



Annual Report 2023

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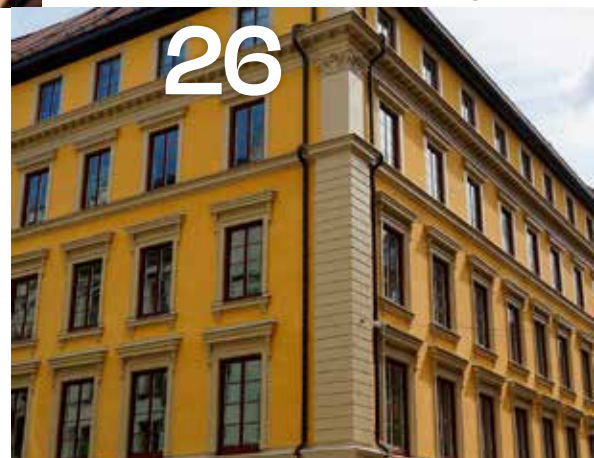
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The formal annual and consolidated accounts for Fasadgruppen Group AB consist of the Board of Directors' Report and associated financial statements as well as notes on pages 55–99. The Corporate Governance Report is presented on pages 44–51 and the statutory Sustainability Report can be found on pages 26–41. The Group's Remuneration Report is published separately at www.fasadgruppen.se.

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

Number of employees 2023

2,069

Number of local
businesses 2023

53

Geographical presence

- Local businesses
- Head office



Fasadgruppen in brief

Fasadgruppen brings together the Nordic region's leading entrepreneurs within energy renovations and services for building exteriors.



Fasadgruppen was established in 2016 through the merger of Swedish companies STARK Fasadrenovering and AB Karlssons Fasadrenovering. At year-end 2023, the Group consisted of 53 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 of a large group to provide comprehensive solutions to customers.

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

Acquisitions are a central 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.

OUR VISION

Sustainable properties and good living environments for all.

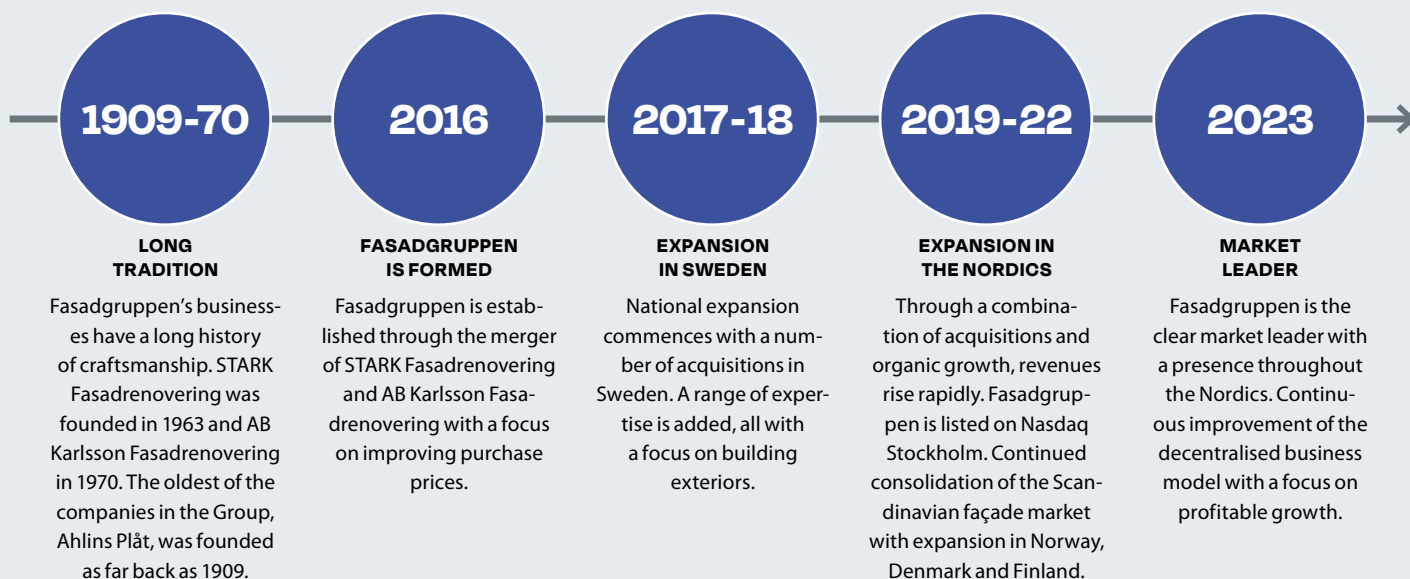
OUR MISSION

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

OUR BUSINESS CONCEPT

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

Fasadgruppen's history of growth





2023

Fasadgruppen showed stable growth in 2023, driven by a combination of the continued consolidation of the Nordic façade market and good underlying demand for renovation and energy efficiency improvement projects.

Key figures Group 2023

5,110
SEK m

Net sales

448
SEK m

Adjusted EBITA

4.42
SEK

Earnings per share

548
SEK m

Operating cash flow

Events in 2023

- In January, it was announced that the Deputy CEO at the time, Martin Jacobsson, would succeed Pål Warolin as the new CEO of the Group, taking up the post in conjunction with the Annual General Meeting on 12 May.
- During the year, Fasadgruppen signed up to the Science Based Targets initiative, which is an important step in its sustainability work and towards the goal of leading the climate transition in the sector.
- In August, Fasadgruppen entered into a new financing agreement for a total of SEK 2,700 million, to enable it to make continued acquisitions. The Group intends to convert the credit facilities to sustainability-linked loans in line with the new targets for reducing emissions that is in development and will be reported to the Science Based Targets initiative.
- In November, an organisational change was carried out where a new operational unit was formed with the aim of creating more efficient governance.

Acquisitions in 2023

- **Weldmatic A/S**
in Ringsted, Denmark
- **Rosborg Entreprenad AB**
in Stockholm, Sweden
- **Teknova Byggsystem AB¹**
in Vadstena, Sweden
- **Surface Byggställningar AB**
in Trollhättan, Sweden
- **Alumentdk ApS²**
in Kolding, Denmark

1) Asset acquisition. 2) Closing 2024.

Stable development in a challenging market

2023

was characterised by relatively good demand for Fasadgruppen's products and services and we achieved sales in excess of SEK 5 billion for the first time. Net sales for the year totalled

SEK 5,110 million, corresponding to growth of 12 percent, of which 3 percent was organic.

A continuously ageing property stock provides underlying stability on the renovation market, where the vast majority of our subsidiaries operate. The renovation market is also boosted by an increasing focus on measures to improve the energy performance of properties.

At the same time, the market for new construction has continued to experience negative development, particularly in the major cities, which has prompted many of those operating in new construction to look towards renovation. This has increased competition for renovation contracts considerably and resulted in price pressure that has also affected Fasadgruppen's margin during the year. The adjusted EBITA margin amounted to 8.8 percent, compared with 9.5 percent in 2022. I am not pleased with this trend but I know that our subsidiaries take action and adapt to their market conditions. It should also be said that several of our businesses improved their margins during the year.

Stronger cash flow

Having a strong cash flow is vital to our growth strategy and we implemented a number of activities during the year to reduce the need for working capital in the Group. Based on our decentralised, entrepreneurial business model, this work focuses on training, exchanging experiences and follow-up. All the businesses are able to see how they are performing in their cash optimisation compared with their sister companies and they are given support and inspiration as needed in their work to achieve continuous improvements. Even the top-performing subsidiaries have the opportunity to become even better.

I am proud of the outcome for 2023, when operating cash flow was improved by 36 percent and cash conversion amounted to 105 percent.

Acquisitions

After several years of a very high rate of acquisitions, we slowed things down a little in 2023. It has been beneficial for the organisation to place greater focus on existing operations for a time – particularly given

the tougher market situation we have had.

We do not have a target to acquire a certain amount of sales every year. Instead, it is important for us that we buy the right companies that complement and strengthen the Group, both financially and culturally. Some acquisition processes can take several years from initial contact, while others go much faster. One effect of the difficult market is that it is clearer to see which acquisition candidates have built up robust businesses that can continue to deliver stable results even in uncertain times.

As we look back on the year, I am pleased to have welcomed the teams from Weldmatic, Rosborg Entreprenad, Teknova Byggsystem and Surface Byggställningar to Fasadgruppen. At the end of the year, we also entered into an agreement to acquire Alument. These companies are represented in various territories and niches within building exteriors, which is in line with the diversification strategy that we have been pursuing in recent years. When Fasadgruppen was listed on the stock exchange in December 2020, Sweden accounted for more than 90 percent of sales. At the end of 2023, the corresponding share was 58 percent.

Energy renovations

We have seen increasing interest in recent years from property owners looking to implement energy efficiency measures. Fasadgruppen has a unique position in the market as we are one of the few operators that can offer renovation of the entire building shell – roofs, windows, balconies and façades – within the same Group. The effects on energy performance are also greatest when taking a holistic approach to a property. Our SmartFront product is perhaps the clearest example of this, where we can achieve energy savings of up to 70 percent by combining ventilation with façades. In 2023, we began work to expand the SmartFront method in the Group and to strengthen the collaboration between subsidiaries and their energy efficiency offerings.

Demand for energy renovations is underpinned by both political decisions and access to capital. In 2023, the EU concluded final negotiations on the new Energy Performance of Buildings Directive (EPBD). The aim is for all buildings in the EU to be zero-emission buildings by 2050, with an interim target of improving those buildings with the worst energy performance in stages by 2035. At the same time, we can see that banks and lenders are looking to achieve green lending portfolios and are therefore putting



// Fasadgruppen has a **unique position** in the market as we are **one of the few operators** that can offer renovation of **the entire building shell.** //

pressure on improved energy performance in the property portfolios of their customers.

The underlying reason for this is that properties account for a large proportion of both the energy used and the energy-related emissions of greenhouse gases in Europe. While our subsidiaries can help our customers to reduce their footprint, we at Fasadgruppen are also working to minimise our own. In 2023, we signed up to the Science Based Targets initiative, where we committed to developing short-term and long-term targets to reduce emissions, including a net-zero target. I look forward to being able to present the results of this work in the future.

Targeting sales of 10 billion

I was given the great honour of taking over as CEO of Fasadgruppen in May 2023. My main focus is on continued profitable growth, which can be achieved

both through acquisitions and organic measures. There are large numbers of skilled entrepreneurs in the Nordic region that would be a good fit for our Group. I also see good opportunities to advance our positions by riding the approaching wave of energy renovations. To provide clarity in terms of our growth target of at least 15 percent annual growth in net sales, we have introduced a quantitative measure – we aim to achieve sales of at least 10 billion by 2028, with a margin of more than 10 percent. I see great potential for continuing to strengthen Fasadgruppen's position for many years to come.

Stockholm, April 2024

Martin Jacobsson
CEO and Group President

Financial targets

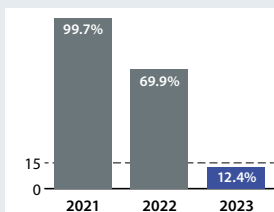


The industry's most stable partner

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

Growth

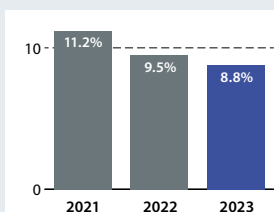
≥15% Average growth in net sales shall be at least 15 percent per year^{1,2}



The increase consisted of organic growth of 2.8 percent, exchange rate changes of 0.6 percent and acquired growth of 8.9 percent. Sales were positively affected by the impact of the cost inflation of materials during the early part of the year and stable underlying demand on the renovation market, but were also adversely affected by negative development within new construction. Four acquisitions were completed during the year, one of which was an asset acquisition.

Profitability

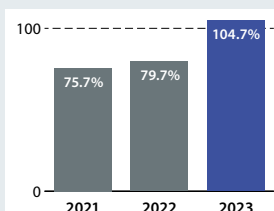
≥10% Adjusted EBITA margin shall be at least 10 percent per year¹



The Group's margin was negatively affected by increased competition in Sweden, and in the metropolitan regions in particular, which experienced price pressure from companies that do not normally operate in the renovation market. The margin trend was stable to positive in Denmark, Norway and Finland.

Cash conversion

≥100% Cash conversion shall be at least 100 percent

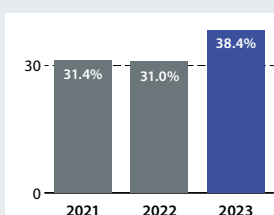


Operating cash flow increased by 36 percent for the full year 2023 and cash conversion was stronger than in the previous year. The Group placed considerable focus on improving tied-up working capital during the year, including through internal training and refined monitoring procedures.

