largest city regions. The National Board of Housing, Building and Planning, and Statistics Sweden report that by 2027, 640,000 new homes will be needed in Sweden and that there is a housing shortage in 212 of the 290 municipalities. Oslo City Council has stated that up to 135,000 new homes will be needed by 2040, and the Danish Ministry of Transport considers that 7,000 new homes will be needed each year for the next 25 years to meet housing needs in the Copenhagen region.

Significance for the operations

This substantial need for housing will drive increased demand for façade work, especially with regard to new builds. As façade work is a specialist area, construction companies often subcontract this work. Via its subsidiaries, Fasadgruppen has a strong local market presence and has established stable relationships with many construction companies, which creates opportunities to be contracted in many projects.

Ageing property stock

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.

Significance for the operations

This ageing property stock will drive demand for exterior renovation work. As maintenance in several areas is often neglected, extensive measures will have to be taken, such as repairs to concrete structures 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.

OFFERING

Fasadgruppen offers all types of exterior façade work and is involved in the entire process, from consultation to finished job. Thanks to the Group's collective competence and long experience, customers can be offered comprehensive solutions of the highest quality.



Plastering

Plastering services include all types of plastering such as smooth finish stucco, rough plaster and fine stucco. Fasadgruppen works carefully with original craft methods and material, which are usually mixed on site. Things that are about to be lost are recreated, such as rustication, mouldings, extents, eaves, ornaments and plaster paintings.

For new and younger façades, Fasadgruppen can offer innovative and energy-smart solutions, and the most modern façade systems where extra seals and ventilation are often included.

Masonry

Masonry services include pointing, anchoring and additional insulation of brick façades. Fasadgruppen performs masonry of plinths, shell walls, interior walls, curtain walls and glass bricks, and can also create exciting indoor environments.

As Fasadgruppen works independently of suppliers, customers can be offered all forms of brick in terms of size, shape, colour and structure. Brick is a sustainable and cost-effective choice for façades since it has an expected lifetime of hundreds of years and low maintenance costs. Brick is recycled in 95 percent of construction projects and 100 percent of the production chain. Since it is a pure material made from clay and water, it also does not contain any harmful substances for either humans or the environment. Fasadgruppen also works actively to increase the proportion of bricks that are fired with biogas, which significantly reduces the CO₂ impact during production compared to natural gas.



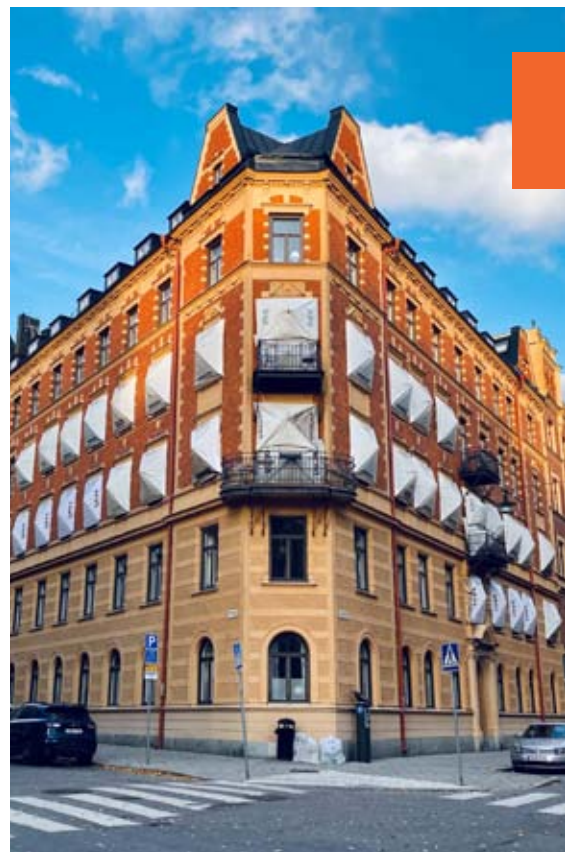
Windows and balconies

Fasadgruppen replaces some 20,000 windows each year. A switch to modern windows is not only a matter of significantly increasing lifespan, but also of improving the environment and energy values. Modern windows are both more soundproof and draughtproof, while new technologies and smart insulated glass offer greater protection against sunlight, noise and dirt.

If there are no need or requirement to change windows, renovation is the alternative, especially in cultural properties where Fasadgruppen works with original craft methods and materials. Replacing the

glass in existing windows or the installation of secondary glazing can also help make a property more energy efficient, which in turn is beneficial in both financial and environment terms.

Fasadgruppen balcony services include renovation, cleaning, reconcreting, replacement of railings and glazing in. With smart measures, such as complementary treatments, including anti-carbonation paint and various types of impregnation and coating, the lifespan can be significantly extended.



Roofing and sheet metal

The roof is sometimes described as the building's "fifth" façade and constitutes a large part of the character of the building. Roofing and sheet metal services include strip covering, sheet covering and profiled sheet made of copper, steel plate and aluminium, sedum roofing and sealing layer. When renovating a roof, many climate-smart choices can be made, for example additional exterior insulation, additional insulation and optimised ventilation in lofts, installation of roof heating systems and solar cell assembly. Ongoing roof maintenance is also important for extending the lifespan through roof painting, among other things.

Energy smart solutions

All energy usage has an environmental impact. According to the Swedish National Board of Housing, Building and Planning heating accounts for around 20 percent of Sweden's energy consumption which means that renovation with modern insulation technologies is crucial to reducing energy use in the future.

Energy smart renovation through additional insulation of the façade combined with the installation of energy-efficient windows not only increases the value of the property but also creates a better living environment. In addition to conventional energy efficiency measures, Fasadgruppen offers energy renovations via the SmartFront method, a patented method for upgrading the façades, ventilation and windows of existing properties. Installation produces a significant energy saving and a healthy living environment. After completion of a renovation, an energy saving of up to 75 percent can be achieved along with a better living environment and a reduction of radon gases and carbon dioxide emissions.



Other services

Fasadgruppen performs façade cleaning, glazed façades, concrete work, carbon fibre reinforced polymer strengthening work, plus various kinds of tiling. Fasadgruppen also rents out several different types of scaffolding for construction work, including lifts, loaders and protective equipment. Through its range of scaffolding, Fasadgruppen can shorten its own lead times and be independent of external suppliers.

PROJECTS AND CUSTOMERS

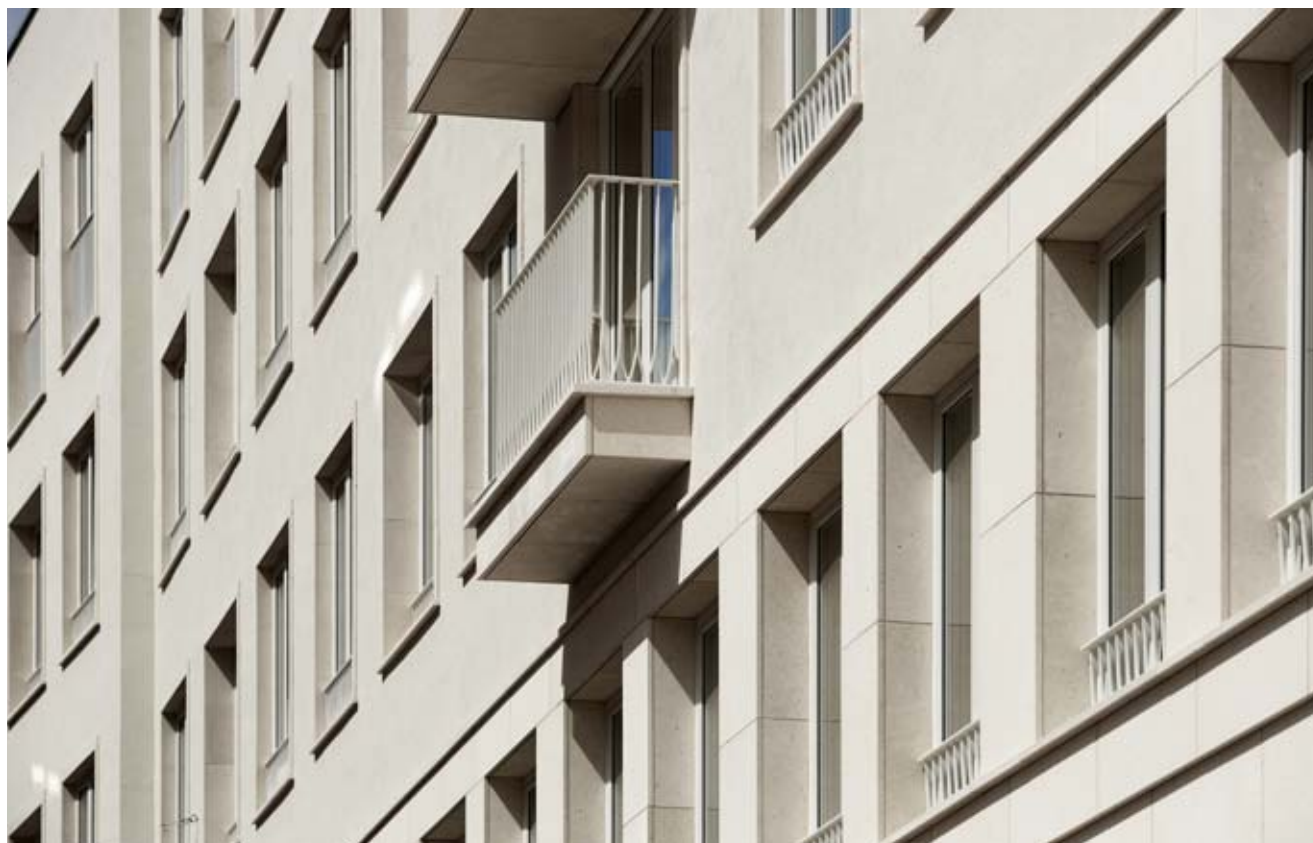
Fasadgruppen subsidiaries primarily focus on medium-sized projects in a fragmented market for a large variety of customers.

Focus on medium-sized projects

Fasadgruppen is active in the mid-size segment of the market where projects are in the magnitude of SEK 1–100 million. The average size of a project is around SEK 3–4 million. Based on this, the Group has created a diversified structure with many smaller, flexible companies in a large number of geographic areas. Local subsidiary CEOs can take quick business decisions independently and adapt to customer requirements.

Broad, diversified customer base

The façade market is highly fragmented and covers both construction and renovation projects. Fasadgruppen customers include owners of public sector, commercial and residential properties, cooperative apartment associations, operations managers, consultants, construction companies, and private home owners. Within the renovation market, Fasadgruppen's subsidiaries are usually responsible for projects and perform services on behalf of cooperative apartment associations and property management companies, such as HSB and Riksbyggen. Within the construction market, the subsidiaries act as subcontractors to major construction companies, such as PEAB and Skanska.



PRESTIGIOUS RENOVATION of 1920s property



Fasadgruppen's subsidiary BYENS TAG & FACADE A/S in Denmark is carrying out an extensive renovation of the property Vanløsegaard in 2023 commissioned by A/B Vanløsegaard, one of Denmark's largest housing associations.

Vanløsegaard was designed by the star architect Arthur Wittmaack and was erected in 1923–24. The property is characterised by neoclassicism with a focus on symmetry, which can be seen, among other things, in the courtyard with parallel pathways and identical green areas. Wittmaack was behind a number of other iconic Copenhagen buildings, such as Axelborg, Park Bio and Absalon Church.

"The assignment at Vanløsegaard is the largest in BYENS' history, and we are proud to be involved in renewing this beautiful, vibrant property," says Casper Borgen Larsen, CEO of BYENS TAG & FACADE.

The project is carried out in partnership with the engineering consulting firm Bang & Beenfeldt A/S. In the project, approximately 5,000 square metres of new roof is laid at the property, while the existing ventilation system is energy-optimised and solar cells are installed facing the property's courtyard. In addition, a new system for better use of rainwater is to be established. The renovation project has been allocated funds from Copenhagen municipality's urban renewal pool.

"We are happy to have gained the trust of A/B Vanløsegaard to renovate this cultural building where BYENS TAG & FACADE's expertise will come in useful. It feels particularly good that another large cooperative housing association is investing in energy efficiency measures during a renovation," says Peter Andersen, Business Area Manager for Fasadgruppen Denmark.

OUR COMPANIES

Fasadgruppen is active in the façade markets in Sweden, Denmark, Norway and Finland. The services we offer are divided into masonry, plastering, windows and balconies, roofing and sheet metal, scaffolding, energy smart solutions, plus other services. Operations are performed via local specialist subsidiary companies. This local presence means our employees are always close to the market, which enables rapid service and short decision-making paths.

Geographical presence



ROVAKATE
RKC Construction Oy



Johns



eklundsglas.se



BYENS



ROGALAND BLIKK AS



Fasadgruppen companies

	Masonry	Plastering	Windows & balconies	Roofing and sheet metal	Scaffolding	Energy smart solutions	Other services
Business Area NorthEast							
Valbo Fasad	●	●	●	●	●	●	●
Stark Fasadenovering	●	●	●	●	●	●	●
Mälardalens Mur & Puts	●	●				●	
Valvet Fasad	●	●	●				
Simtuna Bygg & Betong			●				●
Fasadteknik	●	●	●				
Karlaplans Plåtslageri				●		●	●
Sterner Stenhus Fasad	●	●	●	●		●	●
SmartFront		●	●			●	●
FRONT	●	●	●	●		●	●
rapid hyrställningar					●		
Tello Service Partner				●			●
Bruske Delér Fönsterrenovering			●			●	●
Eklunds Glas			●				●
Husby Takplåtslageri				●		●	
Solid Fasad		●	●				●
Haga Plåt				●		●	●
Ahlins Plåt				●		●	●
Kumla Fasadteam	●	●				●	●
Alnova Balkongsystem			●				
GAJ Stålkonstruktioner							●
Rovakate			●	●			●
Business Area SouthWest							
Karlsson Fasadenovering	●	●	●	●	●		●
Murpoolen	●	●	●			●	
Malmö Mur & Puts	●	●	●	●	●		●
Helsingborgs Fasad & Kachel	●	●	●				●
Åby Fasad	●	●	●	●			●
Johns Bygg & Fasad	●	●	●	●	●	●	●
Mellansvenska Fasad	●	●					●
Frillesås Mur & Puts	●	●					
DVS Entreprenör	●	●	●	●	●	●	●
Mjøndalen Mur & Puss	●	●					
Engman Tak				●			●
RSM Fasade	●	●					●
SH-Bygg	●	●	●				●
Allt i murning	●	●	●			●	●
Malercompagniet	●	●	●	●			●
Murpartnern	●						●
Meyer-Mörch	●					●	●
Chem-Con	●	●					●
Er-Jill Byggnadsplåt				●			●
Rogaland Blikk			●	●			●
Sydskiffer	●						●
Business Area Denmark							
P. Andersen & Søn		●		●	●	●	●
Cortex Facaderens							●
BYENS TAG & FACADE			●	●			
OPN Enterprise	●	●				●	
Kjær Knudsen	●			●			●
Altana			●				●



Chem-Con



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 likelihood and impact.

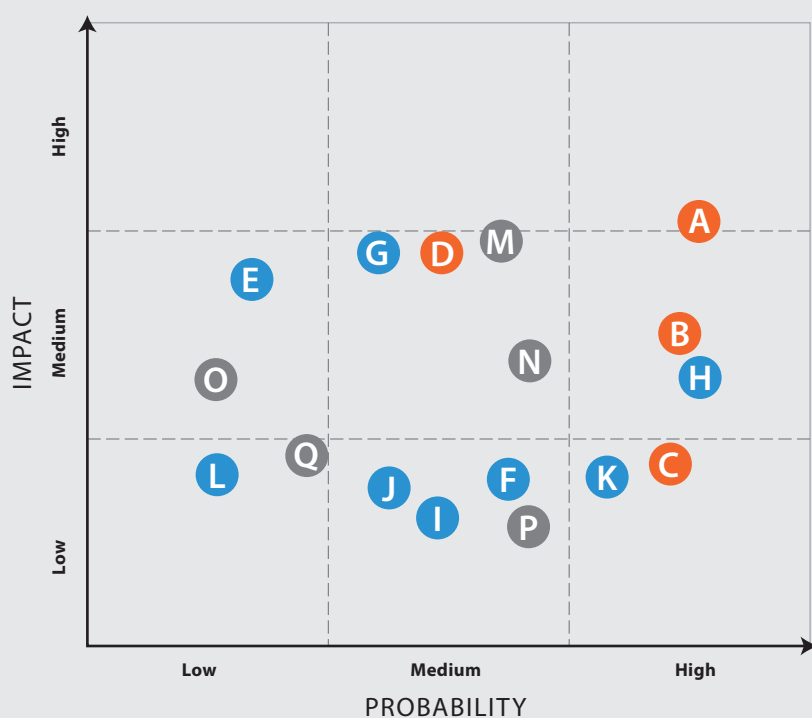
2022 began with rising inflation and the easing of the last Covid-19-related restrictions in Sweden. Russia's invasion of Ukraine and subsequent sanctions drove up the prices of energy and raw materials, which added to inflation, which in Sweden reached the highest levels since the early 90s. Fasadgruppen's direct exposure to Russia and Ukraine is minimal but the business is affected by the market development, just like everyone else.

Despite uncertainty in the construction and property sector and the downturn in the economy, the impact on Fasadgruppen has been limited so far. The renovation market, which constitutes 75 percent of Fasadgruppen's sales, has had a continued good demand because of the underlying renovation requirements of a generally aged property portfolio in the Nordic region.

The prices of materials that increased sharply due to production and delivery problems during the pandemic started to stabilise at the end of the year. However, recent years have shown the need for greater preparedness to face changes in the outside world.

Fasadgruppen has continued the proactive work of integrating sustainability-related risk management into its daily operations, including through updated policies, steering documents and monitoring of the non-financial targets within the organisation. The previous risk area of weather conditions and climate changes has been further developed and has been divided into two separate sections, climate change adaptation and climate impact mitigation.

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 chain
- I** Warranty undertakings and claims
- J** Workplace accidents and working conditions
- K** IT risks
- L** Compliance

Financial risks

- M** Impairment of acquisition-related goodwill
- 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
<p>A Impact of economic situation and inflation</p> <p>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.</p>	<p>The market for renovations, which is Fasadgruppen's main market, has historically showed stable development even in a weaker economic situation. The Group's broad customer portfolio and geographical diversification contributes to further spread of risk which reduces possible economic risks.</p> <p>By striving for fixed prices of materials from suppliers, the Group's exposure to inflation risks is also reduced. The length of the project is relatively short which reduces the risk of sitting on long, unprofitable customer contracts.</p>
<p>B Climate change adaption</p> <p>Fasadgruppen's work is largely carried out outdoors and can therefore be affected by unfavourable weather conditions.</p> <p>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.</p>	<p>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.</p> <p>In order to deal with extreme weather, great demands are placed on safety at the workplace in the form of, for example, weather protection.</p>
<p>C Climate impact mitigation</p> <p>Fasadgruppen needs to reduce greenhouse gases in relation to use, resource efficiency and choice of suitable material and transportation in the daily work.</p>	<p>As part of managing the climate-related risk based on its own operations' emissions, Fasadgruppen strives to reduce its climate impact through responsible transportation, travel, purchasing and energy use. 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.</p>
<p>D External shocks</p> <p>External shocks such as pandemics like Covid-19 can above all pose a serious threat to the health of employees and the working environment they are in. In addition, environmental shocks like for example wars such as Russia's war of aggression in Ukraine can lead to increased project costs due to increased raw material prices, affect customers and result in postponement or termination of a contract.</p>	<p>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.</p>

Operational risks

Operational risks arise in the daily operations and are primarily within the control of Fasadgruppen.

Operational risks are managed with the aid of policies and guidelines, plus clear processes and strong common values.

RISK DESCRIPTION	RISK MANAGEMENT
<p>E Projects</p> <p>Fasadgruppen mainly works in project format and is therefore exposed to project risks, such as procurement 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.</p>	<p>Fasadgruppen actively works on identifying and preventing 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, efforts are made to try to identify the risks and opportunities that are associated with the purchasing and production process for the specific project. The Group also works to ensure that the right personnel work with the right project, that is, that 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 business area manager may be involved when needed to help to solve 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.</p>

Operational risks cont.

RISK DESCRIPTION	RISK MANAGEMENT
<p>F Acquisitions</p> <p>Fasadgruppen has an active acquisition strategy that has contributed to the growth of the Group since the start. The Group is therefore exposed to risks related to opportunities to identify 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.</p>	<p>Fasadgruppen has completed over 20 acquisitions in 2022, and continuously develops its acquisition strategy in line with experiences gained. The Group identifies potential acquisition candidates with the support of the market knowledge that we are an attractive buyer with an established network in the sector. Fasadgruppen's contacts and partnerships with various sector associations make it easier to quickly identify interesting local companies and acquisition candidates. Fasadgruppen has a rigorous process for reviewing acquisition candidates which are continuously developed. Once a company has been acquired, integration commences immediately, focusing on efficient processes, without risking disruptions to daily 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.</p>
<p>G Skills supply</p> <p>Fasadgruppen needs highly-skilled craftwork personnel, such as bricklayers to perform its services. Furthermore, a qualified and diversified workforce is needed, which has competence and experience in business acquisitions, sales and calculation of costs for various types of contracting assignments as well as project management and supervision.</p>	<p>Fasadgruppen strives to be an attractive employer that offers favourable terms and conditions, professional managers, and safe and secure workplaces that offer employees opportunities for advancement. Fasadgruppen works actively to attract future craftwork personnel to the profession by attending further education college fairs and by offering apprenticeship programmes. In the event that a subsidiary lacks personnel in a project, there is the possibility of loaning personnel from other subsidiaries in the Group.</p>
<p>H Supply chain</p> <p>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.</p> <p>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.</p>	<p>Fasadgruppen continuously evaluates and increases its control over the supply chain and assures access to materials that are critical for the work we do. The purchasing of materials is done in line with centrally established contracts and quality control templates.</p> <p>Fasadgruppen's subsidiaries usually employ the same subcontractors over time, and thus get to know the other party's operations and personnel. To ensure quality, all subcontractors must follow Fasadgruppen's Code of Conduct and other applicable rules.</p> <p>Fasadgruppen only works with subcontractors that have collective agreements with their personnel to avoid any problems with the black market and, as far as possible, to prevent any breaches of human rights. Random checks of subcontractors are carried out.</p>
<p>I Warranty undertakings and claims</p> <p>Fasadgruppen agreements with Nordic customers generally include warranty undertakings in accordance with the general provisions for turn-key contracts for construction, civil engineering and installation work. These warranty undertakings usually entail Fasadgruppen being responsible for work meeting the agreed functional requirements and for any defects arising within a warranty period.</p>	<p>Fasadgruppen's subsidiaries generally have very extensive experience of carrying out façade work and actively work on quality assurance in all projects to minimise the number of complaints. Quality-assuring measures taken 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 from Fasadgruppen's central functions. As the Group annually implements countless projects that are independent of each other, the potential impact of the risk is isolated and limited.</p>
<p>J Workplace accidents and working conditions</p> <p>Façade work often entails working in dirty environments and at height. Accordingly, the work is associated with certain risks, such as the risk of bodily injury and repetitive strain injuries. Such risks can entail personal injuries and fatalities, plus severe damage to property and work equipment.</p>	<p>Fasadgruppen's operations are subject to extensive laws and regulations which aim to maintain a safe work environment. Fasadgruppen has also implemented policies and other measures aimed at reducing the risk of accidents in the workplace. The Group has an occupational health and safety group with representatives from our different business areas that look to ensure the Group can offer the best and safest work environment for our personnel. Injuries and accidents are to be prevented by each company performing an annual health and safety survey to pinpoint potential occupational health and safety risks and formulate a plan to prevent them. All works supervisors are trained in safe working methods and procedures. Each respective workplace is to be provided with safety instructions in relevant languages.</p>

Operational risks cont.

RISK DESCRIPTION	RISK MANAGEMENT
<p>K IT risks</p> <p>Risk of a longer interruption to business critical systems and loss of business critical data.</p>	<p>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.</p>
<p>L Compliance</p> <p>Regulatory compliance in a large and decentralised organisation entails a risk for Fasadgruppen. Risks include employees not following internal rules or legal requirements.</p>	<p>Fasadgruppen actively works with the Group's established values and training in our Code of Conduct, for both employees and suppliers. This work is primarily based on the Code of Conduct, the Code of Conduct for suppliers and the whistleblower reporting function that is available to all employees. Fasadgruppen has a structured approach to mitigating the risks, which are monitored via the control activities at company level.</p>

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
<p>M Impairment of acquisition-related goodwill</p> <p>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 to the time of the acquisition. A possible write-down may negatively affect the Group's financial position and results.</p>	<p>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 persons in the Company. All potential candidates are carefully checked and assessed based on clear criteria before an acquisition is implemented. The Group continuously monitors relevant circumstances regarding operations, the general economic situation, and the possible impact such circumstances may have on the valuation of Group goodwill.</p>
<p>N Interest rate risk</p> <p>Fasadgruppen is exposed to interest rate risk through fluctuations in market interest rates that affect the Group's earnings and cash flow.</p>	<p>The Fasadgruppen Finance Policy contains established principles, approved by the Fasadgruppen Group AB Board, that provide a framework for managing interest rate risk. See Note 13.</p>
<p>O Financing risk</p> <p>Risk that current credit facilities will not be extended or it will not be possible to be given new credit facilities, including new share issues to obtain external capital.</p>	<p>The amount the Group has the ability to pay is determined by, and at all times is to be able to cover, 100 percent of estimated net investments and working capital requirements for the next three months.</p> <p>Fasadgruppen's finance policy contains established principles, approved by the Fasadgruppen Group AB Board, that provide a framework for managing the financing risk. See Note 13.</p>
<p>P Credit risk</p> <p>Credit risk refers to the risk that the counterparty to a transaction fails to meet its financial obligations and that any collateral fails to cover Fasadgruppen's claim.</p>	<p>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.</p> <p>Fasadgruppen's finance policy contains established principles, approved by the Fasadgruppen Group AB Board, that provide a framework for managing the credit risk. See Note 13.</p>
<p>Q Currency risk</p> <p>Currency risk is the risk that changes in exchange rates will have a negative effect on the income statement, balance sheet and cash flow.</p>	<p>The majority of Fasadgruppen 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's finance policy contains established principles, approved by the Fasadgruppen Group AB Board, that provide a framework for managing currency risk. See Note 13.</p>

THE SHARE

The total return on investment in Fasadgruppen shares amounted to -37.2 percent in 2022 and at the end of the year, market capitalisation was just over SEK 5.2 billion.

Development of the share

Like the stock market as a whole, Fasadgruppen's share developed negatively during 2022 and at the end of the year had decreased by 37.9 percent (+93.9). The total return, i.e. the return including a dividend of SEK 1.20 per share, amounted to -37.2 percent. On the last trading day on 30 December 2022, the closing price was quoted at SEK 105.80 (170.40), corresponding to a market capitalisation of SEK 5,250 m (7,734).

Trading and turnover

Fasadgruppen shares are traded on the Nasdaq Stockholm Mid Cap list under the symbol FG. In 2022, average turnover was 39,929 (57,086) shares per trading day, at an average value of around SEK 4.9 m (7.8).