Dividend

30% The dividend as a percentage of net profit shall be 30 percent

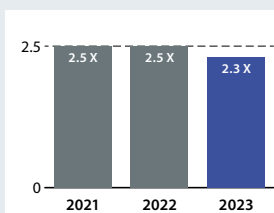
While taking into consideration other factors such as financial position, cash flow and growth opportunities.



The Board of Directors proposes to the Annual General Meeting in 2024 that a dividend of SEK 1.70 (1.70) per share be paid for the year. Excluding treasury shares, the proposed dividend amounts to SEK 84.2 (84.4). To facilitate effective liquidity management, it is proposed that the dividend be paid in two equal shares, in May and November 2024 respectively.

Debt

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



Interest-bearing net debt on 31 December 2023 amounted to SEK 1,240.2 million (1,274.3). The interest-bearing net debt includes lease liabilities amounting to SEK 168.1 million (166.8). In 2023, the Group entered into a new financing agreement that extended the credit facilities available by around SEK 600 million.

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

2) Growth shall be both organic and via acquisitions.

Non-financial targets



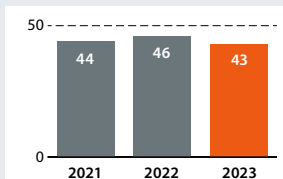
The industry's best workplace

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

Attractive employer

>50 eNPS (Employee Net Promotor Score)

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

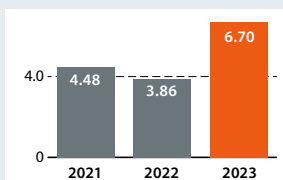


Fasadgruppen strives to be an attractive employer. The work is carried out both at the subsidiaries and via central initiatives.

Workplace safety

<4 LTIF (Lost time injury frequency)

Accident frequency per one million hours worked (LTIF) shall decrease at least annually and fall below 4 by 2030.

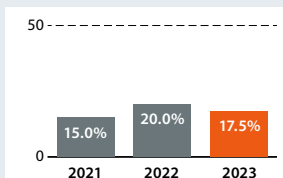


Fasadgruppen's operations are exposed to risks relating to occupational health and safety. The increase in LTIF in 2023 can be attributed to a new, centralised and more easily accessible reporting process, which has also increased the quality of the database.

Gender equality

50% Proportion of women in newly appointed senior positions¹

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.



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.

The industry's most ambitious climate work



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

Climate impact

↓CO₂ Reduced greenhouse gas emissions²

Greenhouse gas emissions must be reduced. New targets in line with the Science Based Targets initiative will be developed in 2024.

2023
0.74 tCO₂e/SEK m in net sales (Scope 1&2)^{2,3}

Fasadgruppen strives to reduce our own climate impact through responsible transportation, travel, purchasing and energy use.

2023
10.2 tCO₂e/SEK m in net sales (Scope 3)²

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.

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) Fasadgruppen has implemented a new system for calculating CO₂ with improved data quality. A survey of the majority of emissions within scope 3 is ongoing, which meant that more categories

were included. The outcome for 2023 is therefore not comparable with previously reported outcomes for comparison years and the previous targets no longer apply. In 2024, Fasadgruppen will develop new targets for reducing emissions in line with the Science Based Targets initiative.

3) 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.

The share

The total return on investment from Fasadgruppen shares amounted to -31.9 percent in 2023, and at year-end the market capitalisation was just over SEK 3.5 billion.

Development of the share

Fasadgruppen's share developed negatively during 2023 and at year-end had decreased by 33.6 percent (-37.9). The total return, i.e. the return including a dividend of SEK 1.70 per share (1.20), amounted to -31.9 percent (-37.2). On the last trading day on 29 December 2023, the closing price was quoted at SEK 70.3 (105.8), corresponding to a market capitalisation of SEK 3,489 million (5,250).

Trading and turnover

Fasadgruppen shares are traded on the Nasdaq Stockholm Mid Cap list under the symbol FG. In 2023, average turnover was 53,398 (39,929) shares per trading day, at an average value of around SEK 4.0 million (4.9).

Share capital

According to the Articles of Association, Fasadgruppen's share capital shall amount to a minimum of SEK 1 million and a maximum of SEK 4 million. As at 31 December 2023, the share capital amounted to SEK 2.5 million (2.5) distributed over 49,623,830 shares (49,623,830) corresponding to a quota value of SEK 0.05 per share. All shares are of the same class, with equal

voting rights and share of the company's capital and profit.

Share buy-back

Based on the authorisation granted by the Annual General Meeting of 11 May 2023, Fasadgruppen's Board of Directors decided in November 2023 to initiate a share buy-back programme of up to SEK 50 million. The purpose of the buy-back programme is to enable Fasadgruppen to use repurchased own shares to finance future acquisitions, optimise the capital structure and create value for the company's shareholders. At year-end, Fasadgruppen held 68,741 treasury shares, equivalent to 0.14 percent of the total number of shares.

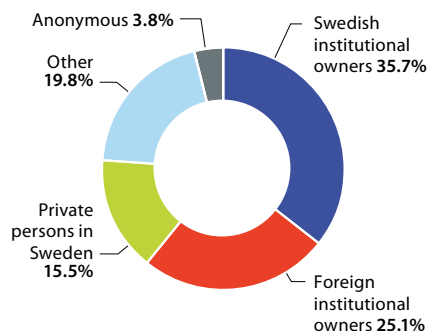
Dividend and dividend policy

Fasadgruppen's Board of Directors has established a dividend policy that aims 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 Board of Directors proposes a dividend of SEK 1.70 per share (1.70) for 2023, corresponding to a total of SEK 84.2 million, or 38.4 percent of the Group's net profit.

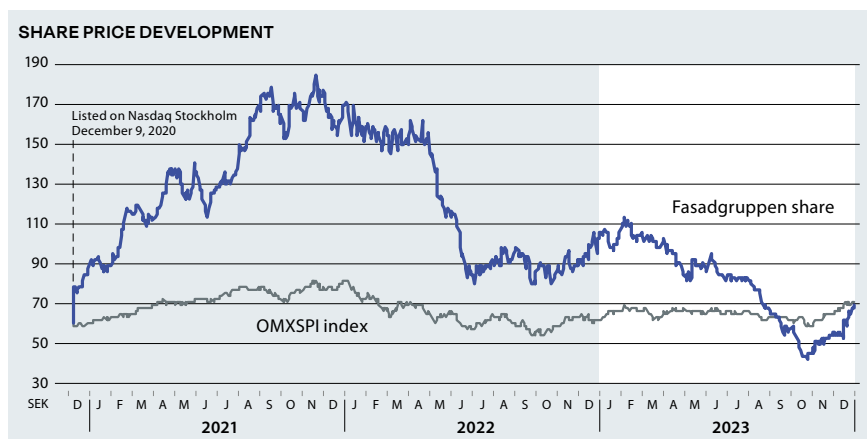
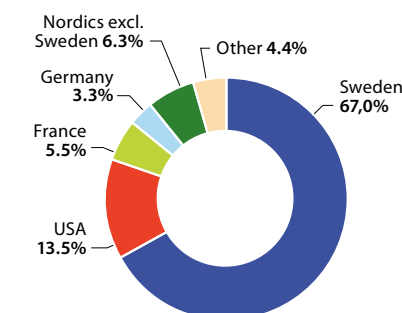
THE TEN LARGEST SHAREHOLDERS

Shareholders as at 31 December 2023	Number of shares	Share of capital & votes, %
Capital Group	6,397,442	12.9
Connecting Capital	5,053,790	10.2
Swedbank Robur Fonder	3,905,496	7.9
Third National Pension Fund	2,325,413	4.7
KFAB Förvaltning AB	1,998,704	4.0
Amiral Gestion	1,954,539	3.9
First National Pension Fund	1,708,132	3.4
Sterner Stenhus Holding AB	1,685,841	3.4
Futur Pension	1,453,034	2.9
Avanza Pension	1,110,007	2.2
Total	27,592,398	55.6
Other shareholders	22,031,432	44.4
Total	49,623,830	100.0

SHAREHOLDING BY CATEGORY



SHAREHOLDING BY COUNTRY



Four reasons to invest in Fasadgruppen

Consolidation of a niche market

Fasadgruppen has an active acquisition strategy, focused on strengthening its geographical presence and its service offering. In the Nordic region, there are thousands of entrepreneurial businesses within Fasadgruppen's niche, which creates good opportunities for consolidation and long-term growth. When identifying acquisition candidates, Fasadgruppen places great focus on a history of profitability, entrepreneurial spirit and matching with existing operations 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 within the Group, interesting new acquisition candidates are found.

Increased energy efficiency requirements driving demand

Fasadgruppen's subsidiaries provide services that have a positive impact on the energy performance of buildings. All buildings within the EU must have energy performance equivalent to that of new construction no later than 2050, while financiers are stipulating more stringent requirements for property owners to implement measures to improve energy efficiency. These two drivers are expected to more than double the renovation rate of the Nordic building stock over the next 25 years, providing good conditions for organic growth for Fasadgruppen.

Strong local entrepreneurship with economies of scale

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

Profitable growth

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

Strategy

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



1

Acquire and develop local market leaders

Fasadgruppen strives to continue growing through its established acquisition model and develop local market leaders in building exterior work, with a focus on energy efficiency. When acquiring a new company, an important component is that the entrepreneur remains and continues to run the business successfully. Breaking down the purchase consideration into part cash payment, part earnout and part reinvestment in shares in Fasadgruppen, common incentives are created. Once the earnout has been paid, usually between three and five years after the acquisition was made, new incentive structures are implemented. 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. Ongoing

activities, such as monthly reporting and training measures, are used to develop the specific expertise of employees within critical areas such as cash optimisation and project calculations.

2

Strong local entrepreneurship with economies of scale

Fasadgruppen's business model combines local entrepreneurship with economies of scale. Through operational support 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 and which exploits cross-selling opportunities. The Group uses a proven model to achieve

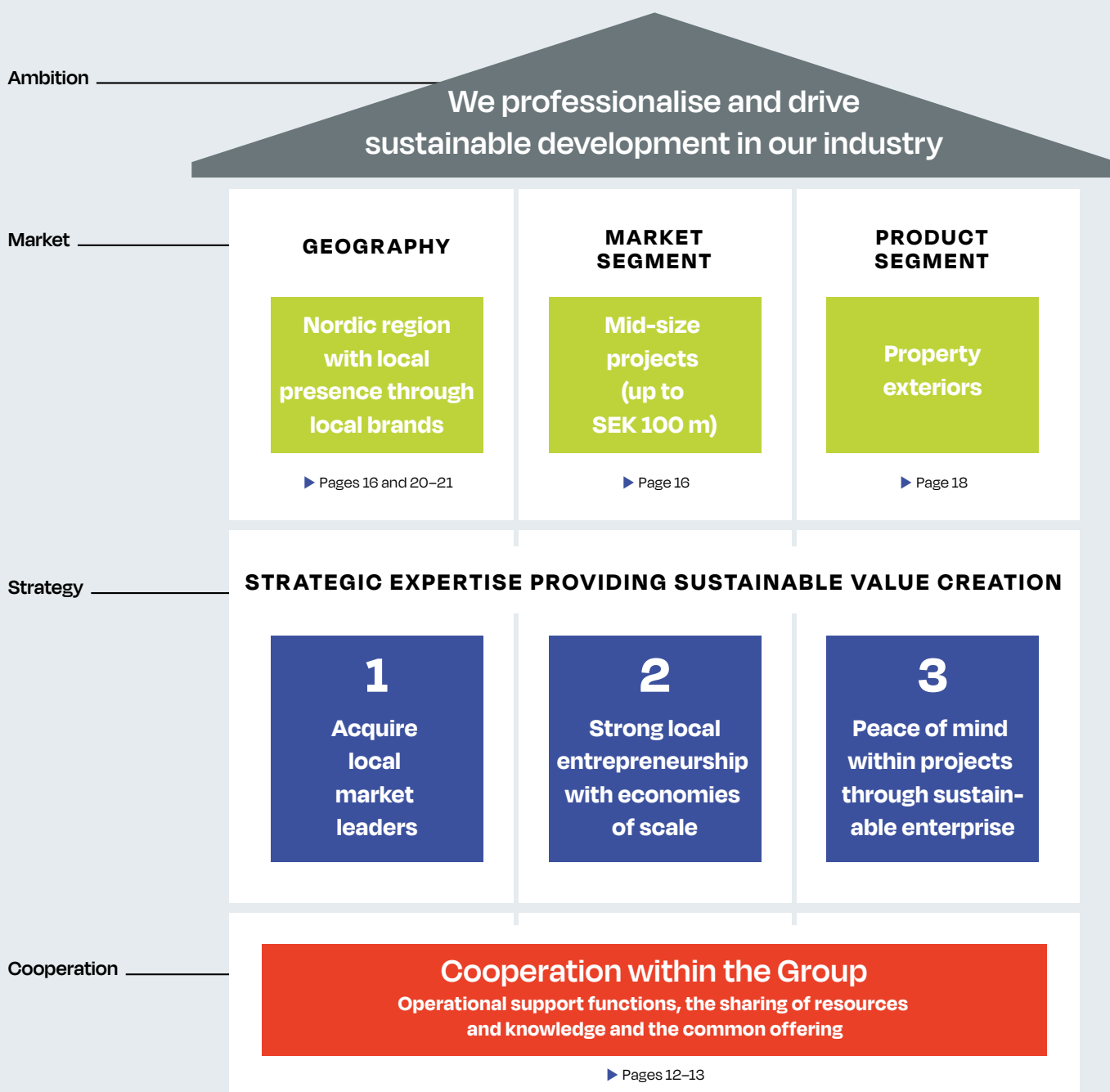
economies of scale that is based on six pillars and is implemented directly at the time of acquisitions.

3

Peace of mind throughout projects through sustainable enterprise

Sustainable enterprise is an integral part of Fasadgruppen's strategy and a prerequisite for sustainable growth. As the biggest player in building exterior work in the Nordics, the Group's subsidiaries work sustainably, locally and with a high level of craftsmanship. Thanks to well-established and efficient working methods with short lead times and delivery precision, Fasadgruppen offers conscious customers personal commitment, services that contribute to energy efficiency and peace of mind throughout the project.

Fasadgruppen's strategy house



Business model

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

Fasadgruppen's business model is based on a decentralised structure with entrepreneurial subsidiaries supported by an operational unit with shared functions and activities that increase profitability. General strategic issues such as capital allocation, sustainability and reporting are also handled at Group level. The sharing of resources and best practice, identification of cross-selling opportunities and joint sales initiatives are coordinated at regional level. In this way, the entrepreneurial endeavour, proximity to customers and limited overheads of the local company are combined

with the Group's opportunities to achieve economies of scale and to secure and offer comprehensive solutions to the customer.

Local businesses

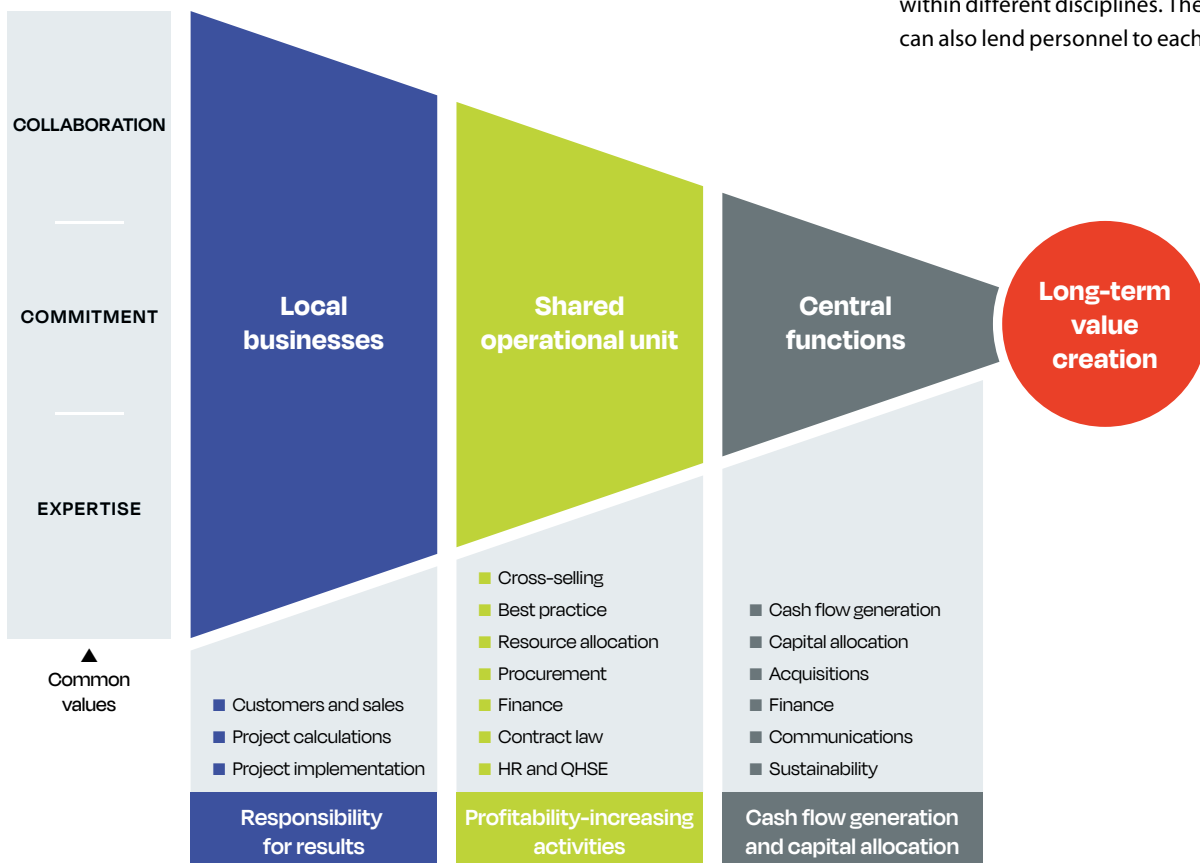
Our subsidiaries operate under their own brands and are responsible for their customers, sales, production, project calculation and profitability. They maintain significant independence with great responsibility for managing their enterprise in their local markets and building up their own order books with future projects. To assure profitability and cash flow, the

subsidiaries continuously strive to develop their expertise in calculation, project follow-up and cash flow management.

Shared operational unit

The operational unit provides shared functions such as purchasing, finance, HR and Quality, Health, Safety and Environment (QHSE) coordinator, enabling the subsidiaries to focus on their day-to-day operations. The breakdown into geographic business areas enables the subsidiaries to share resources and best practice, providing synergy effects. Cross-selling opportunities are also identified here, along with joint sales initiatives, where a number of subsidiaries can work on the same projects within different disciplines. The companies can also lend personnel to each other.

A decentralised structure



Collaboration mainly takes place within each country, but there is also some element of cross-border work.

■ Central functions

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

Decentralised pricing

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

Centralised purchasing process

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



Acquisitions

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

Acquisition strategy

Fasadgruppen has an active acquisition strategy that aims to broaden its geographic presence and strengthen its offering and so create value for subsidiaries, customers and shareholders. In addition to acquiring new Group companies, add-on acquisitions are also made to existing subsidiaries with the aim of increasing expertise and reaching critical mass. 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 the management's entrepreneurial skills and on the company's strategic matching with Fasadgruppen.

Identification of acquisitions

Fasadgruppen is active within established industry networks and has a good reputation 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 the local management teams of subsidiaries and the central management team's networks. Each new acquisition tends to create additional acquisition opportunities through contacts and knowledge about the relevant local market possessed by the newly acquired company.

Integration of new companies

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



Integration and synergy model

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

Monthly reporting

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

Percentage of completion method

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

Cash flow management

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

Purchasing agreements and IT

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

Sustainability

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

Cooperation and succession

Subsidiaries are introduced to their business area, where cooperation with country managers takes place continuously. Ongoing projects and acquisitions, cross-selling opportunities and the sharing of resources and best practice are all handled within the business area. Country managers and the CEOs of subsidiaries also ensure that there are succession plans in place at each company.



Support functions and **close cooperation** strengthen profitability



In November 2023, Fasadgruppen implemented an organisational change with the formation of a new operational unit. The aim with the new organisation is to establish **more effective governance** with clearer responsibilities, in turn providing better conditions for increased profitability.

Johan Claesson has been on Fasadgruppen's growth journey in both Sweden and Norway, most recently as Business Area Manager South West. In November, Johan was appointed COO, with ultimate responsibility for Fasadgruppen's new operational unit. This brings together the Group's support functions in areas such as purchasing, finance, HR and QHSE.

Close cooperation for increased focus and efficiency

With the new operational unit in place, the Group's support functions are brought closer to the subsidiaries and more management personnel share responsibility. Johan emphasises that the change is not about centralising processes but about creating more clarity and a stronger operational focus.

"The new working method strengthens cooperation and enables us to support the subsidiaries better than before. We help them to increase their profitability and enable them to focus on their everyday operations.

"The country managers will be the link between the operational unit and the subsidiaries and they play a key role in identifying similarities and differences and finding synergies between the countries," he adds.

The main task of the operational unit is to follow up the profitability of the subsidiaries. Johan emphasises that responsibility for sales and results lies with the subsidiaries, although the operational unit will provide support and follow-up.

"We have access to a very large volume of data and we ana-

lyse various parameters. This gives both the subsidiaries and us a good overview of development. Following the organisational change, we can work more closely with the companies and follow-up has become more dynamic," Johan explains.

To improve governance and profitability, Fasadgruppen has also launched structured governance work in all subsidiaries, involving the country manager in each case, along with local key personnel and the COO and in some cases also the Group's CEO. Regular board meetings will help to streamline processes and provide better opportunities for the development of the subsidiaries.

Entrepreneurship with economies of scale

Johan believes that one of the main reasons why a company chooses to become part of Fasadgruppen is the opportunity to continue to be an entrepreneur while at the same time benefiting from the economies of scale and strengths that come from being part of a large corporate group.

"Fasadgruppen was created by entrepreneurs and will continue to be run in an entrepreneurial way. So even once a company is part of Fasadgruppen, they are able to retain their entrepreneurial spirit, their drive and their own unique identity.

"We bring our processes and help the subsidiaries to establish better governance and increase efficiency. With our combined experience, we can provide the strength and support that the companies need in order to develop and further strengthen their profitability," concludes Johan Claesson. ■

Market

Fasadgruppen's subsidiaries are active on the building exterior services market in Sweden, Denmark, Norway and Finland. The market can be roughly divided into masonry and plastering, windows, balconies, roofing and sheet metal, plus scaffolding and other services. 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. The metropolitan regions account for around half of all turnover in the Nordic region.

Focus on renovation

Fasadgruppen focuses predominantly on the renovation market and approximately 80 percent of sales in 2023 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 sustainable buildings is also considered to be capable of increasing further market growth.

Project structure

The façade market is largely project-based. Each project has its own unique aspects when it comes to the size and complexity of the construction concerned. Fasadgruppen focuses on the mid-size 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

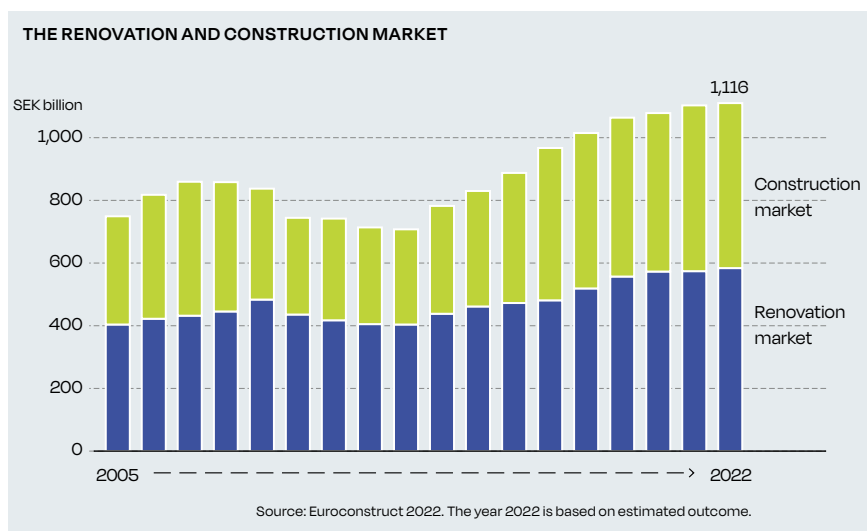
these projects. There is less risk attached to medium-sized projects compared with larger SEK 100 million+ projects, where it can be difficult to calculate costs for time and materials, and they also provide greater profitability than small projects, below SEK 1 million, where competition is often fierce 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 supported by increasing customer demand for turnkey solutions.

Impact of inflation and interest rate rises

Fasadgruppen's development as a whole has been affected in 2023 to a greater extent than before by the high inflation and subsequent rapid interest rate increases. As the market for new builds has declined, particularly in the Stockholm region, companies that normally operate in new construction have attempted to switch to the renovation market, which has resulted in increased competition and price pressure. The renovation market has remained stable, however, as professional property owners follow their established maintenance plans.