Share capital

According to the Articles of Association, Fasadgruppen's share capital shall amount to a minimum of SEK 1 m and a maximum of SEK 4 m. In 2022, the share capital increased through a directed new issue of 3,000,000 shares, corresponding to issue proceeds of SEK 420 m before transaction costs, as well as offset issues of a total of 1,236,177 shares. As of 13 December 2022, the share capital

amounted to SEK 2.5 m (2.3) distributed over 49,623,830 shares (45,387,653) corresponding to a quota value of SEK 0.05 per share. All shares are of the same class with similar voting rights and share of capital and profit.

Shareholders

Fasadgruppen had 3,467 known shareholders (3,360) at the end of the year. The ten biggest shareholders in the Company owned 60.1 percent (60.2) of the share capital and votes. 64.3 percent (67.0) of the capital is held by shareholders based in Sweden. Fasadgruppen estimates that around 25 percent of the Company's shares are owned by senior executives and personnel within the Group.

Dividend and dividend policy

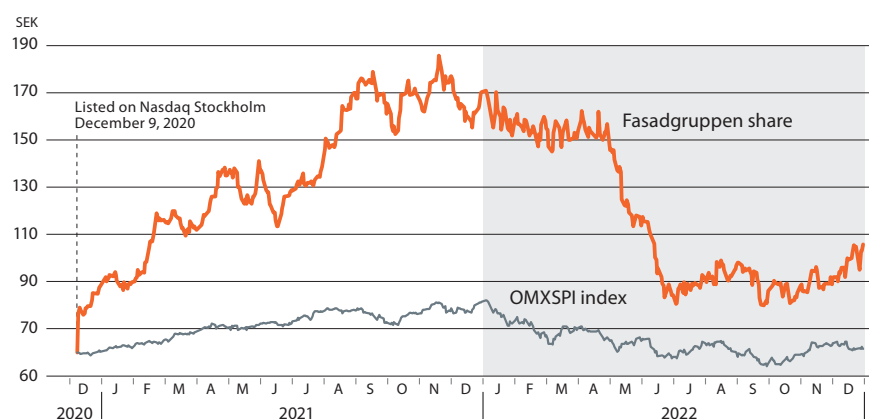
Fasadgruppen's Board of Directors has established a dividend policy, whose aim is to distribute 30 percent of the Group's consolidated net profit, taking into account factors such as financial position, cash flow and growth opportunities. The 2022 Annual General Meeting decided on a dividend of SEK 1.20 (0.60) per share for 2021, corresponding to SEK 58.3 m (27.1) or 31.3 percent of the Company's net profit. The Board of Directors proposes a dividend

of SEK 1.70 (1.20) per share for 2022. The proposed dividend amounts to SEK 84.4 m, corresponding to 31.0 percent (31.4) of the Company's net profit.

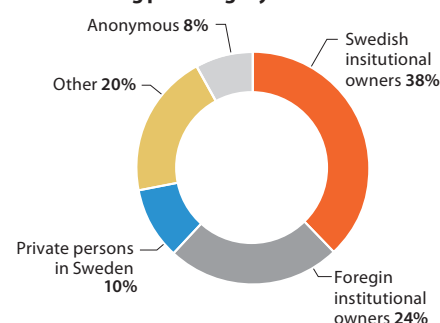
The ten biggest shareholders

Shareholders as of 31 December 2022	Number of shares	Share of capital and votes, %
Capital Group	6,280,435	12.7
Connecting Capital	5,033,790	10.1
Swedbank Robur Fonder	3,835,496	7.7
Nordea Liv & Pension	2,623,643	5.3
Handelsbanken Fonder	2,515,000	5.1
Sterner Stenhus Holding	2,185,841	4.4
KFAB Förvaltning AB	1,998,704	4.0
Danske Invest	1,966,364	4.0
Enter Fonder	1,730,239	3.5
Paradigm Capital	1,635,701	3.3
Total	29,805,213	60.1
Other shareholders	19,818,617	39.9
Total	49,623,830	100.0

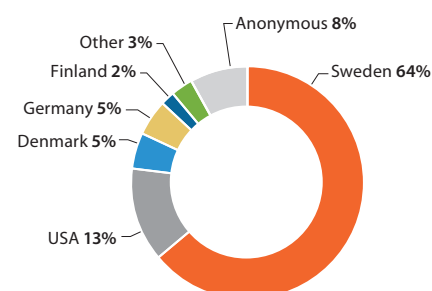
Share price development



Shareholding per category



Shareholding per country



FASADGRUPPEN AS AN INVESTMENT

Fasadgruppen is the largest complete provider of sustainable façades in the Nordics. Operations are based on local entrepreneurial companies that maintain a clear focus on collaboration, commitment and expertise.

1 Clear exposure to need for energy-efficient properties

Fasadgruppen's offering contributes to a large extent to higher energy efficiency in properties; services that are in demand by property owners throughout the Nordics as energy prices have increased. With services such as additional insulation of façades and lofts, replacement of windows and glazing of balconies, substantial energy savings can be achieved. Via Fasadgruppen's patented ventilation solution SmartFront, the energy efficiency of individual properties can be increased by as much as 75 percent.

2 Leading-edge expertise with a clear position in the value chain

Fasadgruppen consists of companies with a long history of a high level of craftsmanship within façade work. Façade work is a specialist competence and thus an attractive sub-segment to the renovation and construction market, which offers a diverse customer base and opportunities for economies of scale. Thanks to Fasadgruppen's breadth, the Group is one of the few players that possesses the competence, capacity and experience required to implement complex projects – from heritage-listed buildings to million home programme properties.

3 The business model combines local entrepreneurship with economies of scale

The Fasadgruppen business model is based on a decentralised structure. The business is conducted through local subsidiaries with a high level of craftsmanship with leading local market positions and long-term customer relationships. Our subsidiaries work closely with each other to win multidisciplinary projects, and share resources and best practice. By procuring agreements for, among other things, materials at a central level, economies of scale are achieved at the same time. Via the Group, the subsidiaries also receive support in, for example, financial reporting, HR and legal matters to ensure that they can focus on day-to-day operations.

4 Stable underlying market

The façade market is driven by an underlying need to renovate in both residential and commercial properties. In connection with new construction, façade work also represents a crucial and specialised activity that construction companies usually outsource. All in all, this creates a stable market for façade services, which are generally in demand even in worse economic times. Most of Fasadgruppen's subsidiaries have been operating for many decades and have been able to show profitable growth in varying economic conditions. The increased need for energy efficiency improvements in properties, which is also driven by new legislation, gives further impetus to market demand.

5 Opportunity for consolidation in a highly fragmented market

Fasadgruppen has an active acquisition strategy, focused on strengthening its geographical presence, its service offering and its expertise. In the Nordic region, there are approximately 2,300 potential acquisition candidates, which creates good opportunities for consolidation and long-term growth. When identifying acquisition candidates, Fasadgruppen places great focus on the degree of craftsmanship within the company, profitability, entrepreneurial spirit and market position so that each new acquisition can directly contribute to the Group's overall strategy and value creation. Over the years, Fasadgruppen has strengthened its acquisition capacity, and through collaboration between the central functions and the local operations, new interesting acquisition candidates are found.

Sustainability

As the leading group in façade work in the Nordic region, Fasadgruppen works for sustainable development in its daily operations. Fasadgruppen works within three focus areas – The industry’s best workplace, Leading the climate transition and The industry’s most stable partner – from where the Group manages the priorities.

CONTENTS

- 29 Sustainable value creation
- 30 Sustainable governance
- 31 Case: Energy-efficiency improvements
- 32 Stakeholder dialogue
- 33 Materiality analysis
- 34 Focus areas
- 38 UN’s Sustainability Development Goals
- 40 Reporting in accordance with the EU Taxonomy Regulation

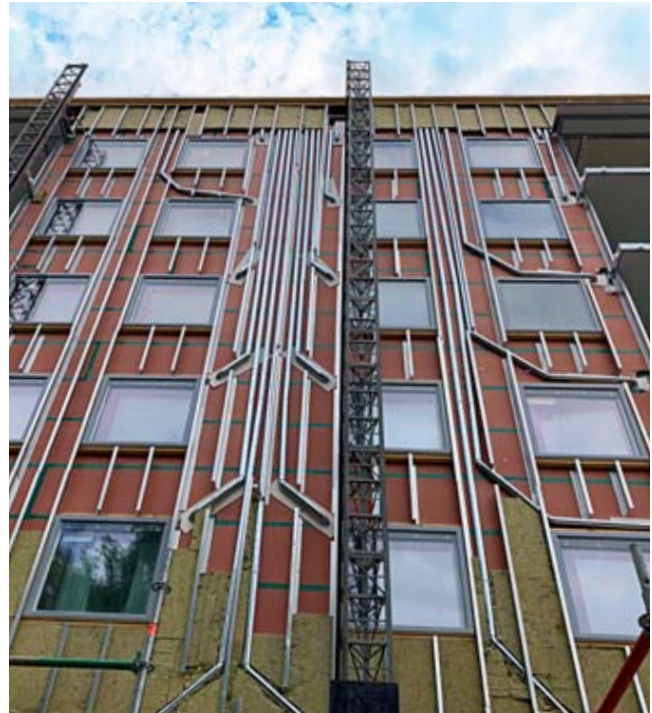
Sustainable value creation

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 works actively to increase the proportion of purchases of sustainable materials, such as biogas-produced brick, which reduces approximately 60 percent of CO₂ in the production process, and to achieve as low an environmental impact as possible in the actual project implementation. Added to this is the responsibility as an employer and to provide safe and secure workplaces.

In 2022, a new framework for Fasadgruppen's sustainability work was developed based on three focus areas – The industry's best workplace, Leading the climate transition and The industry's most stable partner– from where the Group manages the priorities. The work within the focus areas shall contribute to Fasadgruppen's financial and non-financial targets, as well as to the UN's Sustainable Development Goals.

Business model

Fasadgruppen's business model is based on a decentralised structure in order to be able to have a strong local presence with limited overheads. Our subsidiaries operate under their own brands and are responsible for their customers, sales, production and project calculations. Through the three business areas, resources and best practice are shared between the subsidiaries. The subsidiaries receive additional support via central Group support services in areas such as purchasing, business development, acquisitions, HR and finance.



Each subsidiary has a responsibility to drive sustainability efforts including both deliveries to customers and internal aspects such as occupational health and safety, and gender equality. Some companies are experts in services that make especially substantial contributions to energy efficiency and share their expertise with our other companies via the business areas.

» Read more about Fasadgruppen's business model on pages 10–11.

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 who delivers high quality services.
- Best practice is shared within the Group to further develop our daily operations in the best interests of customers.

Sustainability governance

The Board of Directors sets Fasadgruppen's overall sustainability goals and follows up the work at each ordinary Board meeting. The Group's sustainability strategy is discussed at special strategy days in both the Board and Management Team annually. The Group's Head of IR and Sustainability is responsible for the ongoing progress and the follow-up of objectives and activities within the framework. The Head of IR and Sustainability further ensures that Fasadgruppen participates and contributes to relevant initiatives within various sustainability issues. The work is carried out in close collaboration with the CEO, the rest of the Group Management and the subsidiaries.

The Group has a Code of Conduct, personnel policy, environment policy, quality policy and a number of other guidelines related to sustainability issues. Occupational health and safety issues are addressed by the Fasadgruppen's occupational health and safety group in which all business areas are represented. The Group's personnel policy and associated Employee Handbook contain guidelines on occupational health and safety issues. Information on Fasadgruppen's whistleblower function is in the Employee Handbook, and on the company intranet, and website.

All Fasadgruppen's subsidiaries must be 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, when

implemented, helps reduce resource consumption and decreases the costs for waste management.

In 2021, Fasadgruppen signed up to the UN Global Compact for Sustainable Development Goals. By signing up to the Global Compact, Fasadgruppen supports and undertakes to act in accordance with the ten Global Compact principles on 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 forms the basis for the Group's three core values – collaboration, commitment and expertise and the UN's principles for responsible business (Global Compact) and includes areas such as human rights, occupational health and safety, environment, anti-corruption and business ethics. The purpose of the Code of Conduct is to inform every employee, supplier and customer as well as every shareholder and other stakeholders about the Group's ethical guidelines and approach. Each subsidiary receives a copy of a 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.

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



EXTENSIVE ENERGY-EFFICIENCY IMPROVEMENTS of apartment block in West Sweden



Fasadgruppen's subsidiary Johns Bygg & Fasad began an extensive exterior renovation in 2022 on Kosmosgatan and Zenitgatan in Bergsjön outside Gothenburg, Sweden.

The project involves 15 buildings and is carried out on behalf of the property owner Balder. The project includes installation of approximately 2,000 m² of environmentally-friendly and robust façade panels, plastering all house gables, replacing approximately 1,500 windows and glazing all balconies by the sister company Alnova Balkong-system. Overall, the measures, which are expected to last until October 2023, will, in addition to an upgraded exterior, also lead to substantially higher energy efficiency in the properties.

"In such an extensive project, good communication with both property owners and tenants is crucial. For example, there are pre-school activities located in the buildings,

which thanks to a good dialogue have been able to be conducted without major impact from the work. The advantage of working with several similar building exteriors is that you learn the project and the challenges early on, and can then work proactively. Bergsjön has almost become like a self-playing piano with a very nice cooperation between customer, tenants and subcontractors," says Enis Brahim, CEO and project manager at Johns Bygg & Fasad.

"The project in Bergsjön is very representative of the needs of the many properties that were built by the public utility in the 60s and 70s. With the right measures, large energy efficiency gains can be achieved, while the living environment becomes better. As a comprehensive supplier, Fasadgruppen has a fantastic opportunity to shoulder this type of renovation project," says Johan Claesson, Business Area Manager for Fasadgruppen SouthWest.

Stakeholder dialogue

Fasadgruppen maintains an ongoing dialogue with the Group's most important stakeholders on issues that concern various sustainability aspects. This dialogue provides guidance on how we should prioritise the work we do within sustainability and setting targets.

STAKEHOLDERS	CHANNELS FOR DIALOGUE	IMPORTANT ISSUES
Customers <ul style="list-style-type: none"> • Construction companies • Property management companies • Property owners • Cooperative apartment associations • Government and municipalities • Consultants 	<ul style="list-style-type: none"> • Calls, email, meetings • Customer events • Newsfeed web • Presence in social media • Trade fairs, networks, industry days • Customer magazine 	<ul style="list-style-type: none"> • Quality • Delivery reliability • Pricing • Energy efficiency improvements • Clean and tidy workplace • Service and good dialogue
Employees <ul style="list-style-type: none"> • Subsidiary CEOs • Existing employees • Potential employees 	<ul style="list-style-type: none"> • Business area meetings • Monthly newsletters, intranet, customer magazine • Employee appraisals • Workplace meetings • Participation in further education college events and schools • Apprenticeship programme 	<ul style="list-style-type: none"> • Salaries, employment terms and conditions • Code of Conduct • Gender equality • Skills provision • Skills development • Opportunities to influence
Suppliers and partners <ul style="list-style-type: none"> • Product suppliers • IT • Transport • Equipment • Banks (loan providers) 	<ul style="list-style-type: none"> • Procurement • Strategic and operational meetings 	<ul style="list-style-type: none"> • Long-term partnerships • Transparency • Product and supplier quality • Code of Conduct • Supplier strategy and development • Sustainability requirements, sustainable material
Capital market <ul style="list-style-type: none"> • Shareholders • Investors • Analysts 	<ul style="list-style-type: none"> • Calls, email, meetings • Seminars • Reports and press releases 	<ul style="list-style-type: none"> • Acquisition strategy • Business model and synergies • Energy efficiency improvements • Impact of inflation
Residents <ul style="list-style-type: none"> • Residents • Neighbouring residents • Local communities 	<ul style="list-style-type: none"> • Signs at construction sites • Information as necessary (housing assoc.) 	<ul style="list-style-type: none"> • Noise • Changes in the local environment • Energy efficiency improvements, tips on energy smart behaviour





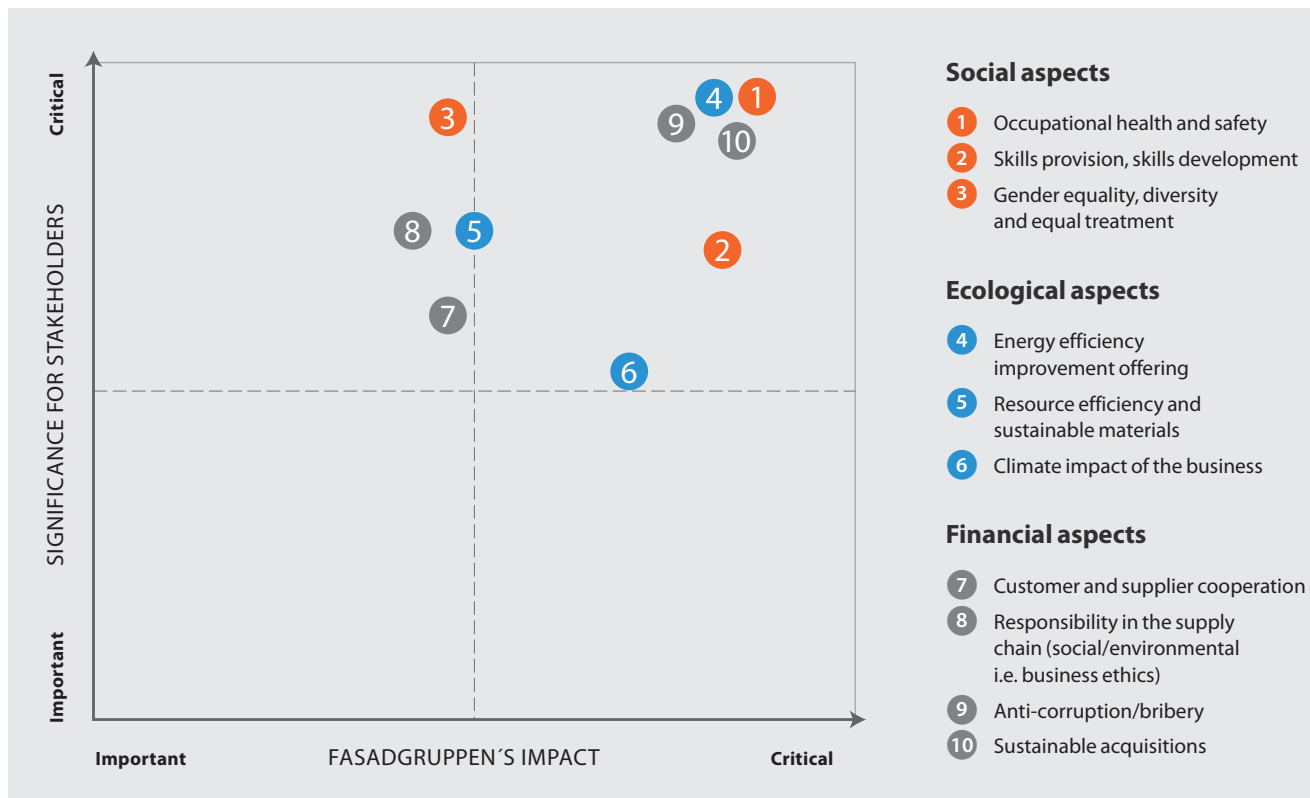
Materiality analysis

In 2020, Fasadgruppen conducted a materiality analysis which is validated and 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 the 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.

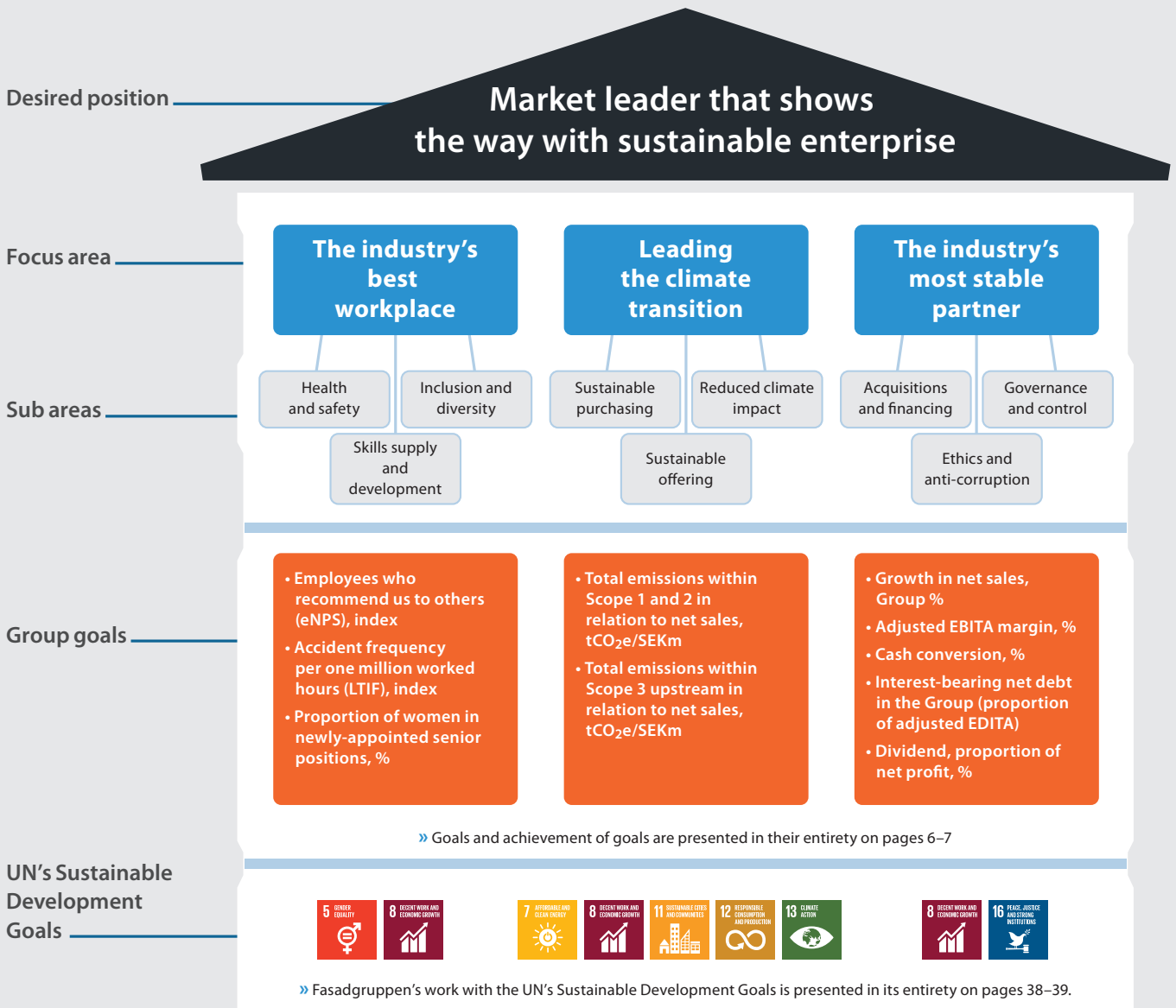
The issues identified as most significant have then been categorised into social, ecological and economic aspects. The essential sustainability issues are anchored in the Board and are the basis for Fasadgruppen's sustainability work and the Sustainability Report. In the spring of 2023, Fasadgruppen will carry out an analysis regarding double materiality in accordance with the upcoming requirements of the EU's Corporate Sustainability Reporting Directive (CSRD).



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 best workplace, Leading the climate transition 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 best workplace

Health and safety

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

The Group has an occupational health and safety group with representatives from our different business areas that look to ensure Fasadgruppen can offer the best and safest work environment for our personnel.

Injuries and accidents are to be prevented by each company 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 work methods and routines, which is documented in a competency matrix that is reported annually to management and the Board.

In 2022, the number of workplace accidents amounted to 48 (65). The most frequent accidents were falls and cuts. In addition to this, 121 (75) incidents were reported. The most frequent incidents were due to insufficient scaffolding or covering.

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 crafts profession over time. An important 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.

Skills supply and development

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

Internally, the Group wants to make use of the extensive competence of our employees through knowledge sharing and leadership training. Through annual employee surveys, areas of development are identified in order to continuously become a better employer.

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 players 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 ways of working, members are helped to improve occupational health and safety in the sector. Fasadgruppen is also a member of the financial association **Byggbranschens säkerhetspark**, a training facility where the subsidiaries have an opportunity to practise safety 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.

Leading the climate transition

Sustainable offering

Through our services, Fasadgruppen contributes to the reduction of the climate impact of properties. For example, according to the Swedish National Board of Housing, Building and Planning, heating of properties accounts for 20 percent of Sweden's energy consumption while as many buildings have a great need of renovation – which means that a significant part 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 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. While electricity costs for property owners have increased, the repayment period on investments in energy efficiency measures has also decreased.

In addition to offering energy efficiency improvement services, Fasadgruppen also works to constantly improve work methods and processes as well as reducing material waste in relation to project implementation. Among various activities during 2022, a collaborative project with El-Björn continued with renewable façade heating. By using pellets for heating the façade work during the winter season, the climate footprint measured as carbon dioxide equivalents can decrease by more than 90 per cent per kilowatt hour compared with conventional diesel or biogas heating.

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 washing façades, only approved and environmentally declared chemicals must be used and the washing water must be handled in accordance with current regulations.

Sustainable purchasing

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 produced with 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-friendly alternative. The Group also requires suppliers to act in accordance with the Code of Conduct and classifies them on an A-C sustainability scale with the aim of increasing the proportion of sustainable purchases. Fasadgruppen prioritises suppliers who can offer the ability to purchase materials produced based on special sustainability criteria.



Reduced climate impact

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

All subsidiaries in Fasadgruppen 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 assure 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 the Fasadgruppen integration process.

GREENHOUSE EMISSIONS PER SCOPE

Scope	Description	2022		2021	
		Tonnes CO ₂ e	Proportion, %	Tonnes CO ₂ e	Change, %*
Scope 1	Emissions owned and controlled by the business, i.e. combustion of fuel for company vehicles	5,594	2.6	4,271	-22.9
Scope 2	Emissions from energy purchased by the business	655	0.3	346	11.3
Scope 3	Emissions from purchased goods and logistics	210,849	97.1	129,955	-4.5
Total		217,098	100.0	134,572	-5.1

* The percentage change refers to tonnes of direct and/or indirect emissions of CO₂e per SEK million in net sales.

Calculation and reporting of climate-impacting emissions takes place according to the guidelines in the Greenhouse Gas Protocol. The consolidation method used is operational control, which means that the delimitation of the company's climate impact is based on its control over the activities of each business. For comparability, change in emissions is reported in relation to SEK million in net sales.

The industry's most stable partner

Governance and control

Fasadgruppen's decentralised business model places special demands on governance and risk management in the Group. Based on a clearly-formulated management model that both ensures adequate control over the business and promotes freedom of action and local entrepreneurship, Fasadgruppen's competitiveness is strengthened. The governance model forms the basis of Fasadgruppen's integration model which is 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

Fasadgruppen has an active acquisition strategy that aims to broaden its geographical presence and strengthen its market offer. A continuously refined acquisition process and integration model ensure that Fasadgruppen acquires quality companies that contribute to the Group's growth and the fulfilment of its objectives.