Market's drivers

Need for energy-efficient properties

At the end of 2023, the final negotiations were concluded on the EU's new Energy Performance of Buildings Directive (EPBD), which aims for the European building stock to achieve energy performance equivalent to that of new construction no later than 2050. A large proportion of the existing stock is affected by this Directive, the next step for which is implementation in national legislation. Achieving the target will require the renovation rate to at least double over the next 25 years. In addition to this policy, financiers are also stipulating more stringent requirements for property owners relating to energy efficiency and green transition.

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

Urbanisation and housing shortage

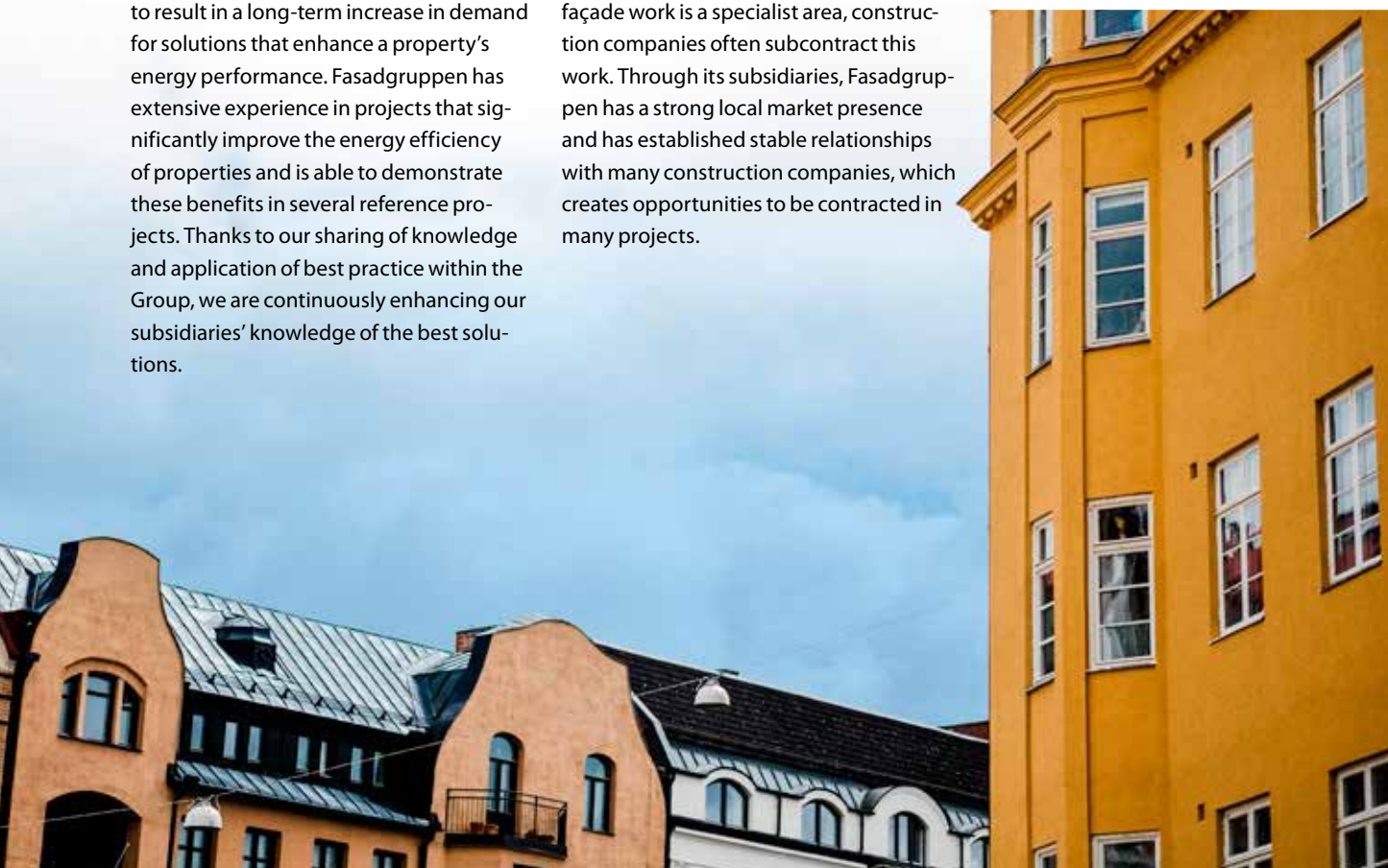
Urbanisation is taking place in all of the Nordic countries, driving the need for more housing in the largest city regions. The Swedish National Board of Housing, Building and Planning, and Statistics Sweden report that by 2027, 640,000 new homes will be needed in Sweden and that there is a housing shortage 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.

► **The 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. Through 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.

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



Façades

Masonry and plastering are the largest service areas within façades. Fasadgruppen's subsidiaries have expertise in all types of masonry and work carefully with original craft methods and material. For many façades, Fasadgruppen can offer innovative, energy-smart solutions, and the most modern façade systems where extra seals and ventilation are often included.

Masonry services include pointing, anchoring and additional insulation of brick façades. Customers are 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.

In addition to masonry and plastering, some subsidiaries have specialist expertise in other types of façade, such as glass façades.

Windows and balconies

Fasadgruppen's subsidiaries offer both replacement and renovation of windows. 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 is no need or requirement to replace windows, renovation is the alternative, especially in cultural properties where original craft methods and materials are used. Replacing the glass in existing windows or the installation of secondary glazing can also help make a property more energy efficient.

The subsidiaries' balcony services include renovation, cleaning, reconcreting, replacement of railings and glazing in.



Roofing and sheet metal

Roofing and sheet metal services include strip covering, sheet covering and profiled sheet made of copper, steel plate and aluminium. 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 panel fitting. Ongoing roof maintenance is also important for extending its lifespan, through roof painting for example.



Other services

Fasadgruppen's subsidiaries also provide façade cleaning, steel structures, concrete work, carbon fibre reinforced polymer strengthening work, plus various kinds of tiling. The subsidiaries also rent out several different types of scaffolding for construction work, including lifts, loaders and protective equipment. Through the range of scaffolding, the subsidiaries can shorten their own lead times and be independent of external suppliers.

Collaboration with a focus on energy efficiency

Fasadgruppen aims to create synergies within sales by enabling subsidiaries to work together on projects. The proportion of projects that involve the collaboration of several subsidiaries is increasing every year, some even at international level. Taking a holistic approach to building exteriors enables customers to achieve significant improvements in energy performance and at the same time create a better living environment from both an environmental and social perspective. Combining several different work elements in a single project also minimises disruption for those who live and work at the property, while also reducing certain project costs.



▼ Image: Link Arkitektur



Reusing 120-year-old brickwork

The distillery in central Eslöv stood empty for almost 70 years. Now its turn-of-the-century buildings are being converted into modern offices and rental apartments. Fasadgruppen's subsidiary **Malmö Mur & Puts** is renovating the brick façades in a unique project with a focus on reuse.

When the premises opened in 1904, they were home to a milk factory. The buildings have since served as a distillery, building conservation store, illegal rave venue, director's residence and film studio. Now a new chapter in its history is being written, as municipal housing company Eslövs Bostads is building modern offices and rental apartments at the former distillery. The industrial feel is being retained by reusing as much material as possible, including the old bricks and cast-iron windows.

The project involves reuse in five building sections, where around 200,000 bricks have been carefully dismantled and will be reused as much as possible. A total of 3,500 m² of brick wall will be given new life – both externally and internally. In the newly constructed section with a façade area of 1800 m², new brick will be interspersed with elements of reused stone.

"The brick is 120 years old and many sections of the façade contain both larger and heavier bricks than normal by today's

standards. We examine each brick and either refresh it or replace it as necessary," says Michael Biosca, supervisor at Malmö Mur & Puts.

Restoration work of this kind brings a great many challenges. Not least the demolition of joists and foundation plates in the building with the façade suspended on scaffolding. When the time comes to connect the old façade to the new floors, this will also place great demands on craftsmanship.

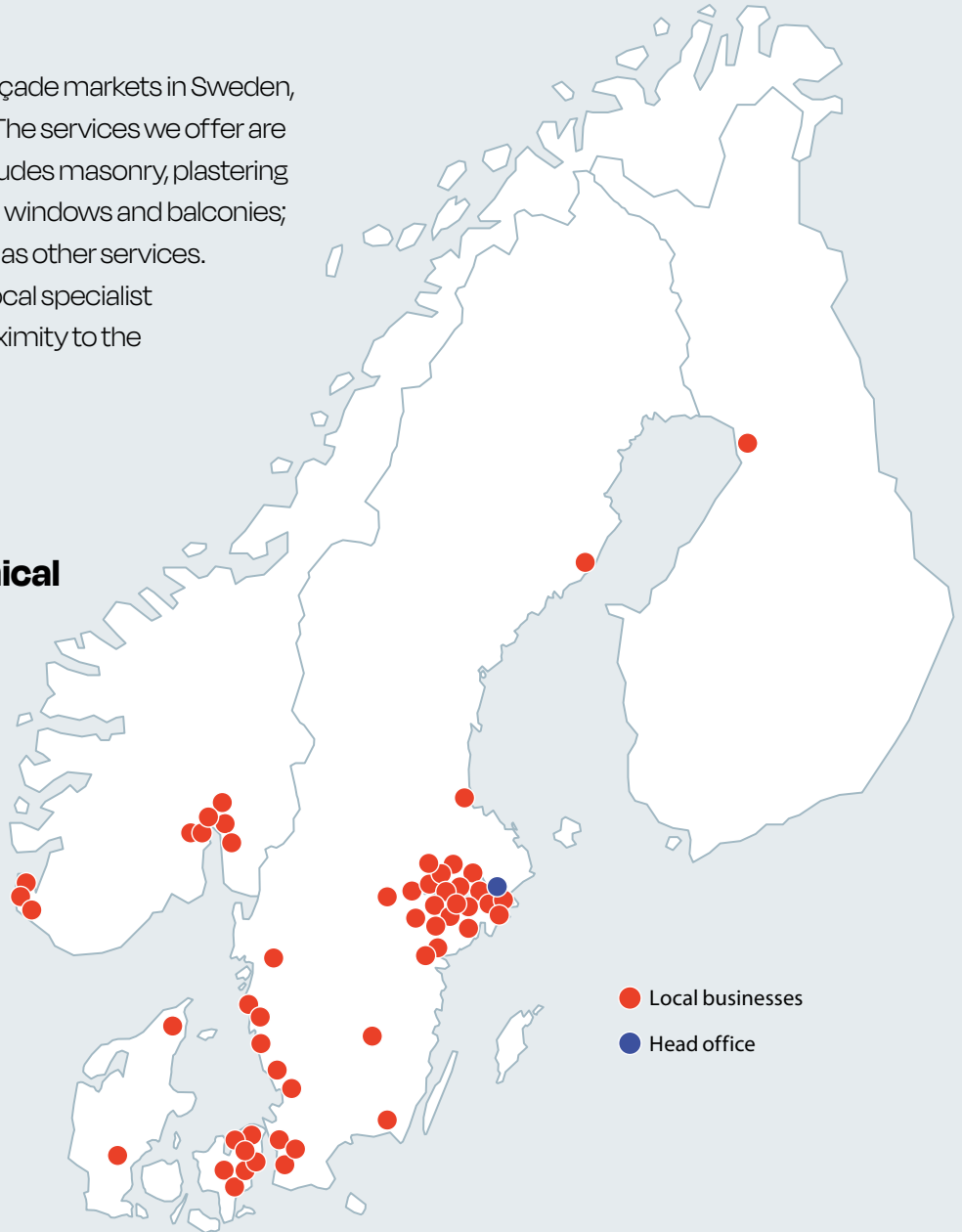
"The work requires minute precision. Our masons are incredibly skilful and committed, though, and they care a great deal about helping to give this building new life. We are likely to see an increasing proportion of the market reusing materials in the future," concludes Michael Biosca. ■



Our companies

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

Geographical presence



ROVAKATE
RKC Construction Oy



Johns



eklundsglas.se



BYENS



SURFACE



ROGALAND BLIKK AS



Fasadgruppen companies

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

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

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

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



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.

The year 2023 began with the highest level of inflation in Sweden for more than 30 years. The macroeconomic challenges, combined with escalating global geopolitical tensions, resulted in continued uncertainty on the market during the year. Although Fasadgruppen does not have any direct exposure to Russia and Ukraine, the business is affected by the general economic situation, just like everyone else. Inflation began to ease during the year, however, as the economy slowed, which has resulted in a general increase in competition.

Despite uncertainty in the construction and property sector and the downturn in the economy, the impact on Fasadgruppen has been limited so far. This is largely due to the Group's strong presence on the renovation market, which accounts for 80 percent of sales. Demand in the renovation sector has remained stable, driven by the underlying renovation requirements of the ageing property stock in the Nordic region together with a new EU Directive that places more stringent requirements on the energy performance of properties.

Risk analysis matrix

External risks

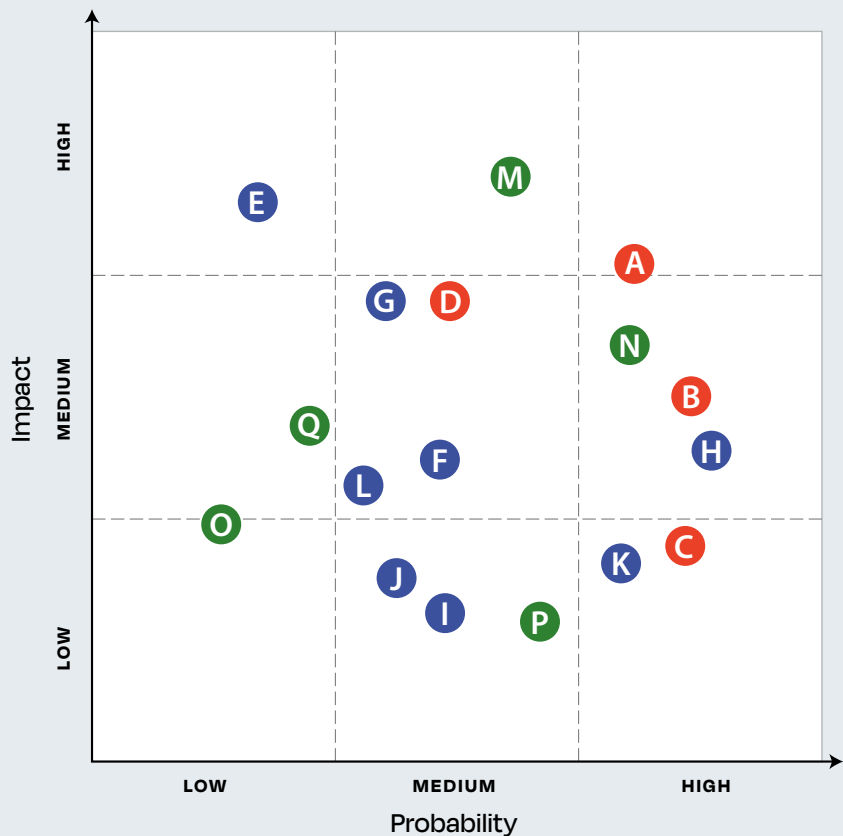
- A** Impact of economic situation and inflation
- B** Climate change adaptation
- C** Climate impact mitigation
- D** External shocks

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 shown stable development even in weaker economic situations. The Group's broad customer portfolio and geographical diversification help to further spread the risk, which reduces possible economic risks.</p> <p>The Group's exposure to inflation risks is also reduced by seeking fixed prices for materials from suppliers. Projects are relatively short, which reduces the risk of being tied up with long, unprofitable customer contracts.</p>
<p>B Climate change adaptation</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 gas emissions in relation to use and to improve resource efficiency and choice of suitable materials and transportation in its daily work to promote the climate and contribute to the global climate goals.</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 pose a serious threat above all to the health of employees and to their working environment. In addition, external shocks such as wars like Russia's war of aggression in Ukraine can lead to increased project costs due to higher raw material prices and can affect customers and result in the postponement or termination of contracts.</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 everyday operations and are primarily within the control of Fasadgruppen. Operational risks are managed with the aid of policies and guidelines, along with clear processes and strong common values.

RISK DESCRIPTION	RISK MANAGEMENT
<p>E Projects</p> <p>Fasadgruppen mainly works in project format and is therefore exposed to project risks, such as purchasing risks (e.g. incorrect calculations of materials or time required) and production risks (e.g. logistics challenges, complexity and faulty installation work). The project format also entails a risk in terms of competition and price pressure during purchasing.</p>	<p>Fasadgruppen actively works to identify and prevent project and production risks. The risk of incorrect calculations is reduced, for example, through the requirement of duality for project calculations. Before Fasadgruppen enters into a contract and starts a project, efforts are made to try to identify the risks and opportunities that are associated with the purchasing and production processes for the specific project. The Group also works to ensure that the right personnel work on the right project, in other words the employees who work on a project have the required expertise and experience. Should a problem arise in a project, this is initially handled by the subsidiary concerned, but the country manager may be involved as needed to help resolve the problem. As the Group annually implements countless projects that are independent of each other, the potential impact of the risk is isolated and limited.</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 its inception. The Group is therefore exposed to risks related to opportunities to identify, evaluate and complete acquisitions, and to then integrate these companies. Fasadgruppen is also exposed to a risk related to acquisitions in respect of competition from other players.</p>	<p>Fasadgruppen completed five acquisitions in 2023 and continuously develops its acquisition strategy in line with the experience gained. The Group identifies potential acquisition candidates supported by the market knowledge that we are an attractive buyer with an established network in the sector. Fasadgruppen's contacts and partnerships with various industry associations make the work easier to quickly identify interesting local companies and acquisition candidates. Fasadgruppen has a process for examining acquisition candidates which is continuously developed. Once a company has been acquired, integration commences immediately, focusing on efficient processes, without disrupting day-to-day operations. Fasadgruppen has a well-established integration and synergy model based on pillars that include ISO certification, purchase agreements, and the percentage of completion method.</p>
<p>G Skills supply</p> <p>Fasadgruppen needs key personnel such as subsidiary CEOs, skilled employees and craftspeople in order to operate its business. Furthermore, a qualified and diversified workforce is needed that has competence and experience in business acquisitions, sales and cost calculation for various types of contract 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 provide employees with opportunities for development. Fasadgruppen works actively to attract future craftspeople to the profession by attending secondary school careers fairs and by offering apprenticeship programmes. In the event that a subsidiary is lacking in personnel for a project, it is possible to borrow staff from other subsidiaries in the Group.</p> <p>At existing subsidiaries, succession planning is continuously evaluated in order to secure long-term leadership.</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 complies with the OECD Guidelines for Multinational Enterprises and has signed up to the UN Global Compact. As a participating company, Fasadgruppen supports and commits to working in accordance with the ten principles of the Global Compact relating to human rights, labour, environment and anti-corruption. Fasadgruppen works systematically to prevent and mitigate potential adverse impacts and to minimise actual adverse impacts in the value chain.</p> <p>Fasadgruppen continuously evaluates and increases its control over the supply chain and secures access to business-critical materials. Materials are purchased in line with central contracts and quality control templates.</p> <p>Fasadgruppen's subsidiaries usually engage the same subcontractors over time, and so become familiar with the other party's operations and personnel. To ensure quality, all subcontractors must comply with Fasadgruppen's Code of Conduct and other applicable rules.</p> <p>Fasadgruppen only works with subcontractors that have collective agreements with their personnel to avoid any problems of illegal workers and, to the greatest extent possible, to prevent any breaches. Random checks of subcontractors are carried out.</p>
<p>I Warranty undertakings and claims</p> <p>Fasadgruppen's agreements with Nordic customers generally include warranty undertakings in accordance with the general provisions for turnkey contracts for construction, civil engineering and installation work. These warranty undertakings usually entail Fasadgruppen being responsible for the work fulfilling the agreed functional requirements and for any defects arising within a warranty period.</p>	<p>Fasadgruppen's subsidiaries generally have extensive experience of carrying out façade work and actively work on quality assurance in all projects to minimise the number of complaints. Quality assurance measures implemented include final inspection of the work before a project is concluded. In the event that a subsidiary receives a warranty claim or complaint, legal support can be provided by Fasadgruppen's central functions. As the Group annually implements a large number of projects that are independent of each other, the potential impact of the risk is isolated and limited.</p>
<p>J Workplace accidents and working conditions</p> <p>The work carried out often entails working in risky environments such as at significant height. Accordingly, the work is associated with certain risks, such as the risk of physical injury and repetitive strain injuries. Such risks can entail personal injuries and fatalities, plus severe damage to property and work equipment.</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 a central QHSE manager and an occupational health and safety group with representatives from the different business areas that work to ensure the Group can offer the best work environment for its personnel. Injuries and accidents are to be prevented by each subsidiary annually mapping potential work environment risks and formulating a plan to prevent them. All supervisors are trained in safe working methods and procedures. Each workplace is to be provided with safety instructions in relevant languages.</p>

Operational risks cont.

RISK DESCRIPTION	RISK MANAGEMENT
<p>K IT risks</p> <p>Risk of a longer interruption or unauthorised access 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>The appointment of an internal IT manager will further strengthen the risk management for IT risks within the Group.</p>
<p>L Compliance</p> <p>Failure to comply with internal controls at Group and subsidiary level in a large, decentralised organisation entails a risk for Fasadgruppen. Risks include failure to comply with internal Group policies and failure to implement controls. There are also risks relating to the failure of employees to comply with internal rules or legal requirements.</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 for employees, the Code of Conduct for suppliers and the whistleblower function that is available to both employees and external parties. Fasadgruppen has a structured approach to mitigating the risks, which are monitored via control activities at company level.</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 with the time of the acquisition. Any impairment may have a negative impact on 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 personnel in the company. All potential candidates are carefully examined and assessed based on clear criteria before an acquisition is implemented. The Group continuously monitors relevant circumstances relating to its business, the general economic situation and the potential impact of such circumstances on the valuation of the Group's goodwill.</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>Fasadgruppen has established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing interest rate risk. See Note 13.</p>
<p>O Financing risk</p> <p>Risk that current credit facilities will not be extended or it will not be possible to obtain new credit facilities, including new share issues to obtain external capital.</p>	<p>The amount the Group has the ability to pay is determined by, and must at all times be able to cover, 100 percent of estimated net investments and working capital requirements for the next three months.</p> <p>Fasadgruppen has also established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing financing risk. See Note 13.</p>
<p>P Credit risk</p> <p>Credit risk refers to the risk that the counterparty in a transaction fails to meet its financial obligations and that any collateral fails to cover Fasadgruppen's claim.</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 has also established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing credit risk. See Note 13.</p>
<p>Q Currency risk</p> <p>Currency risk is the risk that changes in exchange rates will have a negative impact on the income statement, balance sheet and cash flow.</p>	<p>The majority of Fasadgruppen's transactions are conducted in the respective currency of each country (transaction exposure). Exposure to exchange rate changes may arise from balance sheet exposure at Group level from Danish, Finnish and Norwegian subsidiaries. Fasadgruppen has established principles in its finance policy, approved by the Board of Fasadgruppen Group AB, which provide a framework for managing currency risk. See Note 13.</p>

Sustainability report

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

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Sustainable value creation

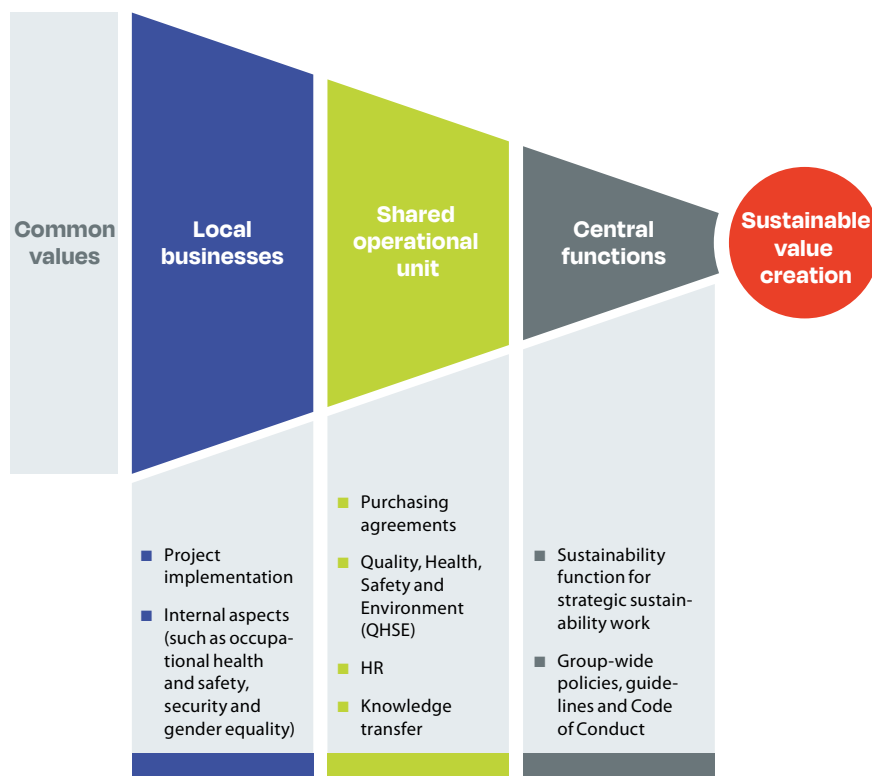


The services that Fasadgruppen provides have a clear connection to sustainability and the environment. Most of the façade solutions have a direct positive impact on the energy efficiency of properties, for example through new additional insulation or the installation of energy-efficient windows.