Linked to the acquisition strategy, Fasadgruppen only takes up sustainability-linked financing. The Group's loan facility agreement is linked to selected sustainability indicators where the interest rates are adjusted based on Fasadgruppen's fulfilment of pre-defined target values. The current sustainability indicators partly refer to a reduction in CO₂ emissions in relation to the Group's net sales and partly to a reduction in workplace accidents in relation

to the Group's net sales. In 2022, a new sustainability-linked loan facility was taken up from Nordea. From before, there are also facilities with SEB and Svensk Exportkredit.

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 is the Code of Conduct which must be accepted by both employees and suppliers. In addition, random checks are also carried out annually on subcontractors used for projects.

Fasadgruppen strives to have an open business climate, high business ethics and always sees the possibilities of new improvements. In case of suspicion of irregularities such as bribery, conflicts of interest, environmental crimes or safety deficiencies in the workplace, a whistleblower function with the possibility of anonymity is therefore provided by an external and independent player. Employees, customers, suppliers and other stakeholders can use the system where reporting is made either via the internet or telephone. Guidelines and instructions for the whistleblower function are available in several relevant languages. People who report misconduct have statutory whistleblower protection under the Whistleblower Act

In 2022, 3 (1) whistleblower cases were received. All cases are thoroughly investigated according to established procedures and lead to further measures in cases of detected irregularities.



UN's Sustainable Development Goals

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



GENDER EQUALITY

Target in focus:

5.5 Ensure women's full participation in leadership and decision-making

One of Fasadgruppen's goals within the sustainability framework is to increase diversity and provide an inclusive workplace. The Group's target is to achieve a proportion of 50 percent of women in newly-appointed leading positions by 2030, defined as group management, financial manager, group accounting manager, subsidiary CEO, work manager, project manager, project leader or roles at the equivalent level. For Fasadgruppen, it is also very important that all employees, regardless of gender, have wages set on equal grounds and good working conditions. One tool to ensure this is salary surveys.



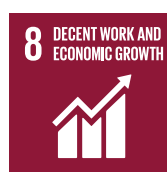
AFFORDABLE AND CLEAN ENERGY

Targets in focus:

7.2 Increase the share of renewable energy in the world

7.3 Double the increase of energy efficiency

Fasadgruppen's services contribute to high energy efficiency in properties. By consuming less energy for, above all, heating, the burden on both the environment and electricity bills is reduced. 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 act in cooperation and can carry out several energy efficiency stages 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 decrease energy consumption of an individual property by up to 75 percent.



DECENT WORK AND ECONOMIC GROWTH

Targets in focus:

8.5 Full employment and decent working conditions with equal pay for all

8.6 Promote youth employment, education and training

8.8 Protect employee 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 have 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 employees of our subcontractors, among other things through recurring spot checks. In order to strengthen the attraction of the crafts profession in the long term, Fasadgruppen participates in further education college fairs and collaborates with vocational training courses, as well as offering apprenticeship programmes.



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 the amount of waste
- 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 washing façades, only approved and environmentally declared chemicals must be used and the washing water must be handled in accordance with current regulations.



CLIMATE ACTION

Target in focus:

- 13.1** Strengthen resilience to 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 produced with biogas. The decision on which materials should be used is in most cases taken by the end customer, but Fasadgruppen can influence the customer through clear information so that they choose the most environmentally-friendly alternative. Fasadgruppen also requires suppliers to act in accordance with the Code of Conduct and classifies them on an A-C sustainability scale 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

Fasadgruppen does not accept any form of corruption, bribery, extortion, or money laundering, and seeks to prevent these types of activities. An important tool is the Code of Conduct, which must be accepted by both employees and suppliers, as well as the whistleblower function 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 environmental investments via a common classification system for environmentally sustainable economic activities. The Taxonomy Regulation has disclosure requirements that entail companies having to present the extent to which their activities are sustainable in relation to turnover, operating expenses (OpEx), and capital expenses (CapEx).

A Group-wide team has analysed which activities within Fasadgruppen are assessed to be eligible and be in alignment with the Taxonomy based on available documentation. To meet the Taxonomy's criteria, the business shall materially contribute to at least six of the EU's defined environmental objectives, not cause significant harm to any of the other five objectives and meet the so-called minimum safeguards. Fasadgruppen's activities contribute to environmental objective 1, *Climate change mitigation*, as renovation projects and the installation of energy efficient equipment contribute to reducing the buildings' energy consumption and climate impact. 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 are certified according to ISO 14001 or equivalent environmental management system, which provides conditions to not cause 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 Code 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 of the construction and property sector. A significant proportion of Fasadgruppen's turnover is assessed to be generated from the activities *construction of new buildings (7.1), renovation of existing buildings (7.2) and installation, maintenance and repair of energy efficient 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 minor renovation measures, scaffolding, painting and some smithy work.

Taxonomy-non-eligible activities

For 2022, Fasadgruppen has limited the calculations of the taxonomy-aligned proportion to projects where Fasadgruppen's SmartFront solution has been used, which provides energy savings exceeding 50 percent in the properties in question. Furthermore, Fasadgruppen has included the installation of additional insulation and energy-efficient windows.

Fasadgruppen will continue to develop its internal processes for calculating Taxonomy alignment in the business. In combination with the fact that the Taxonomy is under continued revision by the EU, while the available documentation leaves room for different interpretations of the Taxonomy's activities, this means that Fasadgruppen's reported Taxonomy alignment may change significantly in the coming years.

Key performance indicators	Total, SEKm	Taxonomy-eligible proportion of economic activities, %	Taxonomy-eligible and aligned proportion of economic activities, %
Turnover	4,547.7	86	16
Operating expenses ¹	72.3	61	6
Capital expenses ²	165.7	75	7

- 1) Refer to the total costs recognised for research and development, renovation of buildings, short-term lease agreements, maintenance and repair, plus other direct costs necessary for the efficient daily operation of tangible non-current assets.
- 2) Refer to total investments in assets that are recognised in accordance with: IAS 16 Property, IAS 38 Plant and Equipment, plus subsequent right-of-use in accordance with IFRS 16 Leases.

Proportion of TURNOVER from products or services associated with economic activities that are aligned with the Taxonomy requirements

Economic activities (1)	(2)	(3)	(4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")							(17)	(18)	(19)	(20)	(21)
	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover year 2022	Taxonomy-aligned proportion of turnover year 2021	Category (enabling activity) or...	Category (transitional activity)	
	Code	SEKm	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E	T	
A TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable (Taxonomy-aligned) activities																					
- Renovation of existing buildings	7.2	81.4	2%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%		E		
- Installation, maintenance and repair of energy efficient equipment	7.3	665.2	15%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	15%		E		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		746.6	16%																		
A.2 Taxonomy-eligible activities but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
- Construction of new buildings	7.1	1,136.9	25%																		
- Installation, maintenance and repair of energy efficient equipment	7.3	2,049.2	45%																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,186.1	70%																		
Total (A.1 + A.2)		3,932.7	86%																		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)		615	14%																		
Total (A+B)		4,547.7	100%																		

Proportion of CAPITAL EXPENSES (Capex) from products or services associated with economic activities that are aligned with the Taxonomy requirements

Economic activities (1)	(2)	(3)	(4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")							(17)	(18)	(19)	(20)	(21)
	Code(s)	Absolute capital expenses	Proportion of capital expenses	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of capital expenses in 2022	Taxonomy-aligned proportion of capital expenses in 2021	Category (enabling activity) or...	Category (transitional activity)	
	Code	SEKm	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E	T	
A TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
- Renovation of existing buildings	7.2	0.8	0%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%		E		
- Installation, maintenance and repair of energy efficient equipment	7.3	10.6	6%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	6%		E		
Capital expenses of the environmentally sustainable activities (Taxonomy-aligned) (A.1)		11.4	7%																		
A.2 Taxonomy-eligible activities but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
- Construction of new buildings	7.1	36.2	22%																		
- Installation, maintenance and repair of energy efficient equipment	7.3	75.9	46%																		
Capital expenses of Taxonomy-eligible activities but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		112.1	68%																		
Total (A.1 + A.2)		123.5	75%																		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Capital expenses of Taxonomy-non-eligible activities (B)		42.2	25%																		
Total (A+B)		165.7	100%																		

Proportion of OPERATING EXPENSES (Opex) from products or services associated with economic activities that are aligned with the Taxonomy requirements

Economic activities (1)	(2)	(3)	(4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly harm")							(17)	(18)	(19)	(20)	(21)
	Code(s)	Absolute operating expenses	Proportion of operating expenses	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards					
	Code	SEKm	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E	T	
A TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
- Renovation of existing buildings	7.2	1.4	2%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%		E		
- Installation, maintenance and repair of energy efficient equipment	7.3	2.9	4%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	4%		E		
Operating expenses of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4.3	6%																		
A.2 Taxonomy-eligible activities but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
- Construction of new buildings	7.1	14.2	20%																		
- Installation, maintenance and repair of energy efficient equipment	7.3	25.6	35%																		
Operating expenses of Taxonomy-non-eligible activities but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		39.8	55%																		
Total (A.1 + A.2)		44.1	61%																		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Operating expenses of Taxonomy-non-eligible activities (B)		28.2	39%																		
Total (A+B)		72.3	100%																		

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. This includes maintaining an effective organisational structure, internal control and risk management processes, and transparent internal and external reporting.

CONTENTS

- 45** A word from the Chair
- 46** Corporate Governance Report
- 50** Report on internal governance and control
- 52** Board of Directors
- 54** Group Management

A WORD FROM THE CHAIR

was elected to Fasadgruppen's Board in 2019 and was entrusted to take over the Chair's gavel in connection with the Annual General Meeting in May 2022. It has been exciting and intense years in which Fasadgruppen was listed on the stock exchange, expanded to our Nordic neighbouring countries and more than tripled its turnover.

Our decentralised business model, where each subsidiary continues to deliver with high quality and develop their local leading position, is crucial for Fasadgruppen's success. Together, we continuously raise the bar by spreading best practice, providing tools that make everyday life easier and pursuing issues that develop the industry as a whole and make Fasadgruppen a supplier you can trust. This in turn leads to good profitability and a strong cash flow, which is a prerequisite for our acquisition strategy.

As the Nordics' leading façade group, we have both an opportunity and a responsibility to drive an ambitious sustainability agenda. In addition to our focus on a good work environment, sound governance and control and reduced CO₂ emissions in the business, we collaborate with our suppliers and customers in order to reduce climate impact from the materials we use. We also work actively to ensure that the projects we undertake have as great a positive climate impact as possible through energy efficiency improvements and high quality work, which results in sustainable façades.

Fasadgruppen now consists of around fifty subsidiaries, but we have still only scratched the surface so far. Our focus on continuing to acquire the best companies in the industry remains firm and is a central part of our strategy.

At the beginning of 2023, Pål Warolin announced that he wishes to cease as CEO of Fasadgruppen. The Board of Directors and Pål have had a well-functioning cooperation, and we are very grateful for his efforts over the years. We are very happy to have a natural



successor in Martin Jacobsson, who will take over as CEO from the Annual General Meeting. In his role as Deputy CEO and Head of M & A, Martin has already played a central role in Fasadgruppen's development.

Although the subsidiaries in Fasadgruppen have a long history, Fasadgruppen is still a young company with great opportunities ahead. The Board of Directors looks forward to the continued journey alongside shareholders and employees.

Stockholm in April 2023

Ulrika Dellby
Chair of the Board

CORPORATE GOVERNANCE REPORT

Principles for corporate governance

Fasadgruppen Group AB is a Swedish public listed 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 the Fasadgruppen 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 2022.

Share capital

According to the Articles of Association, share capital must be not less than SEK 1 m and not more than SEK 4 m divided into not less than SEK 20,000,000 shares and not more than 80,000,000 shares. As of 31 December 2022, share capital amounted to SEK 2,481,190.50 divided into 49,623,830 shares with a quotient value of SEK 0.05 per share. All shares have equal voting rights.

1 Shareholders

At the end of 2022, Fasadgruppen had 3,467 (3,360) known shareholders. At this same point in time, the ten largest shareholders held 60,1 (60,2) percent of the shares and

votes. The three largest shareholders were Capital Group, Connecting Capital and Swedbank Robur Fonder. Foreign holdings amounted to 35.7 (33.0) percent of the number of shares and votes. Swedish institutional shareholders held 37.8 (23.4) percent while private individuals in Sweden held 10.2 (11.4) percent. Fasadgruppen estimates that around 25 percent of the shares and votes are held by Board members, Management and personnel in 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, disposal of company profits, discharging members and the CEO from their personal liabilities, electing members and auditors, and fees to members and auditors.

An Annual General Meeting shall be held within six months of the end of each financial year. In addition to the AGM, extraordinary general meetings can be convened. According to the Articles of Association, notice of the AGM is to be published in Post- och Inrikes Tidningar and on the company website. The Company is also to advertise the convening of a general

meeting in Svenska Dagbladet.

Anyone wishing to participate in an AGM 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 AGM, and must notify the Company of their intention to participate no later than on the date stated in the notice.

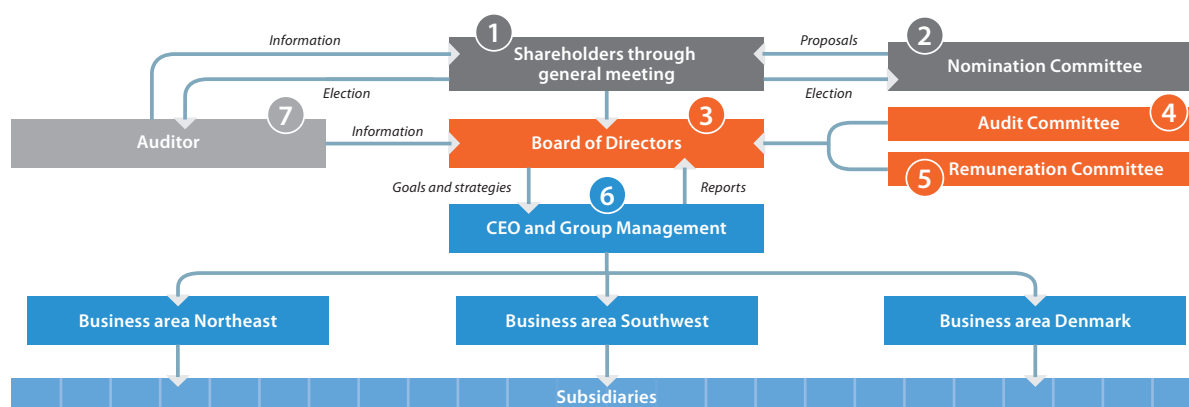
Shareholders wishing to have an issue considered at an AGM must request this to the Board of Directors in writing. The case is to be considered at the AGM if the request has been received by the Board of Directors no later than one week prior to the earliest date on which, in accordance with the Swedish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

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

Annual General Meeting 2022

The 2022 AGM was held in Stockholm on 12 May 2022. Shareholders had the opportunity to exercise their voting rights either at the meeting in person, by proxy or by postal vote. 42.2 percent of the total number of shares and votes were represented

Governance structure



at the meeting, which decided on, among other things, a dividend of SEK 1.20 per share, re-election of Ulrika Dellby, Tomas Ståhl, Tomas Georgiadis, Gunilla Öhman and Christina Lindbäck as Board members and election of Ulrika Dellby as Chair, introduction of a long-term incentive programme and authorisations for the Board to decide on issues of shares as well as buy-backs and transfers of own shares.

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 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 with 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).

See the table at right, for the composition of the Nomination Committee for the 2023 AGM.

Diversity on the Board

The Nomination Committee shall apply Rule 4.1 of the Code as a diversity policy when preparing proposals to 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 AGM. 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 AGM instructions and the 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,
- the development and adoption of central policies, ensuring control systems are in place to monitor compliance with policies and strategies, ensuring systems

are in place for the monitoring and control of company operations and risks, material changes in the company organisation and operations.

- appointing a CEO and, in accordance with guidelines adopted by the AGM, setting remuneration and other employment benefits for the CEO and other senior executives.

The Chair of the Board shall ensure that the Board works efficiently and fulfils its undertakings.

The Board shall meet in accordance with a schedule resolved annually. 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 in 2022

In 2022, the Board held 20 meetings, of which 1 was held per capsulam and 11 constituted extra board meetings to deal with individual specific matters such as acquisitions. Ordinary board meetings always include an activity report from the CEO, with information on acquisitions, organisation, purchasing, work environment and sustainability, as well as a financial report from the CFO with results and budget follow-up. In addition, the Board has held meetings with the auditors without the presence of senior executives.

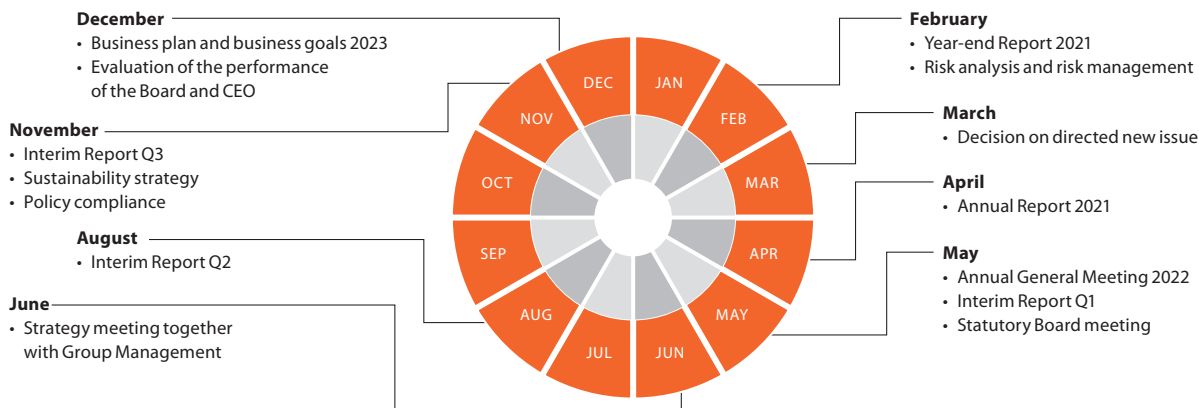
Evaluation of the Board

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 2022, the evaluation took place through an externally provided web-based survey that each member

Composition of the Nomination Committee

Member	Appointed by shareholder	Shareholder's share of votes as of 31 December 2022, %
Lars Nordin, Chair	Connecting Capital	10.1
Marianne Nilsson	Swedbank Robur Fonder	7.7
Lotta Sjöberg	Handelsbanken Fonder	5.1

Work of the Board in 2022



as well as the CEO, Deputy CEO, CFO and Head of IR & Sustainability had to fill in. The results of the evaluation were reported in writing to the members and discussed at the regular Board meeting in December. The Chair of the Board has also reported on the results of the evaluation at a meeting with the Nomination Committee.

The Board of Director' procedures

The Board has established committees with the task of preparing decisions on special issues. The matters dealt with 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 2022 AGM, the Audit Committee has consisted of the following members: Tomas Ståhl (Chair), Ulrika Dellby and

Gunilla Öhman. All members of the Audit Committee are independent in relation to the Company and Company Management. The Committee held five minuted meetings during the year.

The Audit Committee's main tasks are to:

- supervise the Company's financial reporting and submit recommendations and proposals to assure the reliability of such reporting,
- with regard to financial reporting, supervise the efficiency of the Company's internal controls, internal audit and risk management,
- keep abreast of the audit of the annual accounts and consolidated accounts, and of the conclusions of the Swedish Inspectorate of Auditors' quality assurance,
- inform the Board of the results of the audit and in what way the audit contributed to the reliability of the financial reporting and of the role the Audit Committee has had,

- audit and monitor the impartiality and independence of the external auditor with particular attention given to whether the external auditors provide the Company with services other than auditing,
- support the Nomination Committee in producing proposals for resolution on the choice of auditors at the AGM.

5 Remuneration Committee

Since the 2022 AGM, the Remuneration Committee has consisted of the following three members: Ulrika Dellby (Chair), Tomas Ståhl and Tomas Georgiadis. All members of the Committee are independent in relation to the Company and Company Management. The Committee held two minuted meetings during the year.

The Remuneration Committee's main tasks are to:

- prepare Board decisions on issues of remuneration principles, remunerations and other employment terms and conditions for Company Management,
- monitor and evaluate ongoing programmes of variable remuneration for Company Management,
- 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 in the Company,
- prepare and provide the Board with a draft of the Remuneration Report that

Composition and attendance of the Board of Directors

Member	Post	Elected	INDEPENDENT OF		PARTICIPATION IN MEETINGS		
			The Company and Company Management	Larger shareholder	Board meetings	Audit Committee	Remuneration Committee
Ulrika Dellby	Chair (from the 2022 AGM)	2019	Yes	Yes	20/20	5/5	1/1
Christina Lindbäck	Member	2021	Yes	Yes	20/20	-	-
Gunilla Öhman	Member	2020	Yes	Yes	19/20	5/5	-
Tomas Georgiadis	Member	2020	Yes	Yes	19/20	-	2/2
Tomas Ståhl	Member	2018	Yes	No	20/20	5/5	2/2
Per Sjöstrand	Chair (until the 2022 AGM)	2019	Yes	Yes	11/11	-	1/1



the Company is required to prepare in accordance with the Swedish Companies Act,

- if the Company implements incentive programmes for its employees, the Remuneration Committee is to ensure that the incentive programme is reviewed annually.

6 CEO and Group Management

The CEO is subordinate to the Board 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 of the board of directors and the instructions for the CEO.

The CEO is responsible for ensuring that the Board receives all 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 to ensure that Board members regularly receive the information required to monitor the financial position, liquidity and development.

Group Management currently comprises the CEO, Deputy CEO, CFO, Head of IR and Sustainability, three Business Area Managers, Marketing Manager, HR Manager and Purchasing Manager. Fasadgruppen's CEO is Pål Warolin. Pål Warolin will leave the CEO role at the 2023 Annual General Meeting and will then be replaced by the current Deputy CEO Martin Jacobsson.

» Read more about Group Management on pages 54-55.

Board remuneration

The 2022 AGM resolved that Board fees should be SEK 500,000 to the Chair and SEK 250,000 to each of the other Members that are elected by the AGM and that the Chair of the Audit Committee should receive SEK 75,000.

» For further information on fees to the Board, see Note 4.

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives were established at the 2022 AGM. The remuneration principles are to assure responsible remuneration decisions that support the company strategy, long-term interests and sustainable business methods. Salaries and other employment terms and conditions are to 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.

» Fasadgruppen's guidelines for remuneration to senior executives are presented in full in the Board of Director's Report in the Annual Report on pages 61-62. For remuneration to the CEO and Group Management plus other benefits and employment terms and conditions, see Note 4.

Incentive programme

The 2021 and 2022 AGMs resolved to introduce long-term incentive programmes for employees of the Group. The incentive programmes aim to create a platform to retain and recruit skilled personnel to the Group, to increase the motivation of participants, company loyalty and a community of interests with Company 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.

Both incentive programmes consist of warrants (2021/2024 series and 2022/2025 series 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 a new share in the Company at a certain time and at a predetermined subscription price. The subscription price corresponds to 125 percent of the average volume-weighted price paid for the Company's shares on Nasdaq Stockholm during the last ten trading days before the respective annual general meetings that decided on the programmes.

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.

» For more information on the warrant terms and conditions, please see the company website.

7 Auditors

The auditors are to review the Fasadgruppen Annual Report and accounting, and the administration of the Board of Directors and CEO. As the Company is a parent company, the auditors also examine 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 and CEO, are conducted in accordance with generally accepted accounting principles in Sweden. At the end of each financial year the auditors are to submit an auditor's report and a consolidated auditor's report for the Group to the AGM. At the 2022 AGM, accountants Deloitte AB were re-elected as auditors for the period up to the 2023 AGM. Richard Peters, Certified 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 (SEKm)	Subscription period	Issue price (SEK)
2021/2024	923,010	501,472	65	8.0	June 2024	164.10
2022/2025	484,000	236,196	46	1.7	June 2025	179.80

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 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.

Control environment

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

Fasadgruppen's Board has overall clear processes and work arrangements for its work and the distribution of work between the Board and the CEO. For the financial reporting, the Board has established an Audit Committee.

Fasadgruppen's most important financial control documents include an invest-

ment 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 according to applicable laws, regulations and accounting standards.

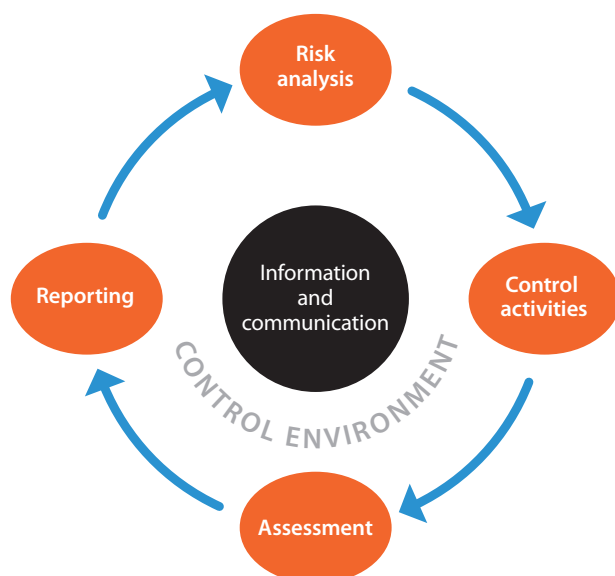
The risk assessment includes identifying risks that may arise if the basic requirements for financial reporting (completeness, accuracy, valuation and reporting) in the Group are not met, as well as the risk of loss or misappropriation of assets. The analysis is carried out for each line in the income statement and the report on financial position and the identified risks are assessed based on three criteria – impact, likelihood and effectiveness. For identified critical items, 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, who make decisions about which risks are most essential to take into account in order to ensure good internal control within the financial reporting.

Examples of areas that are considered most essential to focus on are assumptions linked to the percentage of completion method within the project accounting and the accounting of acquisitions.

Control activities

Fasadgruppen has established a risk management process including a number of control activities for each main process for whatever must be established and function in the risk management processes. The

Fasadgruppen's internal control structure



activities are important tools that enable the Board of Directors to manage and evaluate information from Company Management, ensure efficiency in the Group's processes and take responsibility for identified risks.

Examples are transaction-related checks linked to certificates and investments, payment routines and account reconciliations. The results follow-up functions as an important complement to the controls carried out 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 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 the financial reporting, Fasadgruppen has an information and insider policy adopted by the Board 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 2022

Below is a summary of Fasadgruppen's main activities within internal governance and control during 2022:

- All governing documents were updated during the year to meet the requirements.



- The work with the year-end reporting has continued to be developed and trimmed 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 develop risk management with the focus on financial reporting.
- Development of a scorecard solution to facilitate visualisation and follow-up of common goals (financial and non-financial).
- Implementation of audit procurement.

Planned activities 2023

Fasadgruppen will continue to develop the work on internal governance and control in 2023. The following planned activities are the focus during the coming year:

- Ongoing adaption of the auditors' observations and comments.
- Strengthening of the financial organisation through the introduction of a group controller service with the aim of

increasing harmonisation between the companies regarding project reporting, capital rationalisation and sharing of best practice.

- Cloud solution for consolidated accounting system.