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

An operational unit provides shared functions such as purchasing, HR and QHSE, as well as sales initiatives with a particular focus on improving energy efficiency. The operational unit also enables collaboration and knowledge transfer between subsidiaries.

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



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

Values

Fasadgruppen's values describe the core of our operations.

These core values guide our work and constitute a clear promise to customers.

Collaboration

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

Commitment

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

Expertise

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

Sustainability governance

The Board of Directors establishes Fasadgruppen's overall sustainability strategy and goals and follows up the work at each ordinary Board meeting. The Group's sustainability strategy is discussed annually at special strategy days by both the Board and the Group Management. The Group's Head of Communications and Sustainability is responsible for the ongoing progress and the follow-up of objectives and activities within the framework. The Head of Communications and Sustainability further ensures that Fasadgruppen participates in 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, sustainability policy, personnel policy, environmental policy, quality policy and a number of other guidelines related to sustainability issues. Occupational health and safety issues are addressed by Fasadgruppen's occupational health and safety group, which contains representatives from both the general organisation and the subsidiaries. The Group's personnel policy and associated Employee Handbook contain guidelines on occupational health and safety issues. Information on Fasadgruppen's whistleblower function is provided in the Employee Handbook, as well as on the company's intranet and website.

All of Fasadgruppen's subsidiaries are certified according to ISO 9001 and ISO 14001, or equivalent. ISO 9001 is a standard for quality management and ensures quality work based on customer focus, leadership, employee engagement, process focus, improvement, fact-based decision-making and relationship management.

ISO 14001 is an environmental management system that, when implemented, helps reduce resource consumption and decreases the costs for waste management.

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

Fasadgruppen's Code of Conduct

Fasadgruppen's Code of Conduct is established by the Board of Directors and is reviewed annually or as necessary. It describes the core of Fasadgruppen's ethical guidelines and how we actively work to improve the business to ensure that it functions in a sustainable manner. The Code of Conduct is based on the Group's three core values, the OECD Guidelines for Multinational Enterprises and the UN's principles for responsible business (Global Compact) and includes areas such as human rights, working conditions, environment and anti-corruption. The purpose of the Code of Conduct is to inform every employee, supplier and customer, as well as shareholders and other stakeholders, about the Group's ethical guidelines and approach. Each subsidiary receives a copy 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





Replacing windows brings multi-SEK m energy savings

The window replacement work carried out by Fasadgruppen's subsidiary **Eklunds Glas** for Castellum has been far from ordinary. The listed building Melkerhuset in central Västerås has been given a new and considerably more energy-efficient glass façade, meaning the staff who work there will no longer freeze in winter.

A monument to the industrialisation of Västerås. That is how Melkerhuset is described, once one of the most modern buildings in the country – and a symbol of ASEA's success. The building is huge:

112 metres long, 18 metres wide and 35 metres high, with 1,783 windows spread across 9 of the total of 11 floors.

Now the iconic building has had its 1960s-era windows replaced with modern triple glazing and insulated profiles with a thermal break. The result was a façade that looks the same but provides a significantly improved working environment and dramatically reduced energy costs.

"Saving energy was the single biggest reason why we replaced the windows, which were over 60 years old and also had PCB* in the seals, which was another strong incentive for replacing them. As the building is listed, it took some time to

obtain planning permission. We developed ten different sample window frames, in different shades, before the municipal authorities approved the appearance," says Castellum's technical manager Hans-Ola Linus Björklund.

A thorough energy survey carried out in 2017 showed that replacing the windows in Melkerhuset would reduce the total seasonal need for heating and cooling by around 640 MWh per year. In terms of hard cash, replacing the windows means energy savings running into the millions of kronor.

"We estimate that the investment will have paid for itself in around 35 years, depending to some extent on what happens with energy prices of course," concludes Hans-Ola Linus Björklund. ■

* PCB is a collective name for a group of toxic substances that do not break down easily and were used in industry and construction since the 1930s, among other things as plasticisers in various types of sealants and insulation.

Stakeholder dialogue

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

STAKEHOLDERS	CHANNELS FOR DIALOGUE	IMPORTANT ISSUES
Customers <ul style="list-style-type: none"> • Construction companies • Property management companies • Property owners • Tenant-owner associations • Government and municipalities • Consultants 	<ul style="list-style-type: none"> • Calls, email, meetings • Customer events • Newsfeed online • Social media presence • Trade fairs, networks, industry days • Customer magazine 	<ul style="list-style-type: none"> • Quality • Delivery reliability and guarantees • Pricing • Energy efficiency improvements • Clean and tidy construction sites • Service and good dialogue
Employees <ul style="list-style-type: none"> • CEOs of subsidiaries • Existing employees • Potential employees 	<ul style="list-style-type: none"> • Business area meetings • Monthly newsletters, intranet, customer magazine • Employee appraisals • Workplace meetings • Participation in schools and college events • Apprenticeship programme 	<ul style="list-style-type: none"> • Pay, 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 • Machinery 	<ul style="list-style-type: none"> • Procurement • Strategic and operational meetings 	<ul style="list-style-type: none"> • Long-term partnerships • Workplace safety and control in the value chain, subcontractors • Transparency • Product and supplier quality • Code of Conduct • Sustainability requirements, sustainable materials
Capital market <ul style="list-style-type: none"> • Shareholders • Investors • Analysts • Banks (lenders) 	<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 (tenant-owner associations) 	<ul style="list-style-type: none"> • Noise • Changes in the local environment • Energy efficiency improvements, tips on energy-smart behaviour





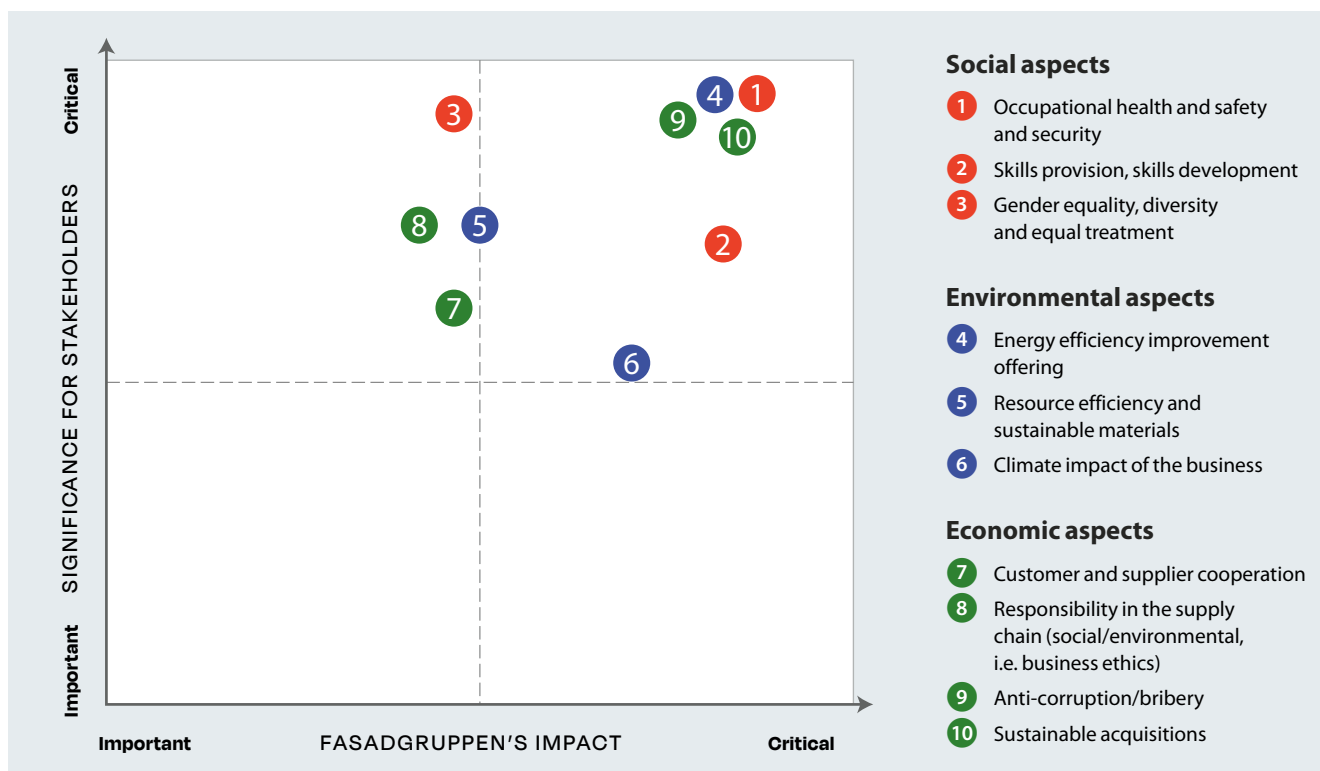
Materiality analysis

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

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

relationships have on the outside world and the external factors that affect the ability to conduct business.

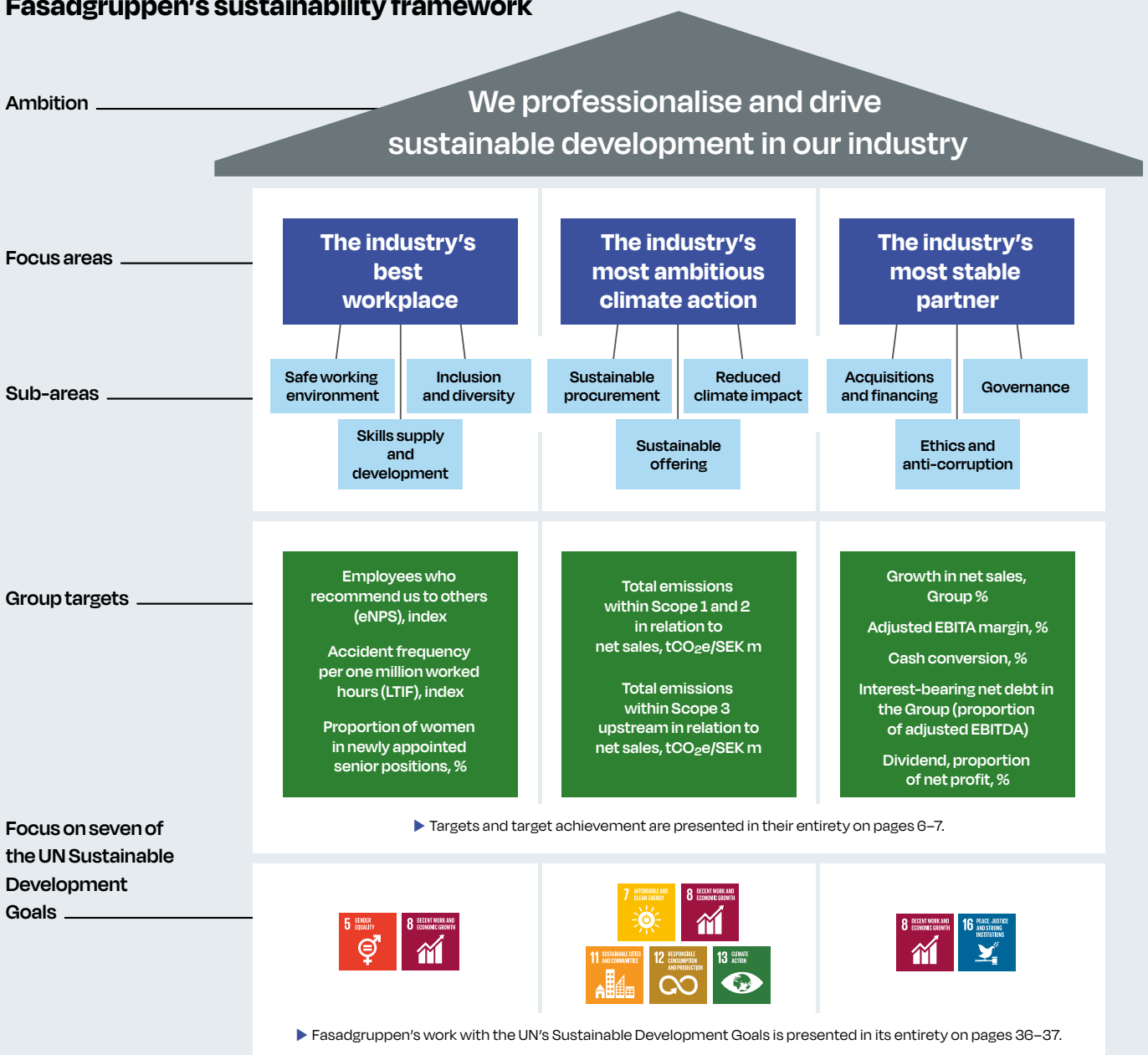
The issues identified as most material have then been categorised into social, environmental and economic aspects. The material sustainability issues are well established with the Board of Directors and form the basis for Fasadgruppen's sustainability work and the Sustainability Report. In the spring of 2023, Fasadgruppen carried out a double materiality analysis in accordance with the upcoming requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). The Group will report in accordance with the regulatory framework that is established.