Internal audit

The Board has made the assessment that, in addition to existing processes and functions for internal governance and control, Fasadgruppen does not need a formalised internal audit. 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 17 April 2023

Board of Directors

» The auditor's opinion on the Corporate Governance Report can be found on page 105.

BOARD OF DIRECTORS



ULRIKA DELLYBY

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

Education: MSc, Business and Economics, Stockholm School of Economics.

Other significant posts: Board member of Lifco AB, BICO AB, Linc AB, SJ AB, Werksta Holdco AB and IVAs Näringslivsråd. Advisory Board member for Altocumulus Asset Management.

Experience: Partner Fagerberg & Dellby Fond I AB, Partner Boston Consulting Group, CEO Brindfors Enterprise IG. Deputy Chair Norrporten. Board member of Cybercom Group and Kavli Holding A/S. Founder and Chair Hello World! Ideell Förening.

Shareholding: 66,000 shares (through companies).

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

Favourite façade: Stockholm City Library.



GUNILLA ÖHMAN

Board member

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

Born: 1959

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 Atvexa AB, Titania Holding AB and Dentalum Group AB.

Experience: 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, Company Management and larger shareholders in the Company.

Favourite façade: Tändstickspalatset.



TOMAS GEORGIADIS

Board Member

Elected: Board Member since June 2020. Member of the Remuneration Committee.

Born: 1976

Education: MSc, Engineering, Linköping University of Technology.

Other significant posts: Deputy CEO & CFO Sterner Stenhus Holding AB and CFO Stenhus Fastigheter i Norden AB (publ).

Experience: Founder and co-owner of the Sterner Stenhus Holding Group and positions in several subsidiaries of the Group.

Shareholding: 1,685,841 shares (through Sterner Stenhus Holding AB).

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

Favourite façade: The Parthenon.



CHRISTINA LINDBÄCK

Board member

Elected: Board member since May 2021.

Born: 1963

Education: LLB., Stockholm University.

Other significant posts: Director of Sustainability and Communication for the Ahlsell Group. Board member of IQ Samhällsbyggnad and Board member of Stockholms Byggnadsförening. Board member of Axfoundation and member of the Royal Swedish Academy of Engineering Sciences (IVA)

Experience: 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: 1,000 shares.

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

Favourite façade: Aula Medica Karolinska Institute.



TOMAS STÅHL

Board member

Elected: Board member since July 2018.

Chair of the Audit Committee, member of the Remuneration Committee.

Born: 1971

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.

Experience: 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 a larger shareholder in the company as Tomas is an employee of Connecting Capital that owns more than ten percent of all shares and voting rights in the company.

Favourite façade: Landsort Lighthouse.

Auditors

The 2022 AGM re-elected Deloitte AB as auditor for the period until the end of the 2023 AGM.

Richard Peters has been chief auditor since 2018.

Richard Peters is a Certified Public Accountant and a member of FAR (the industry association for accountants).

Deloitte AB's address is:

Deloitte AB, SE-113 79 Stockholm, Sweden.

GROUP MANAGEMENT



PÅL WAROLIN

CEO and Group President

Born: 1974

CEO since 2020.

Active in companies in the Group since 2013.

Education: BSc, Technology, Linnaeus University in Kalmar.

Other significant posts: Chair of the Board of Got Invest AB.

Experience: Pål has extensive experience from executive positions in a number of sectors. He was previously CEO of Johns Bygg & Fasad, that was acquired by Fasadgruppen in 2017.

Shareholding: 673,080 shares, 28,671 warrants 2021/2024, 15,125 warrants 2022/2025.

Favourite façade: Palacehuset Gothenburg.



MARTIN JACOBSSON

Deputy CEO

Born: 1988

Deputy CEO since 2020.

Active in companies in the Group since 2018.

Education: MSc, Engineering, Lund University.

Other significant posts: —

Experience: Martin has headed Fasadgruppen's M&A activities since 2018. He was previously an equities analyst at Handelsbanken Capital Markets.

Shareholding: 486,630 shares, 28,671 warrants 2021/2024, 15,125 warrants 2022/2025.

Favourite façade: Drottningholm Castle.



CASPER TAMM

CFO

Born: 1961

CFO since 2020.

Education: MSc, Business and Economics, Lund University.

Other significant posts: Chair of the Board of HACEI AB.

Experience: Casper is a highly experienced CFO including at the international Dow Group, Teracom and Swedol. He joined the company from housing development company SSM Holding AB.

Shareholding: 38,100 shares, 28,671 warrants 2021/2024, 15,125 warrants 2022/2025.

Favourite façade: Arvfurstens Palace.



MICHÈLE FERRARI

Marketing Manager

Born: 1974

Marketing Manager since 2019.

Education: BSc, in Media and Communications, Uppsala University.

Other significant posts: —

Experience: Michèle is highly experienced in marketing, graphic design and project management from the IT and electric wholesale sector with companies such as the Dustin Group and Rexel.

Shareholding: 500 shares, 6,671 warrants 2021/2024, 15,125 warrants 2022/2025.

Favourite façade: Stenbockska Palace.



ANDERS PLANENSTEN

Purchasing Manager

Born: 1964

Purchasing Manager since 2018.

Education: Upper Secondary School Certificate.

Other significant posts: Chair of the Board Tungt murat och putsat byggande Cooperative Society.

Experience: Anders has over 30 years' experience in the masonry and plastering sector, and was previously head of sales and marketing at Randers Tegel AB.

Shareholding: 33,900 shares, 28,671 warrants 2021/2024, 15,125 warrants 2022/2025.

Favourite façade: Anfield Road.

**PETER POLLAND***Business Area Manager NorthEast***Born:** 1967

Business Area Manager NorthEast since 2021.

Education: Upper Secondary School Certificate.**Other significant posts:** —**Experience:** Peter is highly experienced in the sector as a works manager, for example at Peab Sverige AB with responsibility for various exterior contracts.**Shareholding:** 28,671 warrants 2021/2024.**Favourite façade:** Stockholms Stadion.**PETER ANDERSEN***Business Area Manager Denmark***Born:** 1973

Business Area Manager Denmark since 2021.

Education: Mason and structural engineer, KEA - Copenhagen School of Design and Technology.**Other significant posts:** Chair DI Byggeri's Mason section and other positions of trust within the Danish Construction Federation.**Experience:** Peter is a fourth-generation bricklayer and was CEO of P. Andersen & Søn between 2003–2021.**Shareholding:** 174,022 shares, 4,800 warrants 2021/2024, 3,000 warrants 2022/2025.**Favourite façade:** Grundtvig's Church in Copenhagen.**JOHAN CLAESSION***Business Area Manager SouthWest***Born:** 1988

Business Area Manager West since 2020.

Education: BSc Construction and Real Estate Business, Halmstad University.**Other significant posts:** —**Experience:** Johan is highly experienced in the sector and has previously been business area manager and product manager for façade solutions at STO Scandinavia AB.**Shareholding:** 785 shares, 2,000 warrants 2021/2024.**Favourite façade:** MP09 Black Panther.**ADRIAN WESTMAN***Head of IR and Sustainability***Born:** 1985

Head: of IR since 2019/of Sustainability since 2022.

Education: Degree in Strategic Communication and PR, Berghs School of Communication. Business Studies and Economic History, Stockholm University.**Other significant posts:** Board member of Hypoteket Fondförvaltning Sverige AB.**Experience:** Adrian has extensive experience from communications and IR, and has previously been a partner at Fogel & Partners, Head of Corporate Communications at SBAB and Head of Investor Relations at Nordnet, Evolution and Instalco.**Shareholding:** 13,500 shares, 15,000 warrants 2021/2024, 15,000 warrants 2022/2025.**Favourite façade:** Johannes Church.**JENNIE SUNDBERG***Head of HR***Born:** 1976

Head of HR since 2021.

Education: BSc in personnel, work and organisation, Stockholm University.**Other significant posts:** —**Experience:** Jennie has many years of experience of HR work and health and safety issues at management level. She has previously worked in HR at AstraZeneca, Lantmännen and Peab.**Shareholding:** 14,000 warrants 2021/2024, 15 125 warrants 2022/2025.**Favourite façade:** Florence Cathedral.

Financial information

CONTENTS

- 57 Board of Directors' Report
- 63 Financial statements
- 72 Notes
- 100 Summary of Key Performance Indicators
- 101 Signatures of the Board of Directors
- 102 Auditors' Report

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 2022. 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 and Denmark, and as of August 2022 also in Finland. The Group's main customers are property owners, construction companies, property management companies, consultants, cooperative apartment associations, government, municipalities and regions.

Fasadgruppen's business concept is to offer competitive, multi-disciplinary solutions by enabling cooperation between leading local and specialised subsidiaries to achieve economies of scale and synergy effects between the companies.

Since Fasadgruppen's inception, Group sales have multiplied several times over, driven primarily by acquisitions but also by organic growth. In 2022, Fasadgruppen completed 20 business acquisitions in total, of which 15 were company acquisitions and five asset acquisitions. Acquisitions are an important part of the Group's growth strategy and candidates are carefully chosen based on selected criteria whose requirements include favourable profitability, geographical locations and long-term management. Acquisitions since 2020 have strengthened Group sales by an estimated SEK 1,251 million, and increased its workforce by around 514 employees who have also brought new skills and expertise.

Fasadgruppen has noted many positive effects resulting from the ongoing consolidation of the façade market. 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 and can share resources and best practice in an effective way. Fasadgruppen comprises the Parent Company and its subsidiaries, all of which have solid local knowledge and a geographical area responsibility. The Fasadgruppen philosophy is that customers should be able to benefit from contracting a local and 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. In connection with 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 is active in the mid-size segment of the market where projects are in the magnitude of SEK 1–100 million. 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. This means the Group has a stable platform from which to enjoy sustainable profitable growth moving forward.

Masonry and plastering: Masonry is a construction technique whereby building blocks (such as bricks or concrete blocks) are laid together, while plastering is the application of a thin surface layer to protect the underlying wall and to give the surface an attractive appearance. These techniques are used in a variety of areas, both in new construction and in renovating existing properties.

Windows: Includes installation of new windows during construction, as well as the replacement or renovation of existing windows to minimise energy consumption and reduce the noise level.

Balconies: Balcony work includes replacing railings and other features, plus the installation of new units.

Roofing and sheet metal: Includes renovating roofs to better protect buildings, and other roof safety system services.

Energy smart solutions: Includes renovation of façades with modern energy saving insulation techniques and energy efficiency systems such as via SmartFront, a patented method for upgrading façades, ventilation and windows of existing properties. Installation produces a significant energy saving and a healthy living environment.

Scaffolding: Includes rental agreements, service and consultation plus installation/removal of scaffolding around buildings. Fasadgruppen also rents out lifts, loaders and protective equipment.

Other services: Include façade cleaning, glazed façades, concrete work, carbon fibre reinforced polymer strengthening work, plus various kinds of tiling.

According to a market survey carried out in spring 2022, sales on the Swedish façade market are estimated at around SEK 36 billion, on the Norwegian market around SEK 37 billion, on the Danish market around SEK 27 billion and on the Finnish market around SEK 25 billion.

Business development in 2022

First quarter

The first quarter was characterised by an expected seasonally low activity, as some façade services are difficult to perform at low temperatures. However, it did not affect the delivery capacity for the whole year. The order backlog increased by 85.6 percent in the quarter, with organic growth of 18.6 percent. Sales in the first quarter amounted to SEK 737.5 million, an increase of 70.3 percent compared with the corresponding period in 2021. The adjusted EBITA margin amounted to 5.9 percent in the quarter compared with 6.2 percent in the corresponding quarter for the previous year. At the end of March, Fasadgruppen had acquired nine new businesses with an estimated annual turnover of approximately SEK 447 million.

Significant events during the quarter

- Nine new acquisitions were completed in the quarter: Miljø-Sanering, Meyer-Mørch, Murpartnern and Malercompagniet Oslo in Norway, and Helsingborgs Fasad & Kakel, Herrängens Plåtslageri, Vantörs Bleck and Plåtslageri, E.P.M in Sweden. Elektra Plåt och Maskin and Alnova Balkongsystem in Sweden.
- Fasadgruppen carried out a targeted new share issue of 3,000,000 shares and contributed SEK 420 million before issue costs.

Second quarter

Sales in the second quarter amounted to SEK 1,217.1 million, an increase of 79.8 percent compared with the corresponding quarter in the previous year. Organic growth was 4.3 percent and growth through acquisitions was 75.5 percent. The order backlog at the end of June 2022 increased by 79.3 percent and amounted to SEK 3,129.5 million, of which organic growth accounted for 26.6 percent. The Group's subcontractors implemented large price increases on materials during the quarter. This affected the operating cash flow negatively which is considered to be mainly due to the active work to ensure prices for future projects through the earlier purchase of materials, which has created a delay in relation to when invoicing to the customer can take place. The adjusted EBITA margin amounted to 10.2 percent in the quarter compared with 11.0 percent in the corresponding quarter for the previous year. Cost inflation for materials has also had some negative effect on profitability during the second quarter of the current year. The war in Ukraine has a limited impact on the Group's deliveries of materials and staff situation.

Significant events during the quarter

- Seven acquisitions were completed: Kjær Knudsen and Stenkint in Denmark, Fjeldheim-Knudsen and Chem-Con in Norway and A Co Tak & Montage, GAJ Stålkonstruktioner and Mur o Puts i Kristianstad in Sweden.
- Ulrika Dellby was elected Chair of the Board for Fasadgruppen at the 2022 AGM meeting.

Third quarter

Fasadgruppen continued to deliver high growth and good profitability during the third quarter, especially with regard to the strong growth in both sales and order backlog. Sales in the third quarter amounted to SEK 1,208.0 million, an increase of 69.4 percent compared with the corresponding quarter in the previous year. The organic growth was 14.6 percent and the acquired growth 54.7 percent and has been affected by significant effects from cost inflation of materials. The order backlog increased by 94.9 percent, with organic growth accounting for 36.1 percent. The adjusted EBITA margin was 11.5 percent for the quarter. The operating cash flow strengthened significantly compared to the second quarter of this year, which was negatively affected by earlier purchase of materials in order to secure the prices for upcoming projects.

Significant events during the quarter

- Three acquisitions were completed: Altana and Jan Tryk in Denmark and Rovakate in Finland.
- Fasadgruppen has entered into a new sustainability-linked credit facility agreement of SEK 600 million for continued acquisitions.

Fourth quarter

The development in the fourth quarter was similar to the year as a whole, characterised by high organic growth and a slightly lower margin primarily due to cost inflation of materials. Sales in the fourth quarter amounted to SEK 1,385.1 million, an increase of 62.5 percent compared with the corresponding quarter in the previous year. Organic growth was 20.4 percent and growth through acquisitions was 42.1 percent. The adjusted EBITA margin amounted to 9.0 percent in the quarter compared with 12.3 percent in the corresponding quarter for the previous year. Operating cash flow was seasonally strong in the quarter and for the full year 2022 cash conversion improved compared to 2021.

Significant events during the quarter

- Acquisition of Sydskipper in Sweden was completed.
- Continued good demand for projects in both renovation and new production.

Net sales and profit

Net sales in January–December 2022 amounted to SEK 4,547.7 million (2,676.3), a 69.9 percent increase compared with the same period in the previous year. Organic growth amounted to 12.2 percent and growth through acquisitions 57.7 percent. Exchange rate fluctuations positively affected organic growth by 1.5 percent. Organic growth was otherwise mainly influenced during the first quarter by weak comparison figures for the equivalent quarter of 2021 caused by the Covid-19 pandemic. During mainly the third and fourth quarter, the significant effects of cost inflation for materials has

driven organic growth. During the full year of 2022, Fasadgruppen has completed 20 acquisitions, of which five were asset acquisitions and they have all been closed during the period. For more information on acquisitions during the period January to December 2022, please see page 9.

EBITA for the period January to December 2022 rose to SEK 421.9 million (283.7) and adjusted EBITA to SEK 431.6 million (301.0). Items affecting comparability during the period amounted to SEK -9.8 million (-17.3), with an adjusted EBITA margin of 9.5 percent (11.2). The impact of increased material prices has predominantly had a negative effect on profitability during the second, third and fourth quarter. The war in Ukraine has had a limited impact on Fasadgruppen's business. The Group operates only in Sweden, Norway, Denmark and recently Finland where a very limited number of personnel and quantities of input goods come from the warring countries. Other operating income/expenses have been significantly affected by revaluations made for contingent earnout prices during the period, SEK +152.7 and -141.7 million respectively; the items are treated as affecting comparability. Net financial items for the period January–December 2022 amounted to SEK -38.2 million (-21.5). Interest expenses on loans from credit institutions amounted to SEK -30.1 million (-14.3). Otherwise, net financial items comprise mainly negative exchange rate effects totalling SEK -2.4 million for the current period. Profit for the period amounted to SEK 271.9 million (185.7), corresponding to earnings per share of SEK 5.62 (4.11) before dilution. The effective tax rate was 21.5 percent (22.2).

Order backlog

At the end of December 2022, the order backlog amounted to SEK 2,983.3 million (1,930.1), an increase of 54.6 percent. The order backlog for comparable companies at the end of December 2021 had increased by 12.6 percent, while the acquisition growth in the order backlog amounted to 42.0 percent. The organic development of the order backlog was lower than in previous quarters and mainly driven by effects from cost inflation of materials, which affected pricing towards customers. The development in the order backlog broadly follows the seasonal pattern from previous years. Since year-end, the order backlog has increased by SEK 1,053.3 million. Companies acquired and closed in 2022 have added SEK 810.0 million in order backlog at the end of the period.

Financial position and financing

At the end of the period, shareholders' equity amounted to SEK 2,092.5 million (1,269.6). The change in shareholders' equity between the period ends can primarily be attributed to the targeted new share issue that was carried out in March and which generated proceeds of SEK 409.5 million after issue costs. Offset share

issues on acquisitions added a further SEK 125.2 million and warranty payments of SEK 1.7 million between the period ends. A dividend was paid during May totalling SEK -58.3 million. The rest of the change in shareholders' equity is attributable to the profit for the period. Interest-bearing net debt on 31 December 2022 amounted to SEK 1,274.3 million (885.9). The interest-bearing net debt includes lease liabilities amounting to SEK 166.8 million (131.2). Earnouts are not included in interest-bearing net debt and on 31 December 2022 amounted to SEK 271.5 million (285.6). The fixed interest period for interest-bearing liabilities varies between 1 and 3 months. Expanded financing in the period January to December 2022 has primarily been utilised in association with acquisitions completed. The ratio of Fasadgruppen's interest-bearing net debt to adjusted EBITDA 12M (not on a proforma basis) was 2.5 (2.5) at the end of the period. On 31 December 2022, the Group held cash and cash equivalents and other short-term investments amounting to SEK 452.6 million (271.6). In addition to cash and cash equivalents and other short-term investments, there were unutilised credit facilities of SEK 610.0 million at the end of the period.

Investments and cash flow

The change in working capital was negative for the full year 2022 and amounted to SEK -45.2 million (-34.0) but improved significantly during the fourth quarter by SEK +82.1 million (+36.3). The strong development of working capital during the last quarter of the year can partly be traced back to the weak working capital development primarily during the second quarter of 2022. In connection with the fact that many of the projects are now being completed during the fourth quarter in the seasonal cycle that normally applies to Fasadgruppen, this has resulted in the positive effect we are now seeing. The weak development during the second quarter of the year is considered to be mainly due to the active work during the second and partly the third quarter to ensure prices for projects through the earlier purchase of materials, which has created a delay in relation to when invoicing to the customer can take place. Other underlying reasons are extensive project activity as a result of increased orders received and companies added between the periods. Cash flow from operating activities increased to SEK 401.7 million (253.5) for the full year of 2022 of which SEK 210.0 million (122.0) made up the fourth quarter. Group net investments in tangible non-current assets amounted to SEK -57.1 million (-47.2) for the same period. Depreciation of non-current assets for the period amounted to SEK -119.4 million (-74.5), of which depreciation on acquired intangible assets, such as customer relationships, amounted to SEK -37.3 million (-23.5). Investments in company acquisitions for the period January–December 2022 amounted to SEK -916.6 million (-622.0). This amount mainly concerns businesses acquired during the period.

Other than this, the amount consists of contingent earnouts relating to previous acquisitions settled during the period January to December in the amount of SEK -123.8 million.

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. Profit/loss for the period January–December amounted to SEK 47.9 million (71.3). Assets, primarily consisting of participations in, and receivables from, Group company Fasadgruppen Norden AB, amounted to SEK 3,103.8 million (2,036.8) at the end of the period. Shareholders' equity amounted to SEK 1,524.3 million (998.5) on the balance sheet date. At the end of the period, the number of employees in the Parent Company amounted to 3 persons (3).

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. 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 programme

The 2022 Annual General Meeting resolved to introduce a long-term incentive programme for employees in the Group consisting of a maximum of 484,000 warrants (2022/2025 series). Each warrant entitles the holder to subscribe to a new share in the Company in June 2025. The subscription price for each such share shall be SEK 179.8, which corresponds to 125 percent of the averaged volume-weighted price paid for the Company's shares on Nasdaq Stockholm over the last ten trading days before the 2022 AGM.

At this moment in time, 236,196 warrants in the 2022/2025 series have been issued to 46 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Warrant premium paid amounts to SEK 1.7 million. The remaining 247,804 warrants are held by the Company's wholly-owned subsidiary, Fasadgruppen Norden AB, and have been transferred free of charge.

The 2021 Annual General Meeting resolved to introduce a long-term incentive programme for employees in the Group consisting of a maximum of 923,010 warrants (2021/2024 series). Each warrant entitles the holder to subscribe to a new share in the Company in June 2024. The subscription price for each such share shall be SEK 164.1, which corresponds to 125 percent of the averaged volume-weighted price paid for the Company's shares on Nasdaq Stockholm over the last ten trading days before the 2021 AGM.

At this moment in time, 501,472 warrants in the 2021/2024 series have been issued to 65 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Warrant premium paid amounts to SEK 7.9 million. The remaining 421,538 warrants are held by the Company's wholly-owned subsidiary, Fasadgruppen Norden AB, and have been transferred 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. For more information on the warrant terms and conditions, please see the company website.

The share and share capital

According to the Articles of Association, share capital must be not less than SEK 1,000,000 and not more than SEK 4,000,000 divided into not less than SEK 20,000,000 and not more than 80,000,000 shares. The Company's registered share capital on balance sheet date, 31 December 2022, amounted to SEK 2,481,124 divided into a total of 49,623,830 registered shares with a quotient value of SEK 0.05. The shares are issued in accordance with Swedish law and denominated in SEK. The shares are fully paid and freely transferable. There is one class of shares in the Company, each share entitles the holder to one vote at the general meetings and each shareholder is entitled to vote for all shares in the Company held by that shareholder. All shares convey an equal right to dividends and to the Company's assets, as well as to any surpluses in the event of liquidation.

There has been an increase in the number of shares and voting rights during the January–December 2022 as a result of a directed share issue of a total of 3,000,000 shares and offset issues of a total of 1,236,177 shares as part of the purchase price for the acquisition of Alnova Balkongsystem AB (Sweden), Kjær Knudsen A/S, Altana A/S (both in Denmark) and RKC Construction Oy (Finland). The three largest shareholders in the Company at the end of December 2022 were Capital Group, Connecting Capital and Swedbank Robur Fonder.

See also Note 19 Shareholders' equity for a table showing the growth of shareholders' equity over time via new and offset share issues and the change in the number of shares in 2022.

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. The operational risks are related to the daily operations such as projects, supply chain, skills supply and working conditions. 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.

2022 began with rising inflation and the easing of the last Covid-19-related restrictions in Sweden. Russia's invasion of Ukraine and subsequent sanctions drove up the prices of energy and raw materials, which diluted inflation, which in Sweden reached the highest levels since the early 90s. Fasadgruppen's direct exposure to Russia and Ukraine is minimal but the business is affected by the market development, just like everyone else. Despite the construction and property sector being harshly affected in the downturn in the economy, the impact on Fasadgruppen has been limited so far. The renovation market, which constitutes 75 percent of Fasadgruppen's turnover, has had a continued good demand because of the underlying renovation requirements of a general aged property stock in the Nordic region. The prices of materials that increased sharply due to production and delivery problems during the pandemic started to normalise at the end of the year. However, recent years have shown the need for greater preparedness to face changes in the outside world.

For information on the Group's risks, please see pages 22–25.

Sustainability Report

Sustainability is an integral part of Fasadgruppen operations and therefore also an integral part of the Annual Report. In accordance with the Annual Reports Act Chap 6, Section 11, the Group has chosen to produce a sustainability report that is separate to the Board of Director's Report. The statutory Sustainability Report is integrated into the Annual Report on pages 28–43. Information in accordance with the EU Taxonomy Regulation is presented in the Sustainability Report on pages 41–43. The risk analysis concerning sustainability issues is included in the combined risk section on pages 22–25. The diversity policy is described in the Corporate Governance Report on page 47.

Employees

Fasadgruppen has a decentralised and dedicated organisation to drive the business forward. The Group had 1,975 employees (1,485) on 31 December 2022, of whom 85 were women (70). The average number of employees for the period January–December 2022 was 1,807 (1,206). The significant change relative to the comparison period is primarily attributable to new acquisitions between the periods.

For further information, see Note 4 Remuneration to employees. 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 assure 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 proposes that the 2023 AGM resolves that the following guidelines for the remuneration of senior executives applies until the 2024 AGM, unless circumstances arise requiring an earlier review.

The remuneration guidelines proposed for the 2023 AGM are the same as the 2022 AGM decided to adopt.

In these guidelines, senior executives refer to the CEO, Deputy CEO, CFO, Head of HR, Head of IR & Sustainability, Business Area Managers, Marketing Managers, Purchasing and Sales Manager 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 assure responsible remuneration decisions that support the Company strategy, long-term interests and sustainability. Salaries and other employment terms and conditions are to 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.

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 financial or personal targets being achieved. The assessment of whether the payment targets 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 both the CEO

and Deputy CEO. The CEO is responsible for the assessment with regard to variable remuneration for other senior executives.

Variable remuneration may not exceed 50 percent of annual fixed salary (i.e. annual fixed salary excluding pensions, benefits and similar).

The Company has the right to reclaim paid variable salary 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).

Other benefits may include life insurance, health insurance and a company car, 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).

Decisions on possible share and share price-related incentive programmes aimed at senior executives must be made by the general meeting and contribute to long-term value creation and sustainability and increase the community of interests between the participants and the Company's shareholders. If a share or share price-related incentive programme would be practically unfeasible in a senior executive's tax residence or if the Company judges that a senior executive's participation cannot take place at reasonable administrative costs or financial efforts, the Company must be able to offer such senior executive an equivalent incentive as that which would have expired under the share or share price-related incentive programme. For share-based remuneration, information on acquisition periods and, where applicable, information on the obligation to retain shares after a certain period of time after acquisition must be provided.

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 the regular 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. When 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 follow and evaluate programmes for variable pay for senior executives, the application of these guidelines as well as current remuneration structures and remuneration levels in the Company.

Members of the Remuneration Committee are independent in relation to the Company and Company Management. The CEO, Deputy CEO and the other members of the Group Management

do not participate in the treatment of and decisions on remuneration-related issues to the extent that they are affected by the 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 the shareholders' possible views 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 it and if a deviation is necessary to satisfy 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 2022 Annual Report and does not form part of the formal annual report documents, see pages 46–51.

Significant events after the end of the year

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

Future projections

The Nordic market is expected to continue to have stable underlying renovation requirements in the future. Underlying driving forces, such as urbanisation, housing shortages, the tough Nordic weather climate and energy consumption regulation, are considered to lead to a continuing willingness to invest among the Group's customer groups, which points to continued long-term growth potential for Fasadgruppen.

The Group has a well-underpinned acquisition strategy and future acquisition opportunities are considered to remain good. Business operations in the Rest of Nordics region are in development and discussions on acquisitions are being held with a number of companies outside Sweden. The Group's financial base creates the stability that aids both investments and acquisitions.

Fasadgruppen continues to develop its sustainability work with the focus on profitability and those products that are being developed for the sustainable façade solutions of the future that will boost the competitiveness of customers. The Group is firmly resolved to drive both daily improvement work in its business and the transformation of the façade sector towards safe and more sustainable solutions.

You can also read about how the Group is working to counter possible risks as a consequence of the shortage of materials in several industries and the ongoing war between Ukraine and Russia in the section on Risks and uncertainties.

Proposed appropriation of profits

The Board's proposal to the 2023 AGM for the appropriation of profit is set out in Note 26 Proposed appropriation of profit.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Note	2022	2021
Net sales	2	4,547.7	2,676.3
Other operating income		179.9	50.7
Operating income		4,727.6	2,726.9
Material and consumables		-2,428.5	-1,361.7
Remuneration to employees	4, 5	-1,347.1	-827.2
Depreciation and impairments of tangible and intangible non-current assets	6	-119.4	-74.5
Other operating costs	3	-448.0	-203.4
Operating costs		-4,343.0	-2,466.7
Operating profit/loss		384.6	260.2
Financial income	7	10.3	0.1
Financial costs	7	-48.5	-21.6
Profit/loss from financial items		-38.2	-21.5
Profit/loss after financial items		346.3	238.8
Tax on profit for the year	8	-74.4	-53.0
Profit/loss for the year		271.9	185.7
Other comprehensive income for the year:			
<i>Items that can be reclassified to profit or loss:</i>			
Exchange rate differences on translation of foreign operations		72.9	21.8
<i>Items that will not be reclassified to profit or loss:</i>			
Other comprehensive income for the year, net after tax		72.9	21.8
Comprehensive income for the year		344.8	207.5
Comprehensive income for the year attributable to:			
Shareholders in Parent Company		344.8	207.5
Holdings without controlling interest		-	-
Earnings per share for the year before dilution, SEK		5.62	4.11
Earnings per share for the year after dilution, SEK		5.62	4.11
Average no. of shares, before dilution		48,360,099	45,243,830
Average no. of shares, after dilution		48,360,099	45,243,830
Actual no. of shares at the end of the period		49,623,830	45,387,653

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	Note	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	10	2,842.3	1,953.6
Brands	10	406.7	264.5
Customer relationships	10	17.0	13.6
Other intangible assets		1.8	0.5
Total intangible assets		3,267.8	2,232.3
Tangible non-current assets			
Right-of-use assets	6	163.3	133.3
Buildings and land	11	2.4	2.2
Inventory	11	116.3	79.2
Total tangible non-current assets		282.0	214.7
Non-current financial assets			
Non-current securities holdings		0.5	1.3
Deferred tax assets	8	1.8	1.4
Other non-current receivables		2.0	0.9
Total non-current financial assets		4.3	3.7
Total non-current assets		3,554.1	2,450.6
Current assets			
Inventories	14	25.5	16.0
Accounts receivable	13, 15	702.3	410.8
Revenues from contracts with customers and similar receivables	16	211.3	128.0
Prepaid expenses and accrued income	16	36.1	27.2
Current receivables	17	67.6	41.3
Cash and cash equivalents	18	452.6	271.6
Total current assets		1,495.4	894.9
TOTAL ASSETS		5,049.5	3,345.5

SEKm	Note	31/12/2022	31/12/2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	19		
Share capital		2.5	2.3
Other contributed capital		1,423.4	887.3
Retained earnings		321.7	172.5
Profit/loss for the year		344.8	207.5
Total shareholders' equity		2,092.5	1,269.6
Non-current liabilities	13, 14		
Liabilities to credit institutions	21	1,421.0	911.7
Non-current lease liabilities		102.1	96.5
Deferred tax liabilities	8	122.6	74.5
Appropriations	20	10.7	4.6
Other non-current liabilities	14	187.4	153.4
Total non-current liabilities		1,843.8	1,240.8
Current liabilities	13, 14		
Liabilities to credit institutions	21	139.1	114.6
Current lease liabilities	6	64.8	34.7
Accounts payable		356.4	180.4
Current tax liabilities		43.6	41.0
Contract and similar liabilities	22	165.2	302.5
Other liabilities		138.6	-
Accrued expenses and prepaid income	23	205.6	162.0
Total current liabilities		1,113.3	835.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,049.5	3,345.5

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEKm	Note	Share capital	Other contributed capital	Retained earnings including profit/loss for the year	Reserves	Total shareholders' equity
Shareholders' equity 01 January 2021		2.3	844.7	205.8	-6.2	1,046.5
Comprehensive income						
Profit/loss for the year				185.7		185.7
<i>Other comprehensive income for the year:</i>						
Exchange rate differences on translation of foreign operations					21.8	21.8
Total comprehensive income		-	-	185.7	21.8	207.5
Transactions with owners						
Dividend				-27.1		-27.1
Warrant payment			7.9			7.9
New share issue		0.0	34.7			34.7
Total transactions with owners		0.0	42.7	-27.1	-	15.6
Shareholders' equity 31 December 2021	19	2.3	887.3	364.4	15.6	1,269.6
Shareholders' equity 01 January 2022		2.3	887.3	364.4	15.6	1,269.6
Comprehensive income						
Profit/loss for the year				271.9		271.9
<i>Other comprehensive income for the year:</i>						
Exchange rate differences on translation of foreign operations					72.9	72.9
Total comprehensive income		-	-	271.9	72.9	344.8
Transactions with owners						
Dividend				-58.3		-58.3
Warrant payment			1.7			1.7
Directed new share issue		0.2	409.4			409.5
Offset share issue		0.1	125.1			125.2
Total transactions with owners		0.2	536.1	-58.3	-	478.0
Shareholders' equity 31 December 2022	19	2.5	1,423.5	578.0	88.5	2,092.5

CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	Note	2022	2021
OPERATING ACTIVITIES			
Profit/loss after financial items		346.3	238.8
Adjustments for non-cash items	24	117.2	81.4
<i>Changes in working capital:</i>			
Change in inventory		2.7	7.8
Change in receivables		-156.1	-57.2
Change in liabilities		108.2	15.4
Cash flow from operations		418.4	286.2
Interest paid	24	-31.2	-8.8
Tax paid		-74.3	-75.7
Cash flow from operating activities		312.8	201.7
INVESTMENT ACTIVITIES			
Acquisition of subsidiaries and businesses	9	-916.6	-622.0
Net investments in other non-current assets	11	-57.1	-47.2
Net investments in financial assets		0.7	0.2
Cash flow from investing activities		-973.0	-669.0
FINANCING ACTIVITIES			
New share issue	9, 19	409.5	-
Warrant payment		1.7	7.9
Dividend paid		-58.3	-27.1
Proceeds from borrowing	24	791.3	1,370.0
Repayment of loans	24	-260.3	-988.7
Repayment of lease liability	24	-51.9	-36.5
Cash flow from financing activities		832.0	325.6
Cash flow for the year		171.8	-141.7
Cash and cash equivalents at end of the year		271.6	409.3
Translation difference in cash and cash equivalents		9.2	3.9
Cash and cash equivalents at end of the year		452.6	271.6

PARENT COMPANY INCOME STATEMENT

SEKm	Note	2022	2021
Operating income		12.2	9.7
Operating costs	3, 4	-21.3	-22.8
Operating profit/loss		-9.2	-13.2
Financial income	7	2.0	46.9
Financial costs	7	-32.1	-18.1
Profit/loss from financial items		-30.1	28.8
Profit/loss after financial items		-39.3	15.7
Appropriations	8	102.5	59.3
Profit/loss before tax		63.2	75.0
Tax on profit for the year	8	-15.3	-3.7
Profit for the year*		47.9	71.3

*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

SEKm	Note	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
Total intangible/tangible non-current assets			
Other intangible non-current assets		0.1	0.1
Right-of-use assets	6	0.0	0.2
Total intangible/tangible non-current assets		0.1	0.3
Non-current financial assets			
Participations in Group companies	12	450.0	450.0
Receivables from Group companies		2,651.9	939.2
Total non-current financial assets		3,101.9	1,389.2
Total non-current assets		3,102.1	1,389.5
Current assets			
Receivables from Group companies	14	1.6	1.0
Prepaid costs and accrued income	17	0.1	0.2
Cash and bank	18	0.0	646.1
Total current assets		1.7	647.3
TOTAL ASSETS		3,103.8	2,036.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital		2.5	2.3
Total restricted shareholders' equity		2.5	2.3
Unrestricted shareholders' equity			
Share premium reserve		1,423.4	879.4
Retained earnings		50.5	45.5
Profit/loss for the year		47.9	71.3
Total unrestricted shareholders' equity		1,521.9	996.2
Total shareholders' equity		1,524.3	998.5
Non-current liabilities			
Liabilities to credit institutions	13, 14 21	1,417.7	908.7
Total non-current liabilities		1,417.7	908.7
Current liabilities			
Liabilities to credit institutions	13, 14 21	138.0	113.1
Accounts payable		0.3	1.3
Current tax liabilities		14.2	5.9
Accrued costs and prepaid income	23	8.5	8.6
Other current liabilities		0.8	0.7
Total current liabilities		161.8	129.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,103.8	2,036.8

CHANGES IN THE PARENT COMPANY'S EQUITY

SEKm	Note	Restricted shareholders' equity	Unrestricted equity		Total share- holders' equity
		Share capital	Share premium reserve	Retained earnings	
Shareholders' equity 01 January 2021		2.3	844.7	64.6	911.6
Comprehensive income					
Profit/loss for the year				71.3	71.3
Total comprehensive income				71.3	71.3
Transactions with owners					
Dividend				-27.1	-27.1
Warrant payment			7.9		7.9
New share issue		0.0	34.7		34.7
Total transactions with owners		0.0	42.6	-27.1	15.6
Shareholders' equity 31 December 2021	19	2.3	887.3	108.9	998.5
Shareholders' equity 01 January 2022		2.3	887.3	108.9	998.5
Comprehensive income					
Profit/loss for the year				47.9	47.9
Total comprehensive income				47.9	47.9
Transactions with owners					
Dividend				-58.3	-58.3
Warrant payment			1.7		1.7
Target new share issue		0.2	409.4		409.5
Offset share issue		0.1	125.1		125.2
Total transactions with owners		0.2	536.1	-58.3	478.0
Shareholders' equity 31 December 2022	19	2.5	1,423.4	98.4	1,524.3

PARENT COMPANY CASH FLOW STATEMENT

SEKm	Note	2022	2021
OPERATING ACTIVITIES			
Profit/loss after financial items		-39.3	15.7
Adjustments for non-cash items	24	29.2	13.9
<i>Change in working capital:</i>			
Changes in inventory		0.0	-
Changes in receivables		-1,485.6	-55.8
Changes in liabilities		1.2	-0.6
Cash flow from operations		-1,494.5	-26.9
Interest paid	24	-31.2	-8.8
Tax paid		-7.0	-3.8
Cash flow from operating activities		-1,532.8	-39.4
INVESTMENT ACTIVITIES			
Net investments in non-current assets		0.0	-0.4
Cash flow from investing activities		0.0	-0.4
FINANCING ACTIVITIES			
New share issue		409.5	-
Warrant payment		1.7	7.9
Dividend paid		-58.3	-27.1
Proceeds from borrowing		794.1	1,370.0
Repayment of loans	24	-260.3	-977.3
Cash flow from financing activities		886.7	373.6
Cash flow for the year		-646.1	333.8
Cash and cash equivalents at start of the year		646.1	312.3
Cash and cash equivalents at end of the year		0.0	646.1

NOTES

Note 1 Accounting and valuation principles

General information

Fasadgruppen Group AB and its subsidiaries conduct operations in construction, property and contracting and carry out various kinds of property exterior work. The service offering includes masonry and plastering, windows and balconies, roofing and sheet metal, energy smart solutions, scaffolding and other work.

Fasadgruppen Group AB (559158-4122) is a public limited company that was formed and has its registered address in Sweden. The head office is located at Drottninggatan 81A in Stockholm, Sweden. Group operations are active on the façade markets in Sweden, Denmark, Norway and Finland, with the majority of its operations in Sweden.

ESEF data

Registered address:	Sweden
Description of the character and principal activities:	Work on the external façades of properties, such as: masonry and plastering, windows and balconies, roofing and sheet metal, energy smart solutions, scaffolding and other work.
Country of Registration:	Sweden
Legal structure of company:	Limited company
Name of reporting company:	Fasadgruppen Group AB (publ)
Address of the Company's head office:	Drottninggatan 81A, SE-111 60 Stockholm
The Company's main activities:	Stockholm
Name of Parent Company:	Fasadgruppen Group AB

From the start of the 2021 financial year, Fasadgruppen applies the EU Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format (ESEF). This new technical standard shall apply for the financial year starting on 1 January 2021 or later. ESEF is aimed at creating a single reporting format that simplifies the analysis and comparison of information. For Fasadgruppen, compliance with the new standard requirements means that the 2021 Annual Report is produced in an XHTML format (Extensible Hypertext Markup Language) and that the financial statements that are produced in accordance with the International Financial Reporting Standards (IFRS) are tagged in accordance with a specific ESEF taxonomy.

Compliance with regulations and the going concern principle

The consolidated financial statements were 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 Annual Report has been prepared in compliance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act.

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

The financial statements for the financial year ended 31 December 2022 (including comparative figures) were approved for issuance by the Board on 17 April 2023 and will be submitted to the Annual General Meeting on 11 May 2023 for approval.

The most important accounting and valuation principles used in 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 changed 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 2022 are deemed to have had any material significance for the Group.

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 2023 are deemed to have had any material significance for the Group.

Changed accounting principles for the Parent Company

The changes in RFR 2 Accounting for legal entities that have entered into force and are valid for the financial year 2022 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 acquisition value. The financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional currency. Amounts are rounded to the nearest million (SEKm) 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.

Basis for consolidation

In the consolidated financial statements, operations of the Parent Company and subsidiaries are consolidated to the end of 31 December 2022.

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 subsidiary company annual accounts 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 according to what is applicable.

Internal pricing

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

Significant assessments in the application of accounting and valuation principles and uncertainty in estimates

When financial statements are prepared, Management makes a number of assessments, estimates and assumptions regarding the recognition and measurement of assets, liabilities, income and expenses.

The following are significant assessments, estimates and assumption that Group Management makes in the application of the accounting principles that have the most significant effect on the consolidated financial statements.

Impairment testing of acquired intangible assets

In order to assess an impairment requirement, 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 use of a suitable interest rate to be able 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. For more information, see Note 10.

Business combinations

In the calculation of fair values, Group Management uses valuation techniques for the assets and liabilities acquired in a business combination. Above all, fair value of conditional earnouts is dependent on the outcome of several variables including the acquired company's future profitability. For more information, see Note 9.

Leasing

The Group holds leases on premises. These include a number of assumptions when calculating the leasing liability and the right-of-use (ROU) asset, such as the assessment of a leasing period. The Group takes into account if there is reasonable certainty that an extension option will be exercised, primarily with regard to 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 character of the respective asset and the length of the respective extension period. No extension has been assumed for leases that run beyond 2027. What operations will look like 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. For more information, see Note 6.

Income from construction contracts

Recognised income and associated contract assets for contracts in façade, roof and scaffolding assignments 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. For more information, see Note 16.

Business combinations

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 for the paid assets, liabilities arising or assumed, and the equity instruments that the acquirer issued in exchange for control over the acquired units.

Contingent earnouts are valued at fair value on the acquisition date and constitute part of the consideration for the acquisition. The earnout is recognised as a financial liability until it has been settled. The earnout is valued at fair value as of each balance sheet date. Any revaluation effects are recognised in the consolidated income statement. The valuation of the earnout is based on the terms and conditions stipulated by the respective purchase agreements. The earnout is usually based on the financial growth of the acquired company.

Changes in fair value for a contingent earnout that arise due to additional information being obtained within 12 months of the acquisition date regarding facts and circumstances that existed on the acquisition date qualify as adjustments during the valuation period and are adjusted retroactively, with a corresponding adjustment of goodwill. All other changes in fair value for a contingent earnout are recognised in the income statement.

Acquired assets and assumed liabilities are valued at fair value as of the acquisition date.

Foreign currency translation**Functional currency and presentation currency**

The consolidated financial statements are presented in the currency SEK, which is also the Group's functional currency and the Parent Company's accounting currency. Amounts in parentheses refer to figures for the preceding year.

Transactions and balance sheet items in foreign currencies

Transactions in foreign currency are translated to the functional currency 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 valued at fair value, which are recalculated at the exchange rate on the day when the 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 functional 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.

Segment reporting

Group 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 officer. The Group has identified the Parent Company CEO, the Group CEO, as its highest executive officer.

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 the external façade of buildings and where the end customer is the property owner in some form, subsidiary company accounts are merged and reported as one segment. The Group accordingly consists of one single operating segment.

Income

The Group's income mainly refers to income from the execution of contracting assignments regarding work on property exteriors. 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.

In the assessment of whether income will be recognised, the Group follows the IFRS 15 five-step model:

1. Identify the contract with the customer
2. Identify the performance commitments
3. Determine the transaction price
4. Allocate the transaction price to the performance commitments
5. Recognise the revenue at the time of the fulfilment of the performance commitment

In **step 1** the contract with the customer is identified. Group contracts are always written and agreed with the customer. If two or more contracts have been entered into at the same time or in close connection with one another, they should be merged together under certain conditions. It rarely occurs in the Group for several contracts to be signed in close connection with the same customer and combinations of contracts are therefore rarely relevant. A contract modification is a change in the scope or price (or both) of a contract that has been approved by both parties.

Contractual changes, so-called alterations and additional work, are common in the Group and sector.

Additional work in the form of more work or other work than expected, e.g. sheet metal or the like, may be added during the duration of the project. Pricing for this takes place separately and is usually regulated according to ABT06 General Conditions of Contract for Design and Construct Contracts for Building Civil Engineering and Installation Works (or similar in Denmark, Norway and Finland), according to market prices. Additions are made in writing. 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. Thus, they must be reported as part of the existing contract, using a cumulative catch-up method. Fasadgruppen reports them in this way.

When they arise, they become part of the turnkey contract, inserted in the project calculations which are then updated and form the basis for the time and materials expenses as income (margin) that are affected by a catch up effect.

In **step 2** separate performance commitments are to be identified, i.e. an assessment is made of the promises to transfer goods and services as to whether or not these promises constitute separate or combined performance commitments. A performance commitment is a promise to transfer to the customer a product or service that is distinct or a series of distinct products/services. The product or service is distinct if the customer can benefit from the product or service separately or together with other readily available resources and if the Group's promise to transfer the product/service can be distinguished from other promises in the agreement. Usually, construction contracts constitute one performance commitment as the parts of the assignment cannot be distinguished from one another, but rather they constitute a combined commitment.

All construction contracts include a guarantee on work done. These do not constitute expanded guarantee commitments, but rather they are so-called statutory guarantees, issued according to industry practice, usually for five years.

In addition, some contracts include an option for the customer to add new services. These possible additional assignments are priced on market-based grounds and do not contain any discount option for the customer. They thereby do not constitute an independent performance commitment.

In **step 3**, the transaction price is determined. Here, fixed and variable prices should be taken into consideration. The Group has assignments on a time and materials basis, but fixed price contracts are the dominant type. The Group usually does not 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. Financing components with a credit period in excess of 12 months do not arise in the Group.

In **step 4**, the transaction price is to be allocated to the performance commitments identified in step 2. The Group commonly has a single performance commitment as a whole, so this step is not relevant.

In **step 5**, income is recognised. An income must be reported when control over the resold has passed from the seller to the buyer. This takes place at one point in time or over time. Income is recognised in the Group when the Group's performance creates or improves an asset that the customer controls. In this way, the customer receives the benefit of the Company's performance as the work is done. This is usually the case in construction contracts as renovation and improvement work is done on the customer's property. The degree of completion in the contract is calculated based on expenditures made as of the balance sheet date in relation to the total calculated expenditures for completing the contract and this constitutes the basis for earned income. If a performance commitment is not fulfilled over time, it is fulfilled at one point in time. This

takes place at a point in time when the customer gains control over the asset sold. Indications of a transfer of control may be a right to payment, legal ownership, the Company having transferred the physical asset to the buyer, the customer bearing the significant risks and benefits associated with the asset or the customer having approved of the asset.

In connection with construction contracts, the Group incurs items in the balance sheet related to the status in the relationship between work performed and payment received from the customer. Work performed but not invoiced, is recognised in the balance sheet as earned income and recognised as Contract assets and similar receivables. 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, they are recognised in the item Contract liabilities and similar liabilities on the balance sheet.

Operating costs

Operating costs are reported in the results when the service is used or when the event occurs.

Interest income and expenses

Financial income and expenses consist of interest income on bank funds and receivables as well as 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 interest rate that discounts the estimated future incoming and outgoing payments during the expected term of a financial instrument to the reported net value of the financial asset or liability. Interest expenses include accrued amounts of issuance costs and similar direct transaction costs of raising loans. Dividend income is reported when the right to receive payment has been established.

Government grants

Due to Covid-19, the Swedish parliament and government have introduced temporary rules under which all employers received full compensation for sick pay expenses.

In the case of sick pay expenses recognised in the periods August 2020–September 2021 and December 2021–March 2022, a calculation using different percentage rates applies, depending on the size of such expenses the employer has had. Payment received comprises a government grant in accordance with both IFRS and RFR 2 and is reported in line with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Such payments are recognised when there is reasonable certainty that the Group will meet the conditions for the grant and grants will be received with reasonable certainty. Government grants are systematically recognised in the income statement over the same periods as the costs the grants are intended to compensate for. Sick pay is presented in the financial statements as other income and claims.

Acquired intangible assets

Surplus values in acquisition analyses are allocated to the company 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 acquisition value 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 acquisition value less accumulated impairment.

Other intangible non-current assets

Licences for software

Licences for software that meet the conditions for capitalisation are recognised as intangible non-current assets and initially valued at fair value.

All intangible non-current assets with finite useful lives are valued based on their cost whereby expenses are amortised straight-line over the estimated useful life, which amounts from three to five years. Useful life is reviewed on each balance sheet date. Impairment testing is also done on indication of a decrease in value. Impairment is included in depreciation.

Depreciation is included in the item Depreciation and write-downs of intangible and tangible non-current assets. Additional expenses for software maintenance are expensed when they arise.

When intangible assets are sold, the capital gain is determined as the difference between the sale price and the asset's reported value and is reported in profit/loss in one of the items Other operating income or Other operating expenses.

Tangible non-current assets

Land

Land is recognised at cost less possible 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 straight-line from acquisition cost with a useful life of five to ten years.

With regard to the ROU asset (leasing), an expected useful life is determined through reference to comparable owned assets or set at the leasing period if this is shorter. Material estimates of useful lives are updated as necessary, although at least once a year.

Gains or losses that arise in the divestment of tangible assets 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.

Leased assets

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 certain period of time in exchange for consideration". To apply this definition, the Group assesses whether or not the contract meets the requirements in three evaluations, which are whether or not:

- The contract contains an identified asset that is either specifically identified in the contract or implicitly specified by being identified at the time the asset was made available to the Group.
- The Group has the right to essentially all of the financial benefits that arise through the use of the identified asset over the entire period of tenure in consideration of the Group's rights within the defined area of application of the contract.
- The Group has the right to govern the use of the identified asset during the entire period of tenure. The Group assesses whether or not it has the right to govern "how and for what purpose" the asset shall be used during the entire period of tenure.

The Group's ROU assets consist primarily of vehicles and premises.

Valuation and recognition of leases

At the beginning of the lease, the Group recognises an ROU asset and a leasing liability on the balance sheet. The ROU asset is valued at cost, which comprises the amount that the leasing liability is originally valued at, any initial direct expenses that the Group incurs and leasing fees that were paid before the beginning of the lease agreement (less any benefits received). The respective Group companies have been questioned primarily regarding the rent of premises and any extension of the current contractual period. In the cases where the rental agreement includes an extension option, an assessment is made agreement by agreement whether it is reasonably certain that the option will be exercised. In this assessment, all relevant facts and circumstances are weighed in that create financial incentives, such as contractual terms for extension periods compared with market interest rates, significant improvements made (or expected to be made) to the property during the agreement period, costs that arise when the lease is terminated, such as negotiation expenses and relocation costs and the importance of the underlying asset to operations.

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 character of the respective asset and the length of the respective extension period. No extension has been assumed for leases that run beyond 2027. What operations will look like 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.

The Group depreciates the ROU asset straight-line from the beginning of the lease agreement to the earlier point in time of the ROU useful life and the end of the lease agreement. The Group also makes an assessment of whether there is any impairment requirement for the ROU 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 that rate can be readily determined or the Group's marginal loan rate.

Leasing fees included in the valuation of the leasing liability include fixed fees (including fixed fees in substance), variable leasing fees that are based on an index, amounts that are expected to be paid by the Group in accordance with residual value guarantees and payments according to options that the Group is reasonably certain will be exercised. An assessment of the utilisation of extension options has been made per lease agreement.

After the start date, the liability is reduced with payments and increased with interest. The liability is revalued to reflect a potential new assessment or change or if there are changes in the fixed fees in substance. When the leasing 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 zero value.

The Group has chosen to recognise short-term lease agreements and lease agreements for which the underlying asset has a low value by utilising the practical solution in IFRS 16 Leases. Instead of recognising a right-of-use and a lease liability, leasing fees are expensed with regard to these leases straight-line over the leasing period.

Right-of-use assets are reported separately in the balance sheet under Tangible non-current assets while the leasing liability is reported separately under liabilities.

Impairment testing of acquired intangible assets, and other intangible assets

In impairment testing, the assets are grouped into cash-generating units. A cash-generating unit is a group of assets that gives rise to inward payments, which are essentially independent of other assets, which for the Group are comprised of the respective business areas. The result is that impairment requirements for certain assets are tested individually while others are tested at business area level. Acquired intangible assets are allocated to the business

areas that are expected to benefit from synergy effects in the respective business combinations and represent the lowest level in the Group where the CEO monitors goodwill and brands.

Any impairment requirement at the cash-generating units to which acquired intangible assets have been allocated (established by the CEO as equivalent to Group business areas) is tested at least twice per year or when indications of need arise. All other individual assets or cash-generating units are impairment tested when events or changed circumstances indicate that the carrying amount cannot be recovered.

An impairment is recognised for the amount by which the asset's or the cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less divestment expenses and value in use. To determine value in use, Management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate to be able to calculate the present value of these cash flows. The data used in the impairment testing are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and improvements to assets. Discount rates are established individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairments regarding cash-generating units first reduce the carrying amount of an acquired intangible asset that is allocated to the cash-generating unit. Any remaining impairment proportionally reduces the other assets in the cash-generating unit.