Focus areas within sustainability work

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

Fasadgruppen's sustainability framework



The industry's most ambitious climate action

Sustainable offering

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, the heating of properties accounts for around 20 percent of Sweden's energy consumption, while many buildings are also in great need of renovation – which means that a significant proportion of the energy use can be traced to leakage. Measures such as façade and loft insulation, window renovations and replacements are therefore crucial to reducing energy use over time.

The most environmentally friendly solutions can often also be the most expensive in the short term, which is why the Group works on increasing awareness about the long-term benefits of choosing climate-smart alternatives.

In addition to offering energy efficiency improvement services, Fasadgruppen also works to constantly improve working methods and processes and to reduce material waste in project implementation. Among various activities during 2023, a collaborative project with El-Björn continued on renewable façade heating. Using pellets for heating the façade work during the winter season enables a potential reduction in climate footprint, measured as carbon dioxide equivalents, of more than 90 per cent per kilowatt-hour compared with conventional diesel or LPG 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 cleaning façades, only approved chemicals with an environmental declaration may be used and the cleaning water must be handled in accordance with current regulations.

Sustainable procurement

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

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 Fasadgruppen buys only hybrid or electric vehicles. By 2030, all of the Group's vehicles must be fossil-free, as well as other transport that Fasadgruppen orders. If the subsidiaries are able to choose the electricity company for their premises, a centrally procured agreement with green electricity is used.

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 ensure good control over the quality of their operations and to reduce the related environmental impact of these activities. ISO certification is necessary to be eligible to tender for certain projects, especially in the case of public procurements. If a newly acquired company is not certified, we immediately start work on obtaining certification as part of Fasadgruppen's integration process.

In 2023, Fasadgruppen signed up to the Science Based Targets initiative and worked to improve the qualitative database within scope 3 in particular. Based on the greenhouse gas emissions for 2023, the Group will draw up new short-term and long-term targets in spring 2024 for reducing emissions, including a net zero target, which will be submitted to the Science Based Targets initiative for approval. Adopting a long-term net zero target makes Fasadgruppen part of the UNFCCC's Race to Zero campaign. Once approved, the new and more ambitious targets will replace Fasadgruppen's previous reduction targets for scopes 1 and 2 and parts of scope 3 by 2030.

GREENHOUSE GAS EMISSIONS PER SCOPE

Scope	Description	2023	
		Tonnes CO _{2e}	Share, %
Scope 1	Emissions owned and controlled by the business, i.e. combustion of fuel for company vehicles	3,435	6.1
Scope 2	Emissions from energy purchased by the business	355	0.6
Scope 3	Emissions from purchased goods and logistics	52,162	93.2
Total		55,952	100.0

During autumn 2023 and spring 2024, Fasadgruppen implemented a new group-wide system for CO₂ calculations where data quality has been improved. In addition, work is underway to map the majority of emissions within scope 3, which means that more categories have been included. The outcome for 2023 is therefore not comparable with previously reported outcomes for the comparison years.

The industry's best workplace

Safe working environment

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

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

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

In 2023, the number of workplace accidents amounted to 114 (48). The most frequent accidents were falls and cuts. In addition to this, 565 (121) incidents were reported. The most frequent incidents were due to insufficient scaffolding or covering. The increase in accidents and incidents in 2023 is the result of the Group introducing a new, centralised and more easily accessible reporting process, which has also increased the quality of the database.

Inclusion and diversity

Fasadgruppen operates in a sector that has historically been heavily male-dominated. The Group therefore actively works

Industry-wide initiatives

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



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

Skills supply and development

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

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

The industry's most stable partner

Governance

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

Sustainable acquisitions and financing

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. In 2023, new and enhanced due diligence relating to sustainability factors was implemented in the acquisition process. This process is based on Fasadgruppen's sustainability strategy and aims to ensure that newly acquired subsidiaries contribute to the Group's sustainability ambitions and objectives.

In connection with the acquisition strategy, Fasadgruppen only takes up sustainability-linked financing. In 2023, a new sustainability-linked loan facility was taken up from Nordea, SEB, and Svensk Exportkredit totalling SEK 2,700 million. Fasadgruppen

intends to convert the credit facilities to sustainability-linked loans in 2024 in line with the new targets for reducing emissions that the Group is developing and will report to the Science Based Targets initiative.

Ethics and anti-corruption

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

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

In 2023, there were 3 (3) whistleblower cases received. All cases are thoroughly investigated according to established procedures and lead to further measures in the event that irregularities are confirmed.



UN Sustainable Development Goals

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



GENDER EQUALITY

Targets in focus:

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

One of Fasadgruppen's goals within the sustainability framework is to increase diversity and provide an inclusive workplace. The Group's target is to achieve a proportion of 50 percent of women in newly appointed senior positions by 2030, defined as Group Management, Chief Financial Officer, Group Accounting Manager, subsidiary CEOs, works managers, project managers or equivalent roles. For Fasadgruppen, it is also very important that all employees, regardless of gender, have pay that is set on equal grounds as well as good working conditions. One tool to ensure this is salary surveys.



AFFORDABLE AND CLEAN ENERGY

Targets in focus:

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

7.3 Double the global rate of improvement in energy efficiency

Fasadgruppen's services contribute to greater energy efficiency in properties. Consuming less energy, particularly for heating, reduces both the burden on the environment and electricity bills. Fasadgruppen also prepares properties for solar panels and collaborates with solar panel companies for the installation itself. The greatest effect is achieved when Fasadgruppen's subsidiaries work together and are able to implement several energy efficiency measures within the same project – for example both additional insulation and new energy-efficient windows. The Group also offers the patented SmartFront method, a unique ventilation solution which together with new additional insulation can reduce the energy consumption of an individual property by up to 75 percent.



DECENT WORK AND ECONOMIC GROWTH

Targets in focus:

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

8.6 Promote youth employment, education and training

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

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



SUSTAINABLE CITIES AND COMMUNITIES

Targets in focus:

11.3 Inclusive and sustainable urbanisation

11.6 Reduce the environmental impact of cities

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



RESPONSIBLE CONSUMPTION AND PRODUCTION

Targets in focus:

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

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



CLIMATE ACTION

Target in focus:

- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards

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



PEACE, JUSTICE AND STRONG INSTITUTIONS

Target in focus:

- 16.5 Substantially reduce corruption and bribery in all their forms

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



Reporting in accordance with the EU Taxonomy Regulation

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

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

Fasadgruppen's activities contribute to environmental objective 1, *Climate change mitigation* as renovation projects and the installation of energy efficiency equipment contribute to reducing the energy consumption and climate impact of buildings. Over time, the activities can to some extent also be assumed to contribute to environmental objective 2, *Climate change adaptation* as more buildings will need to be equipped in order to counteract physical climate risks. All subsidiaries within Fasadgruppen have an ISO 14001-certified or equivalent environmental management system, which provides the conditions for not causing significant harm to the other environmental objectives.

Regarding minimum safeguards, Fasadgruppen's work and guidelines concerning, among other things, human rights and anti-corruption are described in the Group's Codes of Conduct for employees and suppliers, which are based on the ten principles of the UN Global Compact. Fasadgruppen continuously conducts risk assessments and follow-ups throughout the value chain and takes into consideration risk aspects related to sustainability when making an acquisition.

Taxonomy-eligible activities

Fasadgruppen's Taxonomy-eligible activities are in the construction and real estate sector. A significant proportion of Fasadgruppen's turnover is assessed to be generated from the activities *renovation of existing buildings (7.2) and installation, maintenance and repair of energy 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 diverse subcontracted work, minor renovation measures, including alterations and additional work, scaffolding, painting and some balcony and forging work.

Taxonomy-aligned activities

For 2023, 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.

In 2024, Fasadgruppen will conduct a study on the Taxonomy criteria and alignment in major renovation projects where Fasadgruppen's subsidiaries are the main contractor. In combination with the fact that the Taxonomy is under continued development, 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, SEK m	Proportion of economic activities	
		that are Taxonomy-eligible, %	that are Taxonomy-aligned and eligible, %
Turnover	5,110	64	17
Operating expenditure ¹	81	56	5
Capital expenditure ²	147	46	6

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

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

Turnover

Share of turnover from products or services associated with economic activities that are consistent with the taxonomy requirements – disclosures covering 2023.

Economic activities: (1)	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						(17)	(18)	(19)	(20)
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
	Code(s)	Turnover	Proportion of turnover, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, year 2023	Category enabling activity	Category transitional activity
	Code	SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
- Renovation of existing buildings	7.2	216	4%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%	E	
- Installation, maintenance and repair of energy efficient equipment	7.3	643	13%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	15%	E	
Total turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		860	17%	17%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	16%		
of which enabling:		860	17%	17%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	16%	E	
of which transitional:		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
- Renovation of existing buildings	7.2	2 385	47%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
				EL	EL	N/EL	N/EL	N/EL	N/EL								45%		
Total turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2 385	47%	47%	-	-	-	-	-								70%		
Total turnover of Taxonomy-eligible activities (A.1 + A.2 = A)		3 245	64%	64%	-	-	-	-	-								86%		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total turnover of Taxonomy-non-eligible activities (B)		1 865	36%																
Total (A+B)		5 110	100%																

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

Capital expenditure (CapEx)

Share of capital expenditure from products or services associated with economic activities that are consistent with the taxonomy requirements – disclosures covering 2023.

Economic activities: (1)	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						(17)	(18)	(19)	(20)
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
	Code(s)	CapEx	Proportion of CapEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, year 2023	Category enabling activity	Category transitional activity
	Code	SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
- Renovation of existing buildings	7.2	2	1%	J	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
- Installation, maintenance and repair of energy efficient equipment	7.3	7	5%	J	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6%	E	
Total CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		9	6%	6%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	7%		
of which enabling:		9	6%	6%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	7%	E	
of which transitional:		-	-	-						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
- Renovation of existing buildings	7.2	60	40%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Total CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		60	40%	40%	-	-	-	-	-								68%		
Total CapEx of Taxonomy-eligible activities (A.1 + A.2 = A)		68	46%	46%	-	-	-	-	-								75%		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total CapEx of Taxonomy-non-eligible activities (B)		79	54%																
Total (A+B)		147	100%																

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

Operating expenditure (OpEx)

Share of operating expenditure from products or services associated with economic activities that are consistent with the taxonomy requirements – disclosures covering 2023.

Economic activities: (1)	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						(17)	(18)	(19)	(20)
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
	Code(s)	OpEx	Proportion of OpEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, year 2023	Category enabling activity	Category transitional activity
	Code	SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
- Renovation of existing buildings	7.2	2	2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%	E	
- Installation, maintenance and repair of energy efficient equipment	7.3	2	3%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%	E	
Total OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4	5%	5%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	6%		
of which enabling:		4	5%	5%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	6%	E	
of which transitional:		-	-	-						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
- Renovation of existing buildings	7.2	41	51%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Total OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		41	51%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Total OpEx of Taxonomy-eligible activities (A.1 + A.2 = A)		45	56%	56%	-	-	-	-	-								61%		
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total OpEx of Taxonomy-non-eligible activities (B)		36	44%																
Total (A+B)		81	100%																

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

Corporate governance

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

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A word from the Chair

It has been just over three years since Fasadgruppen's listing on Nasdaq Stockholm and the Group has grown considerably since then. From 21 subsidiaries with total sales of almost SEK 1.5 billion to the 54 subsidiaries we have today with sales in excess of SEK 5 billion. Over the years, the Group has both broadened its offering and brought successful entrepreneurial companies into the organisation, and Fasadgruppen's market position has grown along with them.

In 2023, Fasadgruppen's business model was put to the test in an economic downturn for the first time and the business has been largely successful in rising to the biggest challenges. The Board of Directors has followed developments very closely during the year and has focused on how the CEO and management have handled the market situation, as well as governance and control of subsidiaries, ongoing projects and succession, as well as capital allocation.

In May, Martin Jacobsson took over as the Group's CEO. The change of CEO was made effectively and without any impact on current operations. Martin has begun to make his mark on the organisation during the year and the Board has supported his development. The Group is still relatively young and we are therefore working continuously to refine and improve our strategic ability as well as our processes and follow-up.