Except for acquired intangible assets, a new assessment is done of all assets for an indication that a previous impairment is no longer justified. Impairment is reversed if the asset or the cash-generating unit's recoverable value exceeds the carrying amount.

Financial instruments

General principles

Financial assets and liabilities are recognised when the Group becomes a party to the financial instrument's contractual terms.

A financial asset or part of a financial asset is removed from the balance sheet when the contractual rights are realised, expire or when the Group loses control of them. A financial liability is removed from the balance sheet when it has been extinguished, i.e. when it is fulfilled, annulled or expires. A financial asset and a financial liability are offset and reported with a net amount in the balance sheet only when there is a legal right to offset the amounts and when there is an intention to settle the items with a net amount or to simultaneously realise the asset and settle the liability. Acquisition and disposal of financial assets are reported on the business day, which is the day on which the Group undertakes to acquire or dispose of assets.

Classification and valuation of financial assets at the time of first accounting

All financial assets are initially valued at fair value adjusted for transaction costs (where appropriate). Financial assets are only classified in the category amortised cost. The classification is determined by:

- the Group's business model for the management of the financial asset and
- the characteristics of the contractual cash flows from the financial asset.

All financial assets are valued 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 agreement 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 the first accounting period, these financial assets are valued at amortised cost using the effective interest method. Discounting is omitted 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.

Write-down of accounts receivable and other receivables as well as contract assets

IFRS 9's impairment rules use forward-looking information to apply the expected credit loss model. Financial assets include accounts receivable, contractual assets and other receivables valued at amortised cost.

Accounting for credit losses means that the Group considers more extensive information when assessing credit risk and the valuation of expected credit losses, including past events, current conditions and reasonable and substantiated forecasts that affect the expected possibility of obtaining future cash flows from the asset.

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 valued using a provisioning matrix starting with the historical credit losses, adjusted for factors for general economic conditions and an assessment of both the current and forecasted factors at the end of the reporting period.

The Group assesses the impairment of trade receivables 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.

Classification and valuation of financial liabilities

The Group's financial liabilities include loans, trade payables and other liabilities.

Financial liabilities are initially valued at fair value. Financial liabilities are valued after the first accounting period at amortised cost using the effective interest method.

All interest-related charges are included in the item Financial costs.

Contingent earnouts are valued at fair value on the acquisition date and constitute part of the consideration for the acquisition. The earnout is recognised as a financial liability until it has been settled. The earnout is valued at fair value as of each balance sheet date. Any revaluation effects are recognised in the consolidated income statement. The valuation of the earnout is based on the terms and conditions stipulated by the respective purchase agreements. The earnout is usually based on the financial growth of the acquired company.

Inventories

Inventories are valued at the lower of cost and net realisable value. Expenses for commonly replaceable articles are distributed according to the first-in, first-out principle. The net sale value is the estimated sale price in operating activities less any applicable sale expenses.

Income tax

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 will be able to be used against future taxable surpluses. This is assessed based on the Group's forecast regarding future operating income and expenses, 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.

Cash and cash equivalents

Cash and cash equivalents consist of cash and disposable balances in banks and corresponding institutes and short-term liquid investments and bank certificates with a maturity date of 90 days or less from the acquisition date,

that can readily be converted into a known amount and subject to a insignificant risk of value fluctuations. In the report on financial position, a utilised bank overdraft facility is recognised as borrowing in current liabilities.

Shareholders' equity, reserves and dividends

Share capital represents the quotient value for issued shares.

Share premium reserve includes a possible premium received upon the new issue of share capital. Any transaction costs related to a new issue of shares is deducted from the proceeds, considering 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 the year's earnings in the Group attributable to the Parent Company's shareholders and on the weighted average number of outstanding shares during the year. When calculating earnings per share after dilution, the average number of shares is adjusted by taking into account theoretical dilution of the number of shares, which during reported periods relate 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 (that is, when they have a real value). Previously reported earnings per share are not retroactively adjusted to reflect changes in the price of ordinary shares.

Employee benefits

Pension obligations

The Group pays fixed fees to independent companies regarding several state pension plans as well as insurance for individual employees. The Group has no legal or informal obligations to pay additional fees in addition to the payment of the established fee that is expensed in the period that the associated personnel services are obtained. Obligations for old-age pension and family pension for salaried employees in Sweden are secured through insurance in Alecta. According to a statement from the Swedish Financial Reporting Council, UFR 10 Reporting of the pension plan ITP 2 which is financed through insurance in Alecta, this is a defined benefit plan that covers several employers. According to the ITP 2 agreement, the size of the retirement pension is determined by the employee's number of years of service and 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 to the plan, as well as the return on capital that these premiums provide. Retirement pensions and family pensions therefore do not meet the definition of defined contribution plans in IAS 19 Employee Benefits. For salaried employees in Sweden, the ITP 2 plan's defined benefit pension commitments for old-age and family pension (alternatively family pension) are secured through insurance in Alecta. According to a statement from the Swedish Financial Reporting Council, UFR 10 Reporting of the pension plan ITP 2 which is financed through insurance in Alecta, this is a defined benefit plan that covers several employers. For the financial year 2022, the Company has not had access to information to be able to report its proportional share of the plan's obligations, management assets and costs, which has meant that the plan has not been possible to report as a defined benefit plan. The pension plan ITP 2, which is secured through insurance in Alecta, is therefore reported as a defined contribution plan. The premium for the defined-benefit old-age and family pension is calculated individually and depends, among other things, on salary, previously earned pension and expected remaining service time.

The collective consolidation level consists of the market value of Alecta's

assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level must normally be allowed to vary between 125 and 175 percent. In order to strengthen the level of consolidation if it is judged to be too low, one measure could be to raise the agreed price for new subscriptions and expansion of existing benefits. If the consolidation level exceeds 150 percent, premium reductions can be introduced.

Post-employment benefits

The Group provides benefits after termination of employment only through defined contribution pension plans.

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 is expected to pay as a result of the unused right.

Warrant programme

Fasadgruppen has a warrant programme where warrants are issued to employees in the Group. The employees have paid fair value for the options calculated according to the Black & Scholes valuation model. The option premium is reported as other contributed equity. The programme is classified as an equity regulated instrument as the holder can only receive shares upon redemption. When the options are redeemed, the redemption price is reported against equity.

Transactions with related parties

Board members, senior executives and close family members of such key individuals are defined as related physical persons. Related companies are defined as the companies included in the Group, companies where related physical persons have a controlling, joint controlling or significant influence and other companies on behalf of whom key individuals perform services for the Group. Transactions with related parties arise in current operations and are based on business terms and conditions and market prices. Information is provided as to whether transactions with related parties have occurred, meaning a transfer of resources, services or obligations regardless of whether or not compensation was paid.

Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal processes, lost contracts or other claims are recognised when the Group has a legal or informal 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 in the amount estimated to be required to settle the existing obligation, based on the most favourable information available on the balance sheet date, including the risks and uncertainties related to the existing obligation. If there are a number of similar obligations, the probability is determined for an outflow in a collective assessment of the obligations. If there are a number of similar obligations, the probability is determined for an outflow in a collective assessment of the obligations. Provisions are discounted to their present value where the time value of money is significant.

Potential compensation that the Group is virtually certain of being able to receive from an external party for the obligation is recognised as a separate asset. However, this asset cannot exceed the amount for the attributable provision. No liability is recognised if the outflow of financial resources as a result of existing obligations is unlikely. Such situations are recognised as contingent liabilities insofar as the likelihood of an outflow of resources is very small.

Parent Company accounting policies and valuation principles

Parent Company accounting and valuation principles are in line with the Group's except for that stated below.

Presentation

The income statement and balance sheet follow the presentation forms in the Swedish Annual Accounts Act. These differences related 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 that should be in the balance sheet according to the Annual Accounts Act.

Acquisition analysis

Intangible assets with indeterminate useful life are depreciated in the Parent Company accounts. The Parent Company values financial instruments according to the cost principle and therefore values contingent earnouts at the value established in the acquisition analysis. No revaluation at fair value is done.

Contingent earnouts are recognised as a part of the cost if it is likely that they will be paid. The cost is adjusted if the initial assessment of contingent earnouts changes.

Group contributions

All Group contributions paid and received are recognised as appropriations.

Anticipated dividend

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.

Subsidiaries

Holdings in subsidiaries are valued according to the cost method. Reclassification of holdings for sale is not done.

Financial instruments

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

Financial guarantees

The Parent Company's financial guarantee agreement mainly consists of surety bonds for the benefit of subsidiaries. For accounting of these, the Parent Company applies RFR 2 IFRS 9 p. 1 which entails a relief compared to the rules in IFRS 9 due to the connection between accounting and taxation. The Parent Company reports financial guarantee agreements as a provision in the balance sheet when the Company has a commitment for which payment is likely to be required to settle the commitment.

Cash and bank

The definition of cash and bank comprises cash funds and unappropriated balances at banks and corresponding institutions.

Deferred income tax

The deferred tax liability attributable to untaxed reserves is not recognised in the Parent Company. These are accordingly recognised as the gross amount on the balance sheet. The appropriations are recognised in the gross amount in the income statement.

Note 2 Operating income

Geographical areas Group, SEKm	Order backlog		Net sales		Non-current assets*	
	2022	2021	2022	2021	2022	2021
Sweden	1,684.0	1,252.3	2,730.5	1,923.4	2,100.8	1,816.9
Denmark	620.5	226.9	763.2	318.6	640.4	253.6
Norway	619.2	450.8	974.4	434.3	525.2	376.5
Finland	59.7	0.0	79.6	0.0	283.4	0.0

* Concerns non-current assets (including right of use assets) that are not financial instruments, deferred tax assets, assets concerning post employment or post employment and rights that arise in accordance with insurance policies.

Group sales are generated from the performance of services on building exteriors in Sweden, Denmark, Norway and Finland. The service offering includes plastering, masonry and other services, such as windows, balconies, roofing and sheet metal, plus the letting of scaffolding intended for new construction and renovation. The Group mainly has customer agreements with a maturity of 12 months, which means disclosure is not necessary. The income in the business is reported over time in line with the performance performed, i.e. in line with the degree of completion (booked costs in relation to estimated total project costs), on assets controlled by the customer (so-called percentage of completion method). Invoicing takes place continuously as agreed during the course of the project. Net sales outside Sweden make up 40 percent of the Group's total sales. The order backlog is mainly expected to be recognised as revenue in the next 24 months with the majority in the coming year.

Income

Group, SEKm	2022	2021
Work performed but not invoiced	211.3	122.3
Invoiced but not performed work	-81.1	-67.6

Revenue reported in 2022 that derives from work performed in 2021 is not judged to amount to significant amounts. Invoiced unprocessed revenue as of 31 December 2021 is deemed to have been processed in 2022.

Operating segments

Sales come from external customers, with no individual customer accounting for 10 percent or more of sales. Group Management identifies business operations as an operating segment, which is the division used by Fasadgruppen in its internal reporting. The operating segment is monitored by the Group's executive decision-makers and strategic decisions are made on the basis of the operating profit for the segment.

Note 3 Remuneration of auditors

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Deloitte AB				
Audit assignments	5.6	4.2	1.6	1.3
Accounting services in addition to audit assignments	0.7	0.1	0.0	0.1
Tax advice	0.0	0.0	0.0	0.0
Other services	0.1	0.0	0.0	0.0
Mazars Statsautoriseret Revisionspartnerselskab				
Audit assignments	1.0	0.5	0.0	0.0
Accounting services in addition to audit assignments	0.1	0.0	0.0	0.0
Tax advice	0.0	0.0	0.0	0.0
Other services	0.0	0.1	0.0	0.0
Other companies				
Audit assignments	0.6	0.2	0.0	0.0
Accounting services in addition to audit assignments	0.0	0.0	0.0	0.0
Tax advice	0.0	0.1	0.0	0.0
Other services	0.1	0.0	0.0	0.0
Total	8.2	5.1	1.6	1.3

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, and so-called auditing advice provided in connection with the audit assignment. The assignment also includes audit and other review

performed in accordance with the agreement or contract. Audit activities in addition to the audit assignment entail 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 the tax area. Any other services are referred to as Other services.

Note 4 Remuneration to employees and the Board

Remuneration to employees

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Salaries and other benefits	1,027.9	616.7	9.0	6.9
Social security contributions	237.9	162.9	3.2	2.4
Pension costs (defined contribution plans)	51.0	32.8	1.8	1.4
Total	1,316.8	812.4	14.0	10.7

A review has been made for 2021 where some items have been adjusted in the comparison with 2022.

Salaries and other benefits plus social security contributions

2022, SEKm	Group		
	Salaries and other benefits	Pension costs	Social security contributions
Board members, CEO and other senior executives	16.6	3.4	5.0
Other employees	1,011.3	47.6	232.9
Total	1,027.9	51.0	237.9
2021, SEKm	Group		
Board members, CEO and other senior executives	14.4	2.7	4.1
Other employees	602.3	30.1	158.8
Total	616.7	32.8	162.9

Remuneration to the Board and senior executives

SEKm	Group	
	2022	2021
Salaries and other short-term benefits	16.6	14.4
Severance pay	0.0	0.0
Post-employment benefits	0.0	0.0
Other long-term benefits	3.4	2.7
Total	20.0	17.1

2022, SEK	Basic salary	Variable remuneration	Other benefits	Pension benefits	Total
Board of Directors					
Ulrika Dellby, Chair	427,077	-	-	-	427,077
Per Sjöstrand	208,330	-	-	-	208,330
Tomas Georgiadis	249,996	-	-	-	249,996
Christina Lindbäck	249,996	-	-	-	249,996
Tomas Ståhl	249,996	-	-	-	249,996
Gunilla Öhman	249,996	-	-	-	249,996
Senior executives					
Pål Warolin, CEO	2,663,700	639,375	104,610	859,994	4,267,679
Martin Jacobsson, Deputy CEO	1,781,048	423,225	92,844	350,644	2,647,761
Other senior executives (9)	8,487,198	335,400	426,779	2,214,236	11,463,613
Total	14,567,337	1,398,000	624,233	3,424,874	20,014,444

Remuneration to senior executives consists of fixed salary, other benefits and defined-contribution pension, and can additionally consist of variable remuneration based on fixed target indicators. 2022 provided a bonus outcome for senior executives totalling SEK 1,398,000. 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. Notice of termination by the

Company is normally three to six months, and for resignation by a senior executive, three months, or six months in exceptional cases. Severance pay does not arise. Notice period by the Company for the CEO is six months and by the CEO is likewise six months. In 2022, remuneration to other senior executives who have had assignments for part of the year (1 person) when the number of senior executives was increased from 10 to 11.

2021, SEK	Basic salary	Variable remuneration	Other benefits	Pension benefits	Total
Board of Directors					
Per Sjöstrand, Chair	391,728	-	-	-	391,728
Ulrika Dellby	300,064	-	-	-	300,064
Tomas Georgiadis	166,666	-	-	-	166,666
Christina Lindbäck	166,664	-	-	-	166,664
Tomas Ståhl	166,666	-	-	-	166,666
Gunilla Öhman	225,064	-	-	-	225,064
Senior executives					
Pål Warolin, CEO	2,104,690	700,000	119,253	423,476	3,347,419
Martin Jacobsson, Deputy CEO since 2020	1,464,000	360,000	56,263	298,745	2,179,008
Other senior executives (9)	7,315,218	500,000	440,760	1,945,060	10,201,038
Total	12,300,760	1,560,000	616,276	2,667,281	17,144,317

Remuneration to senior executives consists of fixed salary, other benefits and defined-contribution pension, and can additionally consist of variable remuneration based on fixed target indicators. 2021 provided a bonus outcome for senior executives totalling SEK 1,560,000. 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. Notice of termination by the Company is normally three to six months, and for resignation by a senior executive, three months, or six months in exceptional cases. Severance pay does not arise. Notice period by the Company for the CEO is six months and by the CEO is likewise six months. In 2021, remuneration to other senior executives includes individuals that had been employed for part of the year (one person) when the number of senior executives increased from 9 to 10.

Warrants of 2022 / 2025 and 2021 / 2024 series

The 2022 Annual General Meeting resolved to introduce a long-term incentive programme for employees in the Group consisting of a maximum of 484,000 warrants (2022/2025 series). Each warrant entitles the holder to subscribe to a new share in the Company in June 2025. The subscription price for each such share shall be SEK 179.8, which corresponds to 125 percent of the averaged volume-weighted price paid for the Company's shares on Nasdaq Stockholm over the last ten trading days before the 2022 AGM.

At this moment in time, 236,196 warrants in the 2022/2025 series have been issued to 46 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Warrant premium paid amounts to SEK 1.7 million. The remaining 247,804 warrants are held by the Company's wholly owned subsidiary, Fasadgruppen Norden AB, and have been transferred free of charge.

The 2021 Annual General Meeting resolved to introduce a long-term incentive programme for employees in the Group consisting of a maximum of 923,010 warrants (2021/2024 series). Each warrant entitles the holder to subscribe to a new share in the Company in June 2024. The subscription price for each such share shall be SEK 164.1, which corresponds to 125 percent of the averaged volume-weighted price paid for the Company's shares on Nasdaq Stockholm over the last ten trading days before the 2021 AGM.

At this moment in time, 501,472 warrants in the 2021/2024 series have been issued to 65 employees in the Group at a market price calculated in accordance with the Black-Scholes model. Warrant premium paid amounts to SEK 7.9 million. The remaining 421,538 warrants are held by the Company's wholly owned subsidiary, Fasadgruppen Norden AB, and have been transferred 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.

For more information on the warrant terms and conditions, please see the company website.

Warrants	Utilisation period	Number of warrants	Issue price per warrant, SEK	Acquisition cost, SEKm	Time of award
Series 2022/2025	1 June 2025 to 30 June 2025	236,196	7.55	1.7	2022
Series 2021/2024	1 June 2024 to 30 June 2024	501,472	16.29	7.9	2021

Average number of employees	2022			2021		
	Average number of employees	Of which, men	Of which, women	Average number of employees	Of which, men	Of which, women
Group						
Sweden	1,154	1,107	47	887	856	31
Rest of Nordics	653	621	32	319	304	15
Total	1,807	1,728	79	1,206	1,160	46
Average number of employees	2022			2021		
	Average number of employees	Of which, men	Of which, women	Average number of employees	Of which, men	Of which, women
Parent Company						
Sweden	3	3	0	3	3	0
Total	3	3	0	3	3	0

Average number of employees calculated as full time equivalents.

Gender balance of senior executives

The gender balance of the Board and senior executives on balance sheet date on 31 December 2021 and 2020 is presented in the table below:

Group	2022			2021		
	Number	Of which, men	Of which, women	Number	Of which, men	Of which, women
Board of Directors	6	3	3	6	4	2
Senior executives	11	9	2	11	9	2

Note 5 Transactions with related parties

The Group has related-party transactions with persons on the Board and in 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. As of 31 December 2022, shares corresponding to 10.1 percent of the Fasadgruppen Group 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 of 31 December 2022, no other shareholder owned shares corresponding to more than ten percent of the Fasadgruppen Group share capital and voting rights.

Transactions with related parties are based on commercial terms and market prices.

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

Transactions with related parties

Sale of services, SEKm	Group		Parent Company	
	2022	2021	2022	2021
<i>Within the Group:</i>				
AB Karlsson Fasadrenovering	2.1	3.9	-	-
Ahlins Plåt AB	4.1	0.1	-	-
Allt i Murning i Karlshamn AB	0.4	1.2	-	-
Alnova Balkongsystem AB	5.3	-	-	-
Altana A/S	1.2	-	-	-
Bruske/Delér Fönsterrenoveringar AB	5.1	0.4	-	-
Byens Tag & Facade A/S	0.1	3.2	-	-
Chem-Con AS	0.0	-	-	-
Cortex Facaderens ApS	7.7	0.8	-	-
DVS ENTREPRENØR AS	0.0	2.6	-	-
Engman Tak AB	1.7	0.4	-	-
Er-Jill Byggnadsplåt AB	0.1	0.2	-	-
Fasadgruppen Norden AB	43.7	10.0	12.2	9.8
Fasadteknik i Nyköping AB	2.3	3.8	-	-
Frillesås Mur och Puts AB	0.6	1.7	-	-
Front RK AB	14.6	54.6	-	-
GAJ Stållkonstruktioner AB	0.1	-	-	-
Haga Plåt i Umeå AB	-	0.1	-	-
Hans Eklund Glasmästeri AB	-	0.3	-	-
Helsingborgs Fasad & Kakel AB	3.1	-	-	-
Husby Takplåtslageri & Ventilation AB	4.9	4.3	-	-
Johns Bygg & Fasad AB	1.5	3.5	-	-
Karlaplans Plåtslageri AB	5.8	13.5	-	-

Kumla Fasadteam AB	0.4	1.1	-	-
Malercompagniet Olso AS	4.7	-	-	-
Malmö Mur & Puts AB	3.3	5.0	-	-
Meyer-Mørch AS	0.7	-	-	-
Mellansvenska Fasad, Lars Svensson AB	3.0	1.8	-	-
Mjøndalen Mur & Puss AS	0.9	2.1	-	-
Murmestrene Fjeldheim & Knudsen AS	0.2	-	-	-
Murpartnern AS	12.7	-	-	-
Murpoolen i Skåne AB	1.2	3.1	-	-
Mälardalens Mur & Puts AB	2.9	4.0	-	-
OPN Entreprise A/S	1.4	0.3	-	-
P. Andersen & Søn Entreprise A/S	0.7	0.7	-	-
Rapid Hyrställningar AB	56.1	5.1	-	-
Rogaland Blikk AS	0.8	0.2	-	-
RSM Fasade AS	1.9	0.4	-	-
SH-Bygg AS	0.9	-	-	-
SH-Bygg Tegl AS	6.4	0.1	-	-
Simtuna Betong & Byggteknik AB	2.8	2.7	-	-
SmartFront AB	0.0	2.3	-	-
Solid Fasad Stockholm AB	0.0	0.2	-	-
STARK Fasadrenovering i Sverige AB	7.0	27.0	-	-
Sterner Stenhus Fasad AB	3.6	6.2	-	-
Tello Service Partner AB	11.8	1.4	-	-
V Fasad AB (Valvet)	9.5	2.5	-	-
Valbo Fasad Entreprenad AB	2.5	7.4	-	-
Åby Fasad AB	-	1.0	-	-
Total	239.8	179.2	12.2	9.8
<i>Companies controlled by senior executives:</i>				
Sterner Stenhus Entreprenad AB	0.0	37.3	-	-
Sterner Stenhus Fastigheter AB	0.0	0.5	-	-
Sterner Stenhus Förvaltning AB	0.0	1.6	-	-
Sterner Stenhus Services AB	0.0	1.1	-	-
Botkyrka Kornet 6 & 15 AB	0.0	4.6	-	-
Stenhus Kungens Kurva Diagonalen AB	0.0	0.5	-	-
Stenhus Tumba Samariten AB	0.0	0.2	-	-
Stenhus Köping Njord AB	0.0	0.6	-	-
KB Träflöjten	0.0	0.0	-	-
Total	0.0	46.4	0.0	0.0
Total	239.8	225.6	12.2	9.8

The transactions pertain to sales of services between Group companies as a part of operating activities.

	Group		Parent Company	
	2022	2021	2022	2021
Purchase of services, SEKm				
Within the Group	239.8	179.2	12.2	9.8
<i>Companies controlled by senior executives:</i>				
Bendrik Invest AB	0.8	0.8	-	-
KFAB Förvaltning AB	0.5	0.6	-	-
Connecting Capital Sweden AB	0.0	0.1	-	-
KB Träflöjten	0.5	0.4	-	-
Sterner Stenhus Services AB	0.9	0.8	-	-
Bygg & Städtjänst AB	0.0	0.4	-	-
Stenhus Tumba Samariten AB	0.0	0.1	-	-
Stenhus Kungens Kurva Diagonalen AB	0.0	0.1	-	-
Sterner Stenhus Entreprenad AB	0.1	-	-	-
JL Fastighet i Eskilstuna	0.6	-	-	-
Total	3.4	3.4	-	-
Total	243.2	182.5	12.2	9.8

Transactions within the Group pertain to purchases of services between Group companies as a part of operating activities.

Transactions with companies controlled by senior executives are primarily comprised of invoiced consultancy fees for acquisition-related consulting services, financial advisory services, management fees and rent for office premises.

Dealings

The following dealings concerning transactions with related parties are outstanding as of the balance sheet date:

	Group		Parent Company	
	2022	2021	2022	2021
Receivables from related parties, SEKm				
Subsidiaries	0.0	17.4	-	-
<i>Companies controlled by senior executives:</i>				
KB Träflöjten	0.0	0.0	-	-
Sterner Stenhus Entreprenad AB	-	17.7	-	-
Sterner Stenhus Services AB	-	0.0	-	-
Total	0.0	35.1	-	-
	Group		Parent Company	
	2022	2021	2022	2021
Liabilities to related parties, SEKm				
Subsidiaries	0.0	17.4	-	-
<i>Companies controlled by senior executives:</i>				
KB Träflöjten	0.1	0.0	-	-
Bendrik Invest AB	0.0	0.1	-	-
Sterner Stenhus Services AB	0.0	0.2	-	-
Stenhus Tumba Samariten AB	0.4	0.1	-	-
Total	0.5	17.8	-	-

Receivables from related parties are attributable to internal accounts receivable and mature 30 days after the sale date.

The Group does not hold any collateral for these receivables and no interest is payable. Liabilities to related parties are attributable to purchase transactions that mature 30 days after the purchase date. The liabilities accrue without interest.

Note 6 Leases

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

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Non-current	102.1	96.5	-	0.2
Current	64.8	34.7	-	-
Total	166.9	131.2	-	0.2

Interest expenses for leases in the 2022 financial year amounted to SEK 2.9 m (2.3). The Group leases premises for offices and warehouses, plus vehicles. Except for short-term leases and for leases for which the underlying asset has a low value, rights-of-use and lease liabilities are recognised in the balance sheet. Variable lease charges that are not indexed are excluded in the initial calculation of the leasing liability and asset. The Group recognises its right of use assets under Tangible non-current assets. 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 maintenance for them in accordance with the lease agreement.

The table below describes the Group's leases based on type of ROU asset that is recognised in the balance sheet:

Right-of-use assets	Offices and warehouses	Vehicles	Other
Number of right-of-use assets	84	341	21
Range remaining lease term	0–8	0–6	1–5
Average remaining lease period	3.1	1.8	2.4

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

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

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

The Group's future minimum lease payments as of 31 December 2022 and 31 December 2021 amounted to the following:

Minimum lease payments

31 December 2022, SEKm	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	After 5 years
Lease fees excluding financial expenses	61.4	46.4	29.6	14.0	7.6	6.1
31 December 2021, SEKm						
Lease fees excluding financial expenses	36.6	32.2	24.0	15.3	8.7	8.0

Leases that are not recognised as a liability

The Group has chosen not to recognise a leasing liability for short-term leases (leases with an expected leasing 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 leasing fees are

not permitted to be recognised as a leasing liability which is why they are also continuously expensed.

The cost for leasing fees not included in the calculation of the leasing liability amounts to SEK 157.6 million (67.8).

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

2022, SEKm	Offices and warehouses	Vehicles	Other	Total
Opening accumulated cost	118.9	62.4	3.6	184.9
New leases	12.5	30.1	1.0	43.6
Purchases via business	41.7	6.4	1.9	50.0
Changed leases for the year	5.3	0.3	0.1	5.7
Terminated leases	-7.5	-31.2	-0.5	-39.2
Exchange rate differences	1.4	1.5	0.0	2.9
Closing accumulated cost	172.3	69.5	6.1	247.9
Opening accumulated depreciation	-26.7	-23.7	-1.2	-51.6
Terminated leases	1.9	10.1	0.3	12.3
Depreciation for the year	-31.3	-11.4	-1.8	-44.5
Exchange rate differences	-0.3	-0.5	0.0	-0.8
Closing accumulated depreciation	-56.4	-25.5	-2.7	-84.6
Carrying amount	115.9	44.0	3.4	163.3

2021, SEKm	Offices and warehouses	Vehicles	Other	Total
Opening accumulated cost	74.7	29.2	2.3	106.2
New leases	4.1	22.6	0.7	27.4
Purchases via business	43.5	24.1	0.6	68.2
Changed leases for the year	1.4	0.6	0.0	2.0
Terminated leases	-5.9	-14.3	0.0	-20.2
Exchange rate differences	1.0	0.2	0.0	1.2
Closing accumulated cost	118.9	62.4	3.6	184.9
Opening accumulated depreciation	-12.6	-11.6	-0.6	-24.8
Terminated leases	3.8	12.0	0.0	15.8
Depreciation for the year	-17.8	-24.1	-0.6	-42.5
Exchange rate differences	-0.1	0.0	0.0	-0.1
Closing accumulated depreciation	-26.7	-23.7	-1.2	-51.6
Carrying amount	92.2	38.7	2.4	133.3

Total cash flow for leasing in the Group in 2022 amounted to SEK -51.9 m (-36.8).

Note 7 Profit/loss from financial items

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Interest income	1.1	0.1	2.0	1.9
Dividend Group Company	-	-	-	45.0
Exchange rate differences	9.0	-	-	-
Other	0.2	0.0	-	-
Financial income	10.3	0.1	2.0	46.9
Interest rate expenses, borrowing at amortised cost	-30.1	-14.3	-29.1	-18.1
Interest expenses for leases	-2.9	-2.3	-	-
Exchange rate differences	-11.5	-	-	-
Other financial expenses	-4.0	-5.0	-3.0	-
Financial costs	-48.5	-21.6	-32.1	-18.1

Note 8 Tax and appropriations

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 20.6 percent (21.5) and the effective Swedish tax rate for the Group of 21.5 percent (22.2) and for the Parent Company of 24.2 percent (5.0) are as follows:

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Profit/loss before tax	346.3	238.8	63.2	75.0
Tax according to applicable tax rate (20.6%)	-71.3	-49.2	-13.0	-15.4
Adjustment for tax-free income	0.3	0.1	0.0	11.7
Non-deductible expenses	-2.0	-5.4	0.0	0.0
Difference in foreign tax rates	-0.9	-1.1	0.0	0.0
Effect of changed tax rate	0.0	0.1	0.0	0.0
Adjustment attributable to previous year	-2.3	0.0	-2.3	0.0
Other	1.8	2.5	0.0	0.0
Recognised tax in income statement	-74.4	-53.0	-15.3	-3.7
The tax expense comprises the following components:				
Current tax on net profit/loss for the year	-86.4	-56.2	-15.3	-3.7
Deferred tax	12.0	3.2	0.0	0.0
Recognised tax in income statement	-74.4	-53.0	-15.3	-3.7

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

Changes during the year, SEK '000s	01 January 2022	From acquisitions	Reported in		31 December 2022
			other comprehensive income:	income statement	
Intangible non-current assets	-65.1	-41.9	0.0	10.2	-96.8
Leasing, net	0.5	0.0	0.0	0.1	0.6
Warehouse, work in progress	0.0	-6.5	0.0	0.0	-6.5
Other temporary differences	-8.5	-11.3	0.0	1.7	-18.1
Total	-73.1	-59.7	0.0	12.0	-120.8

Changes during the year, SEK '000s	01 January 2021	From acquisitions	Reported in		31 December 2021
			other comprehensive income:	income statement	
Intangible non-current assets	-30.3	-40.1	0.0	5.3	-65.1
Leasing, net	0.2	0.0	0.0	0.3	0.5
Tax allocation reserve	0.0	-2.5	0.0	2.5	0.0
Other temporary differences	0.0	-3.6	0.0	-4.9	-8.5
Total	-30.1	-46.2	0.0	3.2	-73.1

All deferred tax receivables (including loss deductions and other tax deductions) have been reported in the balance sheet.

End of year appropriations, SEK '000s	Parent Company	
	2022	2021
Group contributions received	102.5	59.3
Group contributions paid	0.0	0.0
Total	102.5	59.3

Note 9 Acquisitions

Business combinations

Company acquisitions January–December 2022

During the period, Fasadgruppen has completed the acquisitions of and added all shares in Malercompagniet Oslo AS (Norway), Murpartnern AS, Meyer-Mørch AS (both in Denmark), Alnova Balkongsystem AB, Helsingborgs Fasad & Kaker AB, Miljø-Sanering AS (all three in Sweden), Kjær Knudsen A/S, Stenklint A/S, Fjeldheim-Knudsen AS, Chem-Con AS (all three in Denmark), GAJ Stålkonstruktioner AB and Mur o Puts i Kristianstad AB (both in Sweden), Altana A/S (Denmark), RKC Construction Oy Finland) and Sydskiffer AB (Sweden).

The acquisitions were made to strengthen the Group's position geographically within rendering, masonry, window, roof, balcony and forging work. Malercompagniet is one of the largest façade companies in the Oslo region in Norway and works mainly on renovation projects with a focus on painting, masonry, rendering and roofs. Murpartnern has built up a strong position in the Oslo region within façade renovation, with expertise in masonry, rendering and brickwork. Norwegian company Meyer-Mørch focuses on painting and façade projects. The acquisition of balcony specialist Alnova Balkongsystem strengthens the Group's offering within balcony solutions. Helsingborgs Fasad operates a façade business within masonry and rendering, tiling and balconies. The acquisition of sanitisation specialist Miljø-Sanering strengthens the Group's presence in western Norway. Kjær Knudsen and Stenklint strengthen the Group's position in façades, roofs and windows in Copenhagen, and on Zealand in Denmark. Fasadgruppen is broadening its offering in Sweden within construction forging through the acquisition of GAJ Stålkonstruktioner and strengthening its position in Skåne through cultural building specialist Mur o Puts i Kristianstad. The acquisitions in Norway of masonry and rendering companies Murmestrene Fjeldheim-Knudsen and Chem-Con give the Group further coverage in Oslo and surrounding area and strengthen its offering in Stavanger. Through the acquisition of the Danish balcony specialist Altana, the Group has a strong position in the Copenhagen area. Fasadgruppen is continuing its Nordic expansion and is establishing itself in Finland through the acquisition of the façade company RKC Construction (Rovakate). Fasadgruppen strengthens its renovation offering in south-west Sweden through acquisition of Sydskiffer AB.

The acquired companies reported total earnings of around SEK 1,196 million and EBITA amounted to approximately SEK 157 million for the 2021 calendar year. Since the time of acquisition and up to 31 December 2022, the companies have contributed SEK 936.3 million to Group net sales and SEK 103.8 million to Group EBITA.

The combined purchase consideration amounted to SEK 1,114.9 million, of which SEK 875.1 million has been paid in cash and cash equivalents on closing and SEK 114.7 million via an offset share issue, with SEK 46.9 million constituting earnouts. The outcome of the earnouts that are dependent on future operating profits achieved by the companies concerned has been valued via a probability assessment for different outcomes within the term of the earnout period, which is 1–5 years. Acquisition costs totalling SEK 15.5 million are recognised as Other operating expenses.

Other business acquisitions January–December 2022

Asset acquisitions

Five asset acquisitions were completed in 2022, with operating subsidiaries Karlaplans Plåtslageri AB in Sweden and P. Andersen & Søn A/S in Denmark complementing their business operations. Karlaplan has acquired the operations of Herrängens Plåtslageri AB, Vantörs Bleck and Plåtslageri AB, E.P.M. in Sweden. Elektra Plåt och Maskin AB and A Co Tak & Montage AB in Sweden. P. Andersen has acquired the operations of Jan Tryk Facadepuds Aps in Denmark. The acquired businesses have annual sales of around SEK 70 million and 40 employees. SEK 34.0 million has been paid in cash and cash equivalents on closing, with SEK 6.0 million constituting earnouts. As a consequence of their size, the asset acquisitions are not considered significant in relation to the Group's financial position and earnings.

Earnouts settled

During the period, earnouts have been settled for a total sum of SEK 123.8 million in relation to the acquisitions of the Swedish companies Hans Eklund Glasmästeri, Alnova Balkongsystem Karlaplans Plåtslageri, Cortex Facaderens, Mjördalen Mur & Puss, Er-Jill Byggnadsplåt, Husby Takplåtslageri & Ventilation, Solid Fasad, Kumla Fasadteam, Haga Plåt i Umeå. Earnouts settled exceed assessments made by SEK 8.5 million.

Acquisition analyses – company acquisitions

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.

Acquisitions of companies

Closing, 2022	Acquisitions	Country	Estimated annual sales at time of acquisition, SEKm	No. of employees
November	Sydskiffer Aktiebolag	Sweden	70	15
September	Jan Tryk Facadepuds Aps (asset acquisition)	Denmark	20	20
August	RKC Construction	Finland	167	28
July	Altana A/S	Denmark	133	43
May	Chem-Con AS	Norway	34	25
May	Stenklint A/S	Denmark	35	22
May	Murmestrene Fjeldheim-Knudsen AS	Norway	53	36
April	Mur o Puts i Kristianstad AB	Sweden	25	15
April	GAJ Stålkonstruktioner AB	Sweden	57	35
April	Kjær Knudsen A/S	Denmark	190	56
April	A Co Tak & Montage AB (asset acquisition)	Sweden	20	7
February	Malercompagniet Oslo AS	Norway	136	56
February	Murpartnern AS	Norway	50	50
February	Meyer-Mørch AS	Norway	29	9
February	Alnova Balkongsystem AB	Sweden	165	64
February	Herrängens Plåtslageri AB, Vantörs Bleck and Plåtslageri AB, E.P.M. Elektra Plåt och Maskin AB (asset acquisition)	Sweden	30	13
February	Helsingborgs Fasad & Kakerl AB	Sweden	30	14
February	Miljø-Sanering AS	Norway	7	6
			1,251	514

Value according to acquisition analysis – Company acquisitions January–December 2022

SEKm	Carrying amount	Fair value adjustment	Fair value
Goodwill	0.4	-0.4	-
Brand	-	132.3	132.3
Customer relationships	-	39.8	39.8
Right-of-use assets	-	53.8	53.8
Tangible non-current assets	35.6	-	35.6
Non-current financial assets	0.9	-	0.9
Inventories	41.2	-	41.2
Accounts receivable and other receivables	216.5	-	216.5
Cash and cash equivalents	116.3	-	116.3
Deferred tax liabilities	-15.3	-36.4	-51.7
Lease liabilities	-	-53.8	-53.8
Liabilities to credit institutions	-2.8	-	-2.8
Appropriations	-9.9	-	-9.9
Other liabilities	-9.1	-	-9.1
Accounts payable and other liabilities	-194.1	-	-194.1
Identifiable net assets	179.7	135.3	315.0
Goodwill			799.9
Consideration			1,114.9
Of which earnout			114.7
Of which offset share issue			125.2
Of which cash and cash equivalents			-875.1
Acquired cash and cash equivalents			116.3
Change in Group cash and cash equivalents			-758.8

Note 10 Intangible assets

The Group's acquired intangible assets have arisen through acquisitions of wholly-owned companies and 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 business area's companies generate

revenues and cash flows that are greater than the sum from the individual companies if these were run completely independently. Acquired intangible assets are tested for impairment at the three CGUs that the Company has determined. The CGUs correspond to the three business areas West, NorthEast and South that have been current for the majority of 2022.

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

Goodwill, brands and customer relationships per BA, SEKm	Group	
	2022	2021
BA West	732.2	477.6
BA South	812.2	453.8
BA NorthEast	1,646.6	1,283.1
Total	3,191.0	2,214.5
Exchange rate differences	75.0	17.2
Closing accumulated cost	3,266.0	2,231.7

Changes in reported values for intangible assets are as follows:

Goodwill, SEKm	Group		Parent Company	
	2022	2021	2022	2021
Opening cost	1,953.6	1,258.3	-	-
Purchases	824.4	682.5	-	-
Exchange rate differences	64.3	12.8	-	-
Closing accumulated cost	2,842.3	1,953.6	-	-
Opening depreciation	-	-	-	-
Depreciation for the year	-	-	-	-
Closing accumulated depreciation	-	-	-	-
Carrying amount	2,842.3	1,953.6	-	-
Brands, SEKm				
Opening cost	264.5	119.8	-	-
Purchases	132.3	140.7	-	-
Exchange rate differences	9.9	4.0	-	-
Closing accumulated cost	406.7	264.5	-	-
Opening depreciation	-	-	-	-
Depreciation for the year	-	-	-	-
Exchange rate differences	-	-	-	-
Closing accumulated depreciation	-	-	-	-
Carrying amount	406.7	264.5	-	-
Customer relationships, SEKm				
Opening cost	43.5	20.0	-	-
Purchases	39.8	23.0	-	-
Exchange rate differences	0.9	0.5	-	-
Closing accumulated cost	84.2	43.5	-	-
Opening depreciation	-29.9	-6.4	-	-
Depreciation for the year	-37.3	-23.5	-	-
Exchange rate differences	0.0	0.0	-	-
Closing accumulated depreciation	-67.2	-29.9	-	-
Carrying amount	17.0	13.6	-	-
Other intangible assets, SEKm				
Opening cost	1.1	0.9	-	-
Purchases	1.1	-	-	-
Acquisitions	0.7	0.3	-	-
Closing accumulated cost	2.9	1.1	-	-
Opening depreciation	-0.6	-0.3	-	-
Depreciation for the year	-0.6	-0.3	-	-
Closing accumulated depreciation	-1.2	-0.6	-	-
Closing carrying amount	1.8	0.5	-	-

The useful life of goodwill and brands is deemed to be indefinite and is not amortised, but impairment tested upon indication of a decrease in value and annually at the year-end closing. The estimated value of customer relationships

is amortised over the term of the order backlog. For 2022 and 2021, 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 by a good margin the carrying amounts and no impairment requirement has been indicated for either of the years.

Assumptions

The calculation of the value in use means that a number of critical assumptions must be made. These are described below. Estimated outcome is the basis for the forecast for year 1 and the budget for the acquired companies for year 2. Annual growth rate in years 3–5 has been assumed to amount to 2.2 (2.4) 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 that a cash-generating unit's reported value exceeding its recoverable amount and thereby actualise a write-down requirement.

A sensitivity analysis is performed by the model where the right-of-use value is stress tested against the carrying amount in different scenarios of WACC and Growth for a specific year. The sensitivity analysis based on carrying amounts for the end of December 2021 shows that a WACC of more than 12 percent would be required and zero to negative growth for an impairment need to arise. Accordingly there is significant scope for variation (head room), which means a lower risk of impairment.

The following variables are significant and common to all cash-generating units when calculating right-of-use value. Sales, competitiveness of a business,

expected economic cycle for building production, general socio-economic development, investment plans for public sector and municipal clients, interest rates and local market conditions.

Operating margin: Historic profitability level and efficiency for the operation, access to key personnel and skilled labour, customer relationships, access to internal resources, cost development for wages, materials and subcontractors.

Working capital requirements: Assessment based on individual cases whether the level of working capital reflects the operations' needs or needs to be adjusted for the forecast periods. For future development, a reasonable and cautious assumption is that it follows sales growth.

Investment requirement: Operational investment needs are assessed based on the investments required to achieve forecast cash flows at the beginning, meaning without expansion investments. Normally, the level of investment has corresponded to the rate of depreciation on tangible non-current assets.

Terminal value: Forecast cash flows and residual values are discounted to present value with a Weighted Average Cost of Capital (WACC). The interest level on borrowed capital is set at the average interest rate on the Group's net debt. The required rate of return on shareholders' equity is built up according to the Capital Asset Pricing Model. The following applies for all CGU:

Group	2022	2021
Discount rate (WACC), before tax, %	11.1	8.0
Discount rate (WACC), after tax, %	9.1	6.7

Note 11 Tangible non-current assets

Changes in carrying amounts for land and buildings are:

	Group		Parent Company	
	2022	2021	2022	2021
Land and buildings, SEKm				
Opening accumulated cost	2.8	0.9	-	-
Purchases via business	5.4	1.9	-	-
Purchases	0.3	0.0	-	-
Sales/disposals	-5.4	0.0	-	-
Exchange rate differences	0.1	0.0	-	-
Closing accumulated cost	3.2	2.8	-	-
Opening accumulated depreciation	-0.6	0.0	-	-
Depreciation for the year	-0.5	-0.6	-	-
Sales/disposals	0.3	0.0	-	-
Exchange rate differences	0.0	0.0	-	-
Closing accumulated depreciation	-0.8	-0.6	-	-
Carrying amount	2.4	2.2	-	-

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	
	2022	2021	2022	2021
Equipment, tools, fixtures and fittings, SEKm				
Opening accumulated cost	92.7	50.4	-	-
Purchases via business	36.5	32.8	-	-
Purchases	29.9	15.9	-	-
Sales/disposals	-10.6	-7.1	-	-
Exchange rate differences	0.8	0.7	-	-
Closing accumulated cost	149.3	92.7	-	-
Opening accumulated depreciation	-13.5	-5.4	-	-
Depreciation for the year	-29.2	-13.6	-	-
Sales/disposals	10.2	5.6	-	-
Exchange rate differences	-0.5	-0.1	-	-
Closing accumulated depreciation	-33.0	-13.5	-	-
Carrying amount	116.3	79.2	-	-

Note 12 Participations in Group companies

SEKm	Parent Company	
	2022	2021
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 of 31 December 2022.

The Group's direct and indirect holdings in subsidiaries as of 31 December 2022 are presented in the table below. Unless otherwise stated, they have a share capital consisting solely of ordinary shares, which are held directly by the Group, and the participating interest is the same as the share of votes.

Parent Company direct holdings of participations in subsidiaries and associated companies

Subsidiaries	Corp. ID No.	Reg. office	Capital share, % ¹⁾	Number of participations ²⁾	Carrying amount on 31 December 2022, SEKm	Carrying amount on 31 December 2021, SEKm
Fasadgruppen Norden AB ¹⁾	556949-8271	Stockholm	100	8,633	450.0	450.0
Total participations in Group companies					450.0	450.0

1) Owner participation agrees with capital participation.

2) Number of shares, '000s.

Note 13 Financial risk management

Financial strategy and target

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 advantages 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, via natural hedging, normal hedging should only be applied in specific cases on large exposures. Capital efficiency is to be achieved in association with non-current assets in operations and in the composition of the capital structure.

The general financial goal is to ensure the Group's payment capacity and financial preparedness, and to increase return on equity based on a cost effective and commercial financial management. Financing activities are to be conducted in a safe and effective manner without speculative elements and such 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 Group acquisition and investment activities with short and long-term financing at a cost and level of risk that supports the set goals for operation in the best way 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 act as a guide in all decisions concerning long-term capital provision. The objective of the structure of the Group's financing is that it should meet the following overall goals. The Group is to have a financing structure that assures the financing needs of operations, and at the same time delivers a robust risk-adjusted return, optimised for shareholders. Low refinancing risk should be aimed for in the credit portfolio. Satisfactory equity and credit space 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 and 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 we can always be offered financing on favourable terms for comparable borrowers and security.

Risk management is managed centrally by the Group CFO in line with the financial policy resolved by the Board. All external financial transactions are to be the preserve of, or coordinated with, the CFO. Subsidiaries do not have the right to enter into financial transactions without the expressed 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 segregation-of-duties, 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 control purposes to check how well the financial policy goals and guidelines are complied with. Actual and forecast financial exposure and status are reported on an ongoing basis. Reporting is done 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 investment activities.

Currency risk

An absolute majority of Group transactions are conducted in the currency of each respective country, namely SEK, DKK, NOK and EUR, where the Group operates. Transactions between the countries are limited and can primarily be attributed to payment of management fees to owner companies in association with acquisition transactions. Minor exposure to exchange rate fluctuations can arise from purchases in EUR (transaction exposure) and from Danish, Norwegian and Finnish subsidiaries with 100 percent exposure in DKK, NOK and EUR respectively (transaction and balance exposure). Currency exposure primarily consists of translation exposure at Group level of Danish, Norwegian and Finnish subsidiaries. As the percentage of sales outside Sweden amounted to 40 percent for 2022, translation exposure from the income statement remains limited. Exchange rate fluctuations in 2022 had a positive effect on net sales of 5.0 percent compared to the comparison period. Balance exposure gave rise to a positive translation impact of SEK 72.9 m (21.8).

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 are as a starting point to aim for optimal matching between the purchasing and sales currency to minimise the net exposure in a currency. Group policy is to reduce exposure via natural hedging as a basic principle, normal hedging should only be applied in specific cases on larger exposures, with fixed payment times with regard to transaction exposure. As the balance sheet exposure is of limited scope as a proportion of the total balance sheet and the impact on the Group's financial covenants in granted credit facilities is limited, it is the Group's policy not to hedge the balance sheet exposure for the time being.

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 our ability to pay at all times or liquidity reserve and fixed interest rates ought accordingly not be for longer than the nearest time a Group loan can be repaid. Group consolidated interest rate exposure is to be managed by the Group CFO. Interest-bearing liabilities to creditors carry a variable interest rate and amounted to SEK 1,560.1 million (1,026.2) as of the balance sheet date.

The following table shows the profit sensitivity upon a reasonably possible change in interest rate levels of +/- 2% and is calculated based on interest-bearing liabilities from creditors at the end of the year. These changes are considered to be reasonable based on observations of current market rates. The calculations are based on a change in the average market interest rate for each period and the financial instruments that are held every respective balance sheet date that are sensitive to changes in interest rates. All other variables remain unchanged.

Group 2022, SEKm	Change, %	Impact on profit/ loss before tax	Return on share- holders' equity
Interest-bearing liabilities	+/- 2.0	+/- 31.2 (20.5)	+/- 24.6 (16.2)

Credit loss provision Group:

31/12/2022, SEKm	Not overdue	Overdue <31 days	Overdue 31–90 days	Overdue 91–180 days	Overdue >180 days	Total
Expected loss level %	0.2%	1.1%	3.2%	29.2%	55.9%	2.0%
Amount accounts receivable – gross	584.6	94.9	15.7	2.4	18.8	716.4
Credit loss reserve	-1.4	-1.0	-0.5	-0.7	-10.5	-14.1
Carrying amount accounts receivable	583.2	93.9	15.2	1.7	8.3	702.3
31/12/2021, SEKm						
Expected loss level %	0.6%	0.5%	5.4%	22.0%	73.1%	2.8%
Amount accounts receivable – gross	329.7	59.2	16.6	7.6	9.6	422.7
Credit loss reserve	-2.0	-0.3	-0.9	-1.7	-7.0	-11.9
Carrying amount accounts receivable	327.7	58.9	15.7	5.9	2.6	410.8

Approx, 82 percent (78) of Group accounts receivables were not overdue on 31 December 2022.

Financing risk

It is Group policy to achieve stability in its long-term capital provision and thereby limit financing risk. This means the Group should maintain a sufficiently large liquidity reserve, have an even payment due date structure on loans and facilities over time so they can be harmonised with expected cash flows as far as possible over time, and achieve diversification between financing forms and markets. Short-term capital provision aims to ensure the Group's ability to pay at all time by maintaining adequate payment preparedness or liquidity reserve. Ability to pay is defined as cash and cash equivalents, financial investments that can be converted into liquid funds within three banking days, and approved unutilised credit facilities with an outstanding term of at least three months. Here, approved credit means approval with an agreed interest rate margin. The amount the Group has the ability to pay is determined by, and at all times is to

Credit risk

The credit risk with regard to cash and cash equivalents in banks and bank deposits is managed via assessment of the counterparty risk before every transaction. Assessment is made with regard to net exposure and total Group involvement with the counterparty. The Group strives to spread counterparty risks. To reduce counterparty risk, only approved counterparties are used. Approved counterparties on signing credit approvals, derivative instruments and investments, are Nordic counterparties with a minimum rating 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, due date is well under 12 months and the amount on the balance sheet date. With short due dates and stable counterparties, the provision is assessed as totally insignificant.

All companies within Fasadgruppen 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 unpaid payments. The credit insurance covers all companies in the Group and for 12 months with a possibility of an extension. Customers that are excluded from 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 as 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 valued with a provision matrix beginning in 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.

be able to cover, 100 percent of estimated net investments and working capital requirements for the next three months.

Liquidity risk

The strategy for liquidity management is to centralise all available liquidity in the Group's cash pool 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 via rolling forecasts for cash flow, secondly by the Group's cash pool 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 liquidity requirement by monitoring planned loan payments for long-term financial liabilities and forecast incoming and outgoing payments in the daily operations. To identify payment flows, forecasts

are made of liquidity/cash flow every two weeks on a one month rolling basis per company and Group, and on a weekly basis for immediate liquidity needs. A full year forecast is done on a quarterly basis for the current year at Group level and a full year forecast is done on an annual basis for the next 5 years at Group level.

Credit facilities Group

31/12/2022, SEKm	Nominal	Utilised	Available
Overdraft facility	30.0	0.0	30.0
RCF	1,400.0	820.0	580.0
Approved borrowing other	744.2	744.2	0.0
Total unutilised borrowing	2,174.2	1,564.2	610.0
Available cash and cash equivalents			452.6
Disposable liquidity			1,062.6

31/12/2021, SEKm	Nominal	Utilised	Available
Overdraft facility	31.5	1.5	30.0
RCF	600.0	570.0	30.0
Approved borrowing other	603.0	458.0	145.0
Total unutilised borrowing	1,234.5	1,029.5	205.0
Available cash and cash equivalents			271.6
Disposable liquidity			476.6

As of 31 December 2022, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as follows:

Group, SEKm	Current		Non-current		Total
	Within 6 months	6–12 months	1–5 years	Later than 5 years	
Bank loans	71.8	71.4	1,650.3	0.0	1,793.5
Accounts payable and other liabilities	440.4	0.0	187.4	0.0	627.8
Total	512.2	71.4	1,837.7	0.0	2,421.3

As of 31 December 2021, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as follows:

Group, SEKm	Current		Non-current		Total
	Within 6 months	6–12 months	1–5 years	Later than 5 years	
Bank loans	58.5	57.3	968.9	0.0	1,084.8
Accounts payable and other liabilities	312.6	0.0	153.4	0.0	466.0
Total	371.1	57.3	1,122.3	0.0	1,550.8

Amounts above reflect the agreed undiscounted cash flows that can differ from the carrying amounts of the liabilities as of the balance sheet date.

Note 14 Financial instruments

Categorisation of financial assets and liabilities

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

Group 2022, SEKm	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Total carrying amount	Fair value	Leasing liability	Total statement of financial position
Assets						
Accounts receivable	702.3		702.3			702.3
Other receivables	211.3		211.3			211.3
Cash and cash equivalents	452.6		452.6			452.6
Total	1,366.2		1,366.2			1,366.2
Liabilities						
Non-current interest-bearing liabilities		1,421.0	1,421.0			1,421.0
Other non-current liabilities					102.1	102.1
Current interest-bearing liabilities		139.1	139.1			139.1
Earnouts				271.5		271.5
Accounts payable		356.4	356.4			356.4
Other liabilities					64.8	64.8
Total		1,916.5	1,916.5	271.5	166.8	2,354.9

Group 2021, SEKm	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Total carrying amount	Fair value	Leasing liability	Total statement of financial position
Assets						
Accounts receivable	410.8		410.8			410.8
Other receivables	128.0		128.0			128.0
Cash and cash equivalents	271.6		271.6			271.6
Total	810.4		810.4			810.4
Liabilities						
Non-current interest-bearing liabilities		911.7	911.7			911.7
Other non-current liabilities					96.5	96.5
Current interest-bearing liabilities		114.6	114.6			114.6
Earnouts				285.6		285.6
Accounts payable		180.4	180.4			180.4
Other liabilities					34.7	34.7
Total		1,206.7	1,206.7	285.6	131.2	1,623.5

Parent Company 2022, SEKm	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Total carrying amount	Fair value	Non-financial assets and liabilities	Total statement of financial position
Assets						
Receivables from Group companies	2,653.6		2,653.6			2,653.6
Cash and cash equivalents	0.0		0.0			0.0
Total	2,653.6		2,653.6			2,653.6
Liabilities						
Accounts payable		0.3	0.3			0.3
Liabilities owed to credit institutions		1,555.7	1,555.7			1,555.7
Total		1,556.0	1,556.0			1,556.0

Parent Company 2021, SEKm	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Total carrying amount	Fair value	Non-financial assets and liabilities	Total statement of financial position
Assets						
Receivables from Group companies	940.2		940.2			940.2
Cash and cash equivalents	646.1		646.1			646.1
Total	1,586.3		1,586.3			1,586.3
Liabilities						
Accounts payable		1.3	1.3			1.3
Liabilities owed to credit institutions		1,021.8	1,021.8			1,021.8
Total		1,023.1	1,023.1			1,023.1

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 Group financial assets and liabilities is estimated as equal to their book value. The Group does not apply netting for any of its significant assets or liabilities. No transfers between levels or valuation categories occurred in the period.

Valuation hierarchy

All of the Group's financial instruments are deemed to belong to Level 3 according to the current standard (see definition of levels below) and fair value is determined through the calculation of discounted cash flows.

- Level 1:** Fair value of financial instruments traded on an active market is based on listed market prices on the balance sheet date. The listed market price used for Group financial assets is the current bid price.
- Level 2:** Fair value of financial assets not traded on an active market is determined using valuation techniques that to the furthest possible extent are based on market information while company-specific information is used to the least extent possible. All material input data required for fair value measurement of an instrument are observable.
- Level 3:** If one or more items of material input data is not based on observed market information. E.g. unlisted instruments.

Earnouts

Earnouts attributable to business combinations are measured at fair value according to Level 3. Financial liabilities measured at fair value through profit or loss pertain to earnouts not yet settled and amounted to SEK 285.6 million as of 1 January 2022. For the period January–December 2022, earnouts of SEK 123.8 million were settled. Additional new earnouts amounted to SEK 130.1 million from the company acquisitions of Malercompagniet Oslo AS (Norway), Alnova Balkongsystem AB, Helsingborgs Fasad & Kakel AB, GAJ Stålkonstruktioner AB Sweden), Kjær Knudsen A/S (Denmark), Mur o Puts in Kristiansrad AB

(Sweden), Altana A/S (Denmark), RKC Construction Oy (Finland) and the asset acquisitions of Herrängens Plåtslageri AB, Vantörs Bleck och Plåtslageri AB, E.P.M. (Sweden), Elektra Plåt och Maskin AB and A Co Tak & Montage AB. At the end of the period, earnouts not yet settled amounted to SEK 271.5 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 here considered the risk for the outcome of future cash flows. In the assessed valuation during the period January to December 2022, earnouts have not yet been devalued by SEK -13.9 million. At the same time, earnouts have exceeded assessed valuation of SEK 8.5 million.

Changes in contingent earnouts, SEKm

Opening contingent earnouts, 01/01/2022	285.6
Contingent earnouts added	130.1
Earnouts settled	-123.8
Earnouts resolved above the assessed valuation	8.5
Changed assessment contingent earnouts	-13.9
Fixed interest time factor	-15.0
Closing contingent earnouts 31/12/2022	271.5

Expected disbursements in SEKm

Expected disbursements, 2023	-84.1
Expected disbursements in 2024–2027	-187.4

Note 15 Accounts receivable and other receivables

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Accounts receivable, gross	716.4	422.7	0.0	0.0
Reserve for expected credit losses/doubtful receivables	-14.1	-11.9	0.0	0.0
Accounts receivable, carrying amount	702.3	410.8	0.0	0.0

All amounts are short-term. Net carrying amount for accounts receivable is considered a reasonable estimate of fair value. Maximum credit exposure amounted to SEK 716.4 million as of 31 December 2021 (422.7).

Impairment of accounts receivables in the year amounted to SEK 6.0 million (3.6) and 0 million (0) in the Parent Company. These accounts receivable write-downs are primarily attributable to business customers in financial difficulty.

Provisions for doubtful receivables are based on customer payment history over a period of 24 months before the start of the financial year. Historic losses are then adjusted to take into account current and forward looking information

on factors that can affect a customer's ability to pay the receivable.

Provision for doubtful receivables amounted to SEK 14.1 m on 31 December 2021 (11.9). The change in the reserves for receivables is essentially due to increased balances.

Note 13 contains disclosures regarding 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.

Note 16 Contract assets and other receivables

Contract assets and other receivables consist of the following:

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Completed but not invoiced performance commitments	211.3	122.3	-	-
Other	-	5.7	-	-
Total	211.3	128.0	-	-

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

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Prepaid leasing expenses	1.8	0.6	-	-
Prepaid insurance premium	1.6	2.0	0.1	0.2
Accrued bonus income	24.1	10.4	-	-
Other accrued income	0.4	4.0	-	-
Other prepaid expenses	8.2	10.2	-	-
Total	36.1	27.2	0.1	0.2

Note 18 Cash, cash equivalents and bank balances

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Cash, cash equivalents and bank balances				
SEK	173.3	164.6	-	646.1
NOK (recalculated from NOK to SEK)	162.2	76.7	-	-
DKK (recalculated from DKK to SEK)	104.5	30.3	-	-
EUR (recalculated from EUR to SEK)	12.6	-	-	-
Total	452.6	271.6	0.0	646.1

During the year, we reviewed the reporting of the cash pool structure and now report the Parent Company's share of the cash pool as an inter-Group holding.

Note 19 Shareholders' equity

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.

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. To maintain or adjust its capital structure, the Group can adjust the amount for dividends issued to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

SEK	31/12/2022	31/12/2021
Subscribed and paid shares:		
- At start of year	45,387,653	45,132,480
- New and offset share issues	4,236,177	255,173
Subscribed and paid shares at year-end	49,623,830	45,387,653

No. of shares and dividend

Number of shares	2022	2021
One share class	49,623,830	45,387,653
	49,623,830	45,387,653

Dividend

During 2022, a dividend of SEK 1.20/share (0.60) has been paid. For 2022, the Board has proposed a dividend of SEK 1.70/share to the general meeting of shareholders. Any shares issued up to the record date for dividends in 2022 are also entitled to dividends.

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 short and long-term lease liabilities with deductions for liquid assets). Earnouts are not included in this performance measure.

Share capital

At the end of 2021 and 2022, 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 class of share corresponding to 1 vote per share at a Parent Company AGM.

Note 20 Provisions

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

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Guarantee provisions	8.3	4.5	-	-
Pension provisions	0.4	0.1	-	-
Other provisions	2.0	-	-	-
Total	10.7	4.6	-	-

SEKm	Group	Parent Company
Opening balance as of 01 January 2022	4.6	-
Acquired provision	3.8	-
Additional provisions	2.6	-
Utilised provisions	-	-
Reversal of unused provisions	-0.3	-
Closing balance, 31 December 2022	10.7	-
Opening balance as as of 01 January 2021	3.2	-
Acquired provision	1.9	-
Additional provisions	0.8	-
Utilised provisions	-	-
Reversal of unused provisions	-1.3	-
Closing balance, 31 December 2021	4.6	-

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

Normally, guarantee claims are settled within 3 to 18 months from start depending on the approaches used in negotiation on the claims. As the point in time for the settlement of these claims is largely dependent on how quickly the negotiation progresses with different counterparties and legal authorities, the Group or Parent Company cannot reliably estimate the amounts that

may eventually be paid out after more than 12 months from the balance sheet date. The amount is therefore classified as a current liability in the consolidated financial statements.

Group Management has no knowledge of any ongoing or potential disputes that may entail an outflow of cash and cash equivalents from the Group.

Provisions for pensions in Danish subsidiaries amount to the equivalent of SEK 0.5 m (0.1) as of 31 December 2022.

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, please see Note 13.

SEKm	2022				2021			
	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)	3.97	16 Nov 2025	750.0	749.1	1.50	16 Nov 2025	570.0	568.4
Liabilities to credit institutions, RCF (Nordea)	4.32	16 Nov 2025	70.0	69.3				
Liabilities owed to credit institutions (SEB)	4.16	16 Nov 2025	150.0	149.8	1.50	16 Nov 2025	187.5	187.0
Liabilities owed to credit institutions (SEK)	3.46	16 Nov 2025	449.8	449.6	1.50	16 Nov 2025	153.8	153.3
Liabilities owed to credit institutions (several independent creditors)			3.3	3.3			3.0	3.0
Total non-current interest-bearing liabilities			1,423.1	1,421.0			914.3	911.7
Current interest-bearing liabilities								
Liabilities owed to credit institutions (several independent creditors)		31 Dec 2023	1.1	1.1		31 Dec 2022	1.4	1.4
Liabilities owed to credit institutions (SEB)	4.16	31 Dec 2023	50.0	48.9	1.50	31 Dec 2022	62.5	62.1
Liabilities owed to credit institutions	3.46	31 Dec 2023	90.0	89.1	1.50	31 Dec 2022	51.3	51.0
Total non-current interest-bearing liabilities			141.1	139.1			115.2	114.6
Total interest-bearing liabilities			1,564.2	1,560.1			1,029.5	1,026.2

Fasadgruppen has expanded the facilities for the two sustainability-linked loan facility agreements of SEK 880 million and SEK 350 million respectively from 2021 to SEK 1,050 million and SEK 550 million respectively with SEB and SEK during April and May 2022, respectively. In addition, Fasadgruppen has entered into a new sustainability-linked loan facility agreement of SEK 600 million with Nordea

in September 2022. The external, interest-bearing financing from SEB, SEK and Nordea is subject to a covenant requiring that the key debt/equity 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. The fixed interest period for interest-bearing liabilities varies between 1 and 3 months.

Note 22 Contract and similar liabilities

Contract and similar liabilities consist of the following:

SEKm	Group	
	2022	2021
Current liabilities		
Advances from customers for construction contracts	81.1	67.6
Earnouts	84.1	132.2
Social security contributions, VAT and other items	-	102.7
Total	165.2	302.5

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 2022, SEK 67.6 million (29.8) 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 social security contributions, VAT and other items and now report these items as Other liabilities.

Note 23 Accrued costs and prepaid income

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Employee-related expenses	183.0	140.4	0.0	0.0
Accrued interest expenses	4.0	5.7	0.0	0.0
Other	18.6	15.8	0.0	0.0
Total	205.6	162.0	0.0	0.0

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:

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Depreciation, amortisation and impairment of non-financial assets	119.4	74.5	0.2	0.1
Financial costs	32.0	14.3	29.1	13.8
Capital gain from non-financial items	-	-	-	-
Change in provisions	-13.8	-1.4	-	-
Revaluation of earnouts	-20.4	-6.0	-	-
Total adjustments	117.2	81.4	29.3	13.9
Interest received	0.0	0.0	1.0	1.9
Interest paid	-31.2	-8.8	-30.1	-8.8

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

Group, SEKm	Non-current liabilities	Current liabilities	Lease liabilities	Total
01 January 2022	1,065.1	246.8	131.2	1,443.1
Cash flow				
- Repayment of borrowings from credit institutions	-145.7	-114.6	-	-260.3
- Repayment of other financial liabilities	-20.0	-103.8	-51.9	-175.7
- Proceeds from borrowings from credit institutions	651.0	140.3	-	791.3
Non-cash flow				
- Proceeds from acquisitions	10.3	-	53.8	64.1
- Additional leases	-	-	33.7	33.7
- Contingent earnouts added	71.4	51.3	-	122.7
- Valuation contingent earnouts	-23.6	3.2	-	-20.4
31 December 2022	1,608.5	223.2	166.8	1,998.5

Group, SEKm	Non-current liabilities	Current liabilities	Lease liabilities	Total
01 January 2021	610.6	131.2	79.0	820.8
Cash flow				
- Repayment of borrowings from credit institutions	-857.5	-131.2	-	-988.7
- Repayment of other financial liabilities	-	0.0	-36.5	-36.5
- Proceeds from borrowings from credit institutions	1,255.4	114.6	-	1,370.0
Non-cash flow				
- Proceeds from acquisitions	-	-	55.6	55.6
- Additional leases	-	-	33.1	33.1
- Contingent earnouts added	63.3	132.2	-	195.5
- Valuation contingent earnouts	-6.7	0.0	-	-6.7
31 December 2021	1,065.1	246.8	131.2	1,443.1

Parent Company, SEKm	Non-current liabilities	Current liabilities	Lease liabilities	Total
01 January 2022	908.7	113.1	0.2	1,022.0
Cash flow				
- Repayment of borrowings from credit institutions	-145.7	-114.6	-	-260.3
- Repayment of other financial liabilities	-	-	-0.2	-0.2
- Proceeds from borrowings from credit institutions	654.6	139.5	-	794.1
Non-cash flow				
- Additional leases	0.0	0.0	0.0	0.0
31 December 2022	1,417.7	138.0	0.0	1,555.7

Parent Company, SEKm	Non-current liabilities	Current liabilities	Lease liabilities	Total
01 January 2021	513.7	116.7	0.0	630.4
Cash flow				
- Repayment of shareholder loans and loans to credit institutions	-860.4	-116.9	-	-977.3
- Repayment of other financial liabilities	-	-1.3	-	-1.3
- Proceeds from borrowings from credit institutions	1,255.4	114.6	-	1,370.0
Non-cash flow				
- Additional leases	-	-	0.2	0.2
31 December 2021	908.7	113.1	0.2	1,022.0

Note 25 Pledged assets and contingent liabilities

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Pledged assets				
Company mortgages	35.6	38.9	-	-
Pledged assets	51.2	54.3	-	-
Other pledged securities	0.6	2.8	-	-
Total	87.4	96.0	-	-
Contingent liabilities				
Guarantee commitment	451.6	169.7	-	-
Other contingent liabilities	0.0	0.0	-	-
Total	451.6	169.7	-	-

Pledged securities in the form of floating charges mainly refer to credit lines from credit institutions to operating subsidiaries, preferably overdrafts. Guarantee commitment mainly refers to operating subsidiaries' advance and performance guarantees for customer agreements.

Note 26 Proposed appropriation of profits

The following profits are at the disposal of the general meeting of shareholders:

SEK	2022
Share premium reserve	1,423,433,976
Retained earnings	50,539,786
Profit/loss for the year	47,894,468
Total	1,521,868,229

The Board and the CEO propose that the unappropriated earnings of SEK 996,184,433 be appropriated as follows:

SEK	2022
To be paid to shareholders as dividends	
SEK 1.70 per share	84,360,511
To carry forward	1,437,507,718
Total	1,521,868,229

With reference to the above and what otherwise has come to the awareness of the Board of Directors, the Board's view is the following:

A comprehensive assessment of the financial position of the Parent Company and Group indicates that the dividend is justified with regard to the demands that this type of business, its scope and risks make on shareholders' equity and liquidity of the Parent Company and Group. The consolidated equity ratio amounts to 41.4 percent before the dividend and 39.8 percent after the dividend. This is deemed to be a fully adequate equity ratio even considering the upcoming developments.

Note 27 Events after the balance sheet date

- In January, it was announced that CEO Pål Warolin will leave his role on 11 May 2023 and the Deputy CEO Martin Jacobsson has been appointed CEO of Fasadgruppen as of 12 May 2023.

SUMMARY OF KEY PERFORMANCE INDICATORS

Net sales, profit and order book	2022	2021	2020	2019
Net sales, SEKm	4,547.7	2,676.3	1,340.4	1,019.0
EBITA, SEKm	421.9	283.7	133.9	121.3
EBITA margin, %	9.3	10.6	10.0	11.9
Adjusted EBITA, SEKm	431.6	301.0	148.9	129.3
Adjusted EBITA margin, %	9.5	11.2	11.1	12.7
Profit/loss before tax, SEKm	346.3	238.8	114.2	109.2
Order book, SEKm	2,983.3	1,930.0	1,021.0	803.0
Cash flow	2022	2021	2020	2019
Operating cash flow, SEKm	401.7	253.5	155.9	98.2
Cash conversion, %	79.7	75.7	100.0	73.1
Financial position and return	2022	2021	2020	2019
Capital employed, SEKm	3,819.4	2,427.1	1,770.5	693.5
Return on capital employed, %	12.6	12.4	10.3	19.3
Return on capital employed excluding goodwill, etc., %	105.5	90.7	58.1	184.7
Shareholders' equity, SEKm	2,092.5	1,269.6	1,046.5	150.7
Return on shareholders' equity, %	16.2	16.0	15.0	95.6
Interest-bearing net debt, SEKm	1,274.3	885.9	314.7	510.2
Net debt to adjusted EBITDA ratio (R12)	2.5	2.5	1.8	3.5
Net debt to equity ratio, %	60.9	69.8	30.1	328.0
Employees	2022	2021	2020	2019
Number of employees at year-end	1,975	1,485	812	532
Average number of employees	1,807	1,206	654	519
Key data per share	2022	2021	2020	2019
Profit/loss before dilution, SEK	5.62	4.11	2.71	3.81
Profit/loss after dilution, SEK	5.62	4.11	2.65	3.67
Dividend, SEK	1.70	1.20	0.60	0.00
Shareholders' equity before dilution, SEK	43.27	28.06	31.59	6.68
Operating cash flow before dilution, SEK	8.31	5.60	4.71	4.35
Average no. of shares, before dilution	48,360,099	45,243,830	33,124,594	22,552,553
Average no. of shares, after dilution	48,360,099	45,243,830	33,876,146	23,394,653
Actual no. of shares at the end of the period	49,623,830	45,387,653	45,132,480	23,635,500

SIGNATURES OF THE BOARD OF DIRECTORS

The Group's and Parent Company's income statements and balance sheets will be submitted to the Annual General Meeting on 11 May 2023 for adoption.

The Board of Directors and the Managing Director certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and give a fair representation the financial position and performance of the Group. The annual report was prepared in accordance with generally accepted accounting

principles and provides a fair view of the Parent Company's financial position and performance. The statutory administration report for the Group and Parent Company provides a fair view of the Parent Company's and the Group's operations, financial position and performance, and describes significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm 17 April 2023
Fasadgruppen Group AB

Ulrika Dellby
Chair of the Board

Tomas Georgiadis
Board member

Christina Lindbäck
Board member

Tomas Ståhl
Board member

Gunilla Öhman
Board member

Pål Warolin
CEO and Group President

Our Auditor's Report was submitted on 17 April 2023
Deloitte AB

Richard Peters
Authorised Public Accountant

AUDITORS' 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 1 January 2022–31 December 2022. The annual accounts and consolidated accounts of the Company are included on pages 57–101 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2022 and its 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 the consolidated accounts.

We therefore recommend the general meeting of shareholders to adopt 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) Article 11.

Basis for Opinions

We conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these 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 accounting in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on our best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its Parent Company or its controlled companies in the EU.

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

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated accounts for the period in question. These areas are addressed within the scope of the audit of, and in our opinion on, the annual accounts and consolidated accounts as a whole, but we provide no separate opinions regarding these areas.

Income from construction contracts

Fasadgruppen's income is reported over time with the application of the percentage of completion method. This means that income and profit/loss 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 final 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 Notes 1 and 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.

Business combinations

In 2022, Fasadgruppen completed business acquisitions at a total purchase price of SEK 1,149 million, of which SEK 121 million consisted of earnouts. Accounting for business combinations involves significant estimates and judgements by Company Management to determine the fair value of acquired assets and assumed liabilities and to allocate these to cash-generating units. Accounting principles and information related to business combinations can be found in Notes 1 and 9. Our procedures included, but were not limited to:

- Review of accounting principles and evaluation of processes and controls for accounting of business combinations
- Review of acquisition calculations including the Group's material assumptions and assessments for valuation of acquired assets and assumed liabilities.

Valuation of goodwill and brands with indefinite useful lives

Fasadgruppen reports in the balance sheet as of 31 December 2022, goodwill amounting to SEK 2,842.3 million and brands with an indefinite useful life amounting to SEK 406.7 million, which together constitute approximately 64 percent of the balance sheet total. 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 Notes 1 and 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.

Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts and can be found on pages 1–43 and 106–108. The other information also consists of the Remuneration Report that we obtained prior to the date of this auditor's report. 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 in this regard. 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 according to the Annual Accounts Act and, concerning the consolidated accounts, on 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 deem necessary for the purpose of preparing 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, whether there are any circumstances that may affect the ability to continue operations and to apply the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have 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 is conducted in accordance with ISA's 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 can reasonably be expected to influence the economic decisions that users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and the consolidated accounts is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/revisorsansvar. This description is a part of the auditors' report.

Report on other legal and statutory 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 year 2022 and the proposed appropriations of the Company's profit or loss.

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

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with generally accepted auditing standards 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 as a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposed 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 is responsible for the Company's organisation and the administration of the Company's affairs. This includes regular assessment of the Company's financial position, to ensure that the Company's organisation is designed so that accounting, cash management and financial affairs are controlled in a satisfactory manner. The CEO shall take care of the day-to-day administration according to the Board's guidelines and instructions and take the actions necessary for the Company's bookkeeping to be performed in accordance with law and for cash management to be conducted in a satisfactory manner.

Auditor's responsibility

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

- has taken any action or been guilty of any negligence that may give rise to liability for compensation against the company, or
- acted in any other way in violation of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal regarding the audit of the proposal for dispositions of the company's profit or loss, and thus our statement on this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Swedish Companies Act.

Reasonable assurance is a high degree of certainty, but no guarantee that an audit carried out in accordance with good auditing practice in Sweden will always discover measures or omissions that may give rise to liability for compensation against the Company, or that a proposal for dispositions of the Company's profit or loss is not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the auditors' report.

The auditor's examination of the ESEF report

Opinions

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 for the financial year 2022.

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 conducted the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibilities under this recommendation are further described in the Auditor's responsibilities section. We are independent of Fasadgruppen Group AB (publ) in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have gathered is sufficient and appropriate as a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

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

Auditor's responsibility

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 is not a guarantee that an engagement carried out according to RevR18 and generally accepted auditing standards in Sweden will always discover 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 audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 judgement, 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, 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.

The procedures mainly include a technical validation of the ESEF report being prepared in a valid XHTML format and that a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the examination also includes an assessment of whether the Group's profit and loss accounts, balance sheet and equity statements, cash flow statement and notes in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

Deloitte AB were elected Fasadgruppen Group AB's auditors by the General Meeting on 12 May 2022 and have been the Company's auditors since 12 June 2018.

Stockholm 17 April 2023

Deloitte AB

Richard Peters

Authorised Public Accountant

The auditor's opinion regarding the statutory Sustainability Report

Assignment and division of responsibility

The Board of Directors is responsible for the Sustainability Report for 2022 on pages 28–43 and for it being prepared in accordance with the Annual Accounts Act.

Review's focus and scope

Our examination was conducted in accordance with FAR's statement RevU 12 Auditor's statement on the statutory sustainability report. This means that our review of the Sustainability Report has a different focus and a significantly smaller scope compared to the focus and scope of an audit according to International Standards on Auditing and good auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinions.

Opinion

A sustainability report has been prepared.

Stockholm 17 April 2023

Deloitte AB

Richard Peters

Authorised Public Accountant

Auditor's statement on Corporate Governance Report

Assignment and division of responsibility

The Board of Directors is responsible for the Corporate Governance Report for the financial year 1 January 2022 – 31 December 2022 on pages 38–43 and for it being prepared in accordance with the Annual Accounts Act.

Review's focus and scope

Our review has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the Corporate Governance Report. This means that our review of the Corporate Governance Report has a different focus and is substantially smaller in scope than the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinions.

Statement

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, Paragraph 2, Items 2–6 of the Annual Accounts Act and Chapter 7, Section 31, Paragraph 2 of the same Act are consistent with the annual accounts and consolidated financial statements and are in accordance with the Annual Accounts Act.

Stockholm 17 April 2023

Deloitte AB

Richard Peters

Authorised Public Accountant

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/en

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.

The EBITA 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' equity¹

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

Return on capital employed¹

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 goodwill¹

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 debt²

Current and non-current interest-bearing liabilities plus current and non-current lease liabilities minus cash and cash equivalents. Earnouts 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 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.

Net debt to adjusted EBITDA ratio

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.

Definitions

eNPS

Employee Net Promoter Score measures how likely your employees are to recommend your organisation to others.

LTIF

Lost Time Incident Frequency measures the number of accidents that result in at least one day of sick leave per million hours worked.

CO₂e

Carbon dioxide equivalents.

- 1) The definition has been changed as of Q1 2021. The performance measures are calculated on a rolling 12-month period instead of an annualisation of the return in the period concerned. Comparison figures have been recalculated.
- 2) The definition of the performance measure has been changed as of Q1 2021 and now includes lease liabilities, unlike previously. Comparison figures have been recalculated.

SHAREHOLDER INFORMATION

Financial calendar

Reports

Interim Report Jan–Mar 2023	11 May 2023
Interim Report Apr–Jun 2023	15 August 2023
Interim Report Jul–Sep 2023	14 November 2023
Year-end Report 2023	13 February 2024

General meeting of shareholders

2023 Annual General Meeting	11 May 2023
-----------------------------------	-------------

Annual General Meeting 2022

The Fasadgruppen AGM will take place on 11 May 2022 at A house, Uggleviksgatan 2 in Stockholm, Sweden at 12:00 CEST. For other information on the 2022 AGM please see the notice to shareholders.

Go to <https://fasadgruppen.se/en/>

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. To those shareholders who would like to be provided with the Annual report by post.

For more information, please contact:



Casper Tamm

CFO

Tel:
+46 (0)73-820 00 07

Email:
casper.tamm@fasadgruppen.se



Adrian Westman

Head of IR

Tel:
+46 (0)73-509 04 00

Email:
adrian.westman@fasadgruppen.se



Printed matter
3041 0001