The rate of acquisition during the year was lower than before, providing more time to focus on existing operations. From a Board perspective, there was particular follow-up on the measures implemented by the management and CEOs of subsidiaries that have underperformed in the current market. On the positive side, I would also like to highlight the major improvement of Fasadgruppen's decentralised organisation, where well-organised succession plans are a key area for the long-term ability to create profitable growth. The Board has therefore dedicated time to following up the succession planning of management, which resulted in an improved and more structured process and reduced dependence on individuals. This work has involved many employees in the organisation at both management and operational level.

In terms of acquisitions, the Board remains very positive about the long-term opportunities for the Group to consolidate its market. Fasadgruppen has a stable financial base and a well-established acquisition process – but one which is always being developed based on new



requirements and experiences. Improved due diligence has been implemented during the year with regard to sustainability factors and management personnel at acquisition candidates.

Finally, I would also like to mention the Group's sustainability ambitions. The Board continuously monitors the Group's work to develop new climate targets in accordance with the Science Based Targets initiative, along with other focus areas where items on the agenda during the year included workplace safety and working conditions for subcontractors.

In terms of business opportunities, the Board considers Fasadgruppen to be in an excellent position to benefit from the anticipated increased demand for energy renovations. Combined with a gradual increase in acquisition activity, this provides the conditions for continued profitable growth. The Board looks forward to continue working to develop the Group together with all employees.

Stockholm, April 2024

Ulrika Dellby
Chair of the Board

Corporate Governance Report

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

Principles for corporate governance

Fasadgruppen Group AB is a Swedish public limited company whose shares have been listed on Nasdaq Stockholm since December 2020. Fasadgruppen's corporate governance is based on the Swedish Companies Act, Nasdaq regulations for issuers and the Swedish Code of Corporate Governance (the Code), plus other applicable laws and regulations. Key internal governance instruments are Fasadgruppen's Articles of Association, the rules of procedure of the Board of Directors and other internal policies and instructions. No deviations from the Code occurred in 2023.

Share capital

According to the Articles of Association, the share capital must be not less than SEK 1,000,000 and not more than SEK 4,000,000 divided into not less than 20,000,000 shares and not more than 80,000,000

shares. As at 31 December 2023, the share capital amounted to SEK 2,481,192 distributed over 49,623,830 shares with a quotient value of SEK 0.05 per share. All shares have equal voting rights.

1 Shareholders

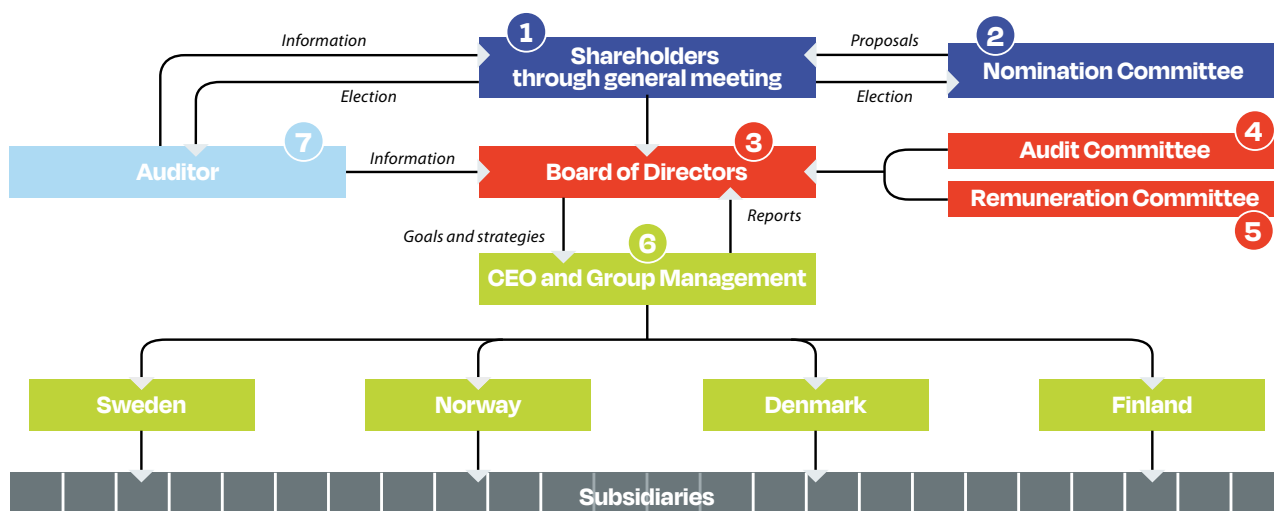
At the end of 2023, Fasadgruppen had 3,745 (3,467) known shareholders. At this same point in time, the ten largest shareholders controlled 54.9 (60.1) percent of the shares and votes. The three largest shareholders were Capital Group, Connecting Capital and Swedbank Robur Fonder. Foreign holdings amounted to 33.0 (35.7) percent of the number of shares and votes. Swedish institutional shareholders controlled 35.7 (37.8) percent, while private individuals in Sweden held 15.5 (10.2) percent. Fasadgruppen estimates that around 25 percent of the shares and votes are controlled by Board members, management and personnel of Fasadgruppen.

General meeting of shareholders

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

An Annual General Meeting shall be held within six months of the end of each financial year. In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened. According to the Articles of Association, notice of general meetings shall be published in "Post- och Inrikes Tidningar" and on the company's website. The company is also to advertise the convening of a general meeting in Svenska Dagbladet.

Governance structure



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

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

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

Annual General Meeting 2023

The 2023 AGM was held in Stockholm on 11 May 2023. Shareholders had the opportunity to exercise their voting rights either at the meeting in person, by proxy or by postal vote. There were 50.2 percent of the total number of shares and votes represented at the meeting, which decided on, among other things, a dividend of SEK 1.70 per share, the re-election of Ulrika Dellby as Chair of the Board, the re-election of Tomas Ståhl, Tomas Georgiadis, Gunilla Öhman and Christina Lindbäck as Board members and the election of Mats Karlsson as a Board member, the introduction of a long-term incentive programme and authorisations for the Board of Directors to decide



on issues of shares as well as buybacks and transfers of treasury shares.

2 Nomination Committee

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

the right to appoint the Chair of the Nomination Committee.

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

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

The composition of the Nomination Committee prior to the 2023 AGM is shown in the table below left.

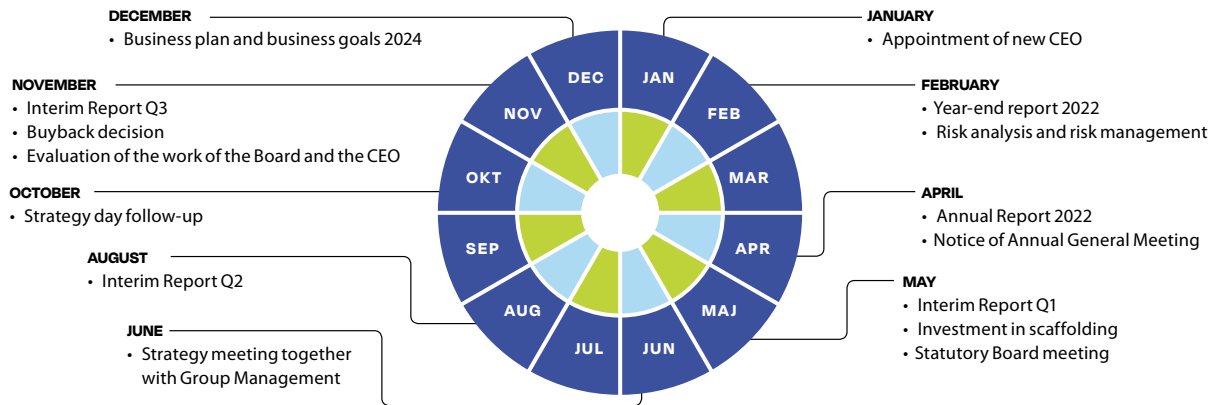
Diversity on the Board

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

Composition of the Nomination Committee

Member	Appointed by shareholder	Shareholder's share of votes as at 31 December 2023, %
Lars Nordin, Chair	Connecting Capital	10.2
Marianne Nilsson	Swedbank Robur Fonder	7.9
Peter Lundqvist	Third National Pension Fund	4.7

Work of the Board of Directors in 2023



3 Board of Directors

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

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

- the production of general, long-term strategies and goals, budgets and business plans,
- establishing guidelines to ensure that operations generate long-term value,
- inspecting and approving financial statements,
- resolving on issues concerning investments and sales, capital structure and dividend policy,
- ensuring that the company’s internal procedures provide good internal control, the development and adoption of central policies, ensuring control

systems are in place to monitor compliance with policies and guidelines, ensuring systems are in place for the monitoring and control of company operations and risks, material changes in the company’s organisation and operations, and

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

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

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

Work of the Board of Directors in 2023

In 2023, the Board held 16 meetings, of which 1 was held per capsulam and 6 constituted extraordinary Board meetings to deal with individual specific matters such as acquisitions and financing. The CEO, CFO and Head of Communications and Sustainability address every ordinary Board meeting, always including an activity report, an acquisition report and a sustainability report, as well as a financial report with follow up of the results and budget. In addition, the Board has held meetings with

the auditors without the presence of senior executives. At two of the ordinary Board meetings, the Board of Directors visited subsidiaries and projects in addition to the standard agenda.

Evaluation of the Board

In order to ensure and develop the quality of the Board’s work, an evaluation of the work of the Board and its members is carried out annually. In 2023, the evaluation took place through an externally provided, web-based survey that each member as well as the CEO, CFO and Head of Communications and Sustainability were required to complete. The results of the evaluation were reported in writing to the members and discussed at the ordinary Board meeting in November. The Chair of the Board has also reported on the results of the evaluation at a meeting with the Nomination Committee. The Board of Directors evaluates the CEO using the same method.

The Board of Directors’ procedures

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



4 Audit Committee

Since the 2023 AGM, the Audit Committee has consisted of the following four members: Tomas Ståhl (Chair), Ulrika Dellby, Gunilla Öhman and Christina Lindbäck. All members of the Audit Committee are independent in relation to the company and the company management. The Committee held five minuted meetings during the year.

The Audit Committee's main tasks are to:

- monitor the company's financial reporting and submit recommendations and proposals to ensure the reliability of such reporting,
- in respect of financial reporting, moni-

tor the effectiveness of the company's internal control and risk management,

- keep abreast of the audit of the annual accounts and consolidated accounts,
- inform the Board of Directors of the results of the audit and of how the audit contributed to the reliability of financial reporting and of the function the committee had,
- review and monitor the impartiality and independence of the external auditor with particular attention given to whether the external auditor provides the company with services other than auditing, and take a position on the conclusions of the Swedish Inspectorate of

Auditors' quality assurance,

- assist the Nomination Committee in drafting proposals for the resolution of the General Meeting on the election of the auditor,
- draft policies to be adopted by the Board of Directors, and
- monitor the company's sustainability reporting and submit recommendations and proposals to ensure the reliability of such reporting.

5 Remuneration Committee

Since the 2023 AGM, the Remuneration Committee has consisted of the following three members: Ulrika Dellby (Chair), Tomas Ståhl and Tomas Georgiadis. All members of the Remuneration Committee are independent in relation to the company and the company management. The Committee held three minuted meetings during the year, one of which was held per capsulam.

The Remuneration Committee's main tasks are to:

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

6 CEO and Group Management

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

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

Group Management currently comprises the CEO, CFO, COO, the Head of M&A and the Head of Communications and Sustainability. Fasadgruppen's CEO is Martin Jacobsson, who took up the post in conjunction with the 2023 Annual General Meeting. He was previously Deputy CEO and Head of M&A at the Group.

► Read more about Group Management on page 53.

Board remuneration

The 2023 AGM resolved that Board fees should be SEK 520,000 to the Chair of the Board and SEK 260,000 to each of the



other Members that are elected by the AGM and that the Chair of the Audit Committee should receive SEK 80,000 and the Chair of the Remuneration Committee should receive SEK 50,000.

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

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives were established at the 2023 Annual General Meeting. The remunera-

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

► Guidelines for remuneration to senior executives are presented on pages 59–60. For remuneration to the CEO and Group Management, plus other benefits and employment terms and conditions, see Note 4.

Composition and attendance of the Board of Directors

Member	Position	Elected	INDEPENDENT OF		PARTICIPATION IN MEETINGS		
			The company and company management	Major shareholders	Board meetings	Audit Committee	Remuneration Committee
Ulrika Dellby	Chair	2019	Yes	Yes	16/16	5/5	3/3
Christina Lindbäck	Member	2021	Yes	Yes	15/16	2/2	-
Gunilla Öhman	Member	2020	Yes	Yes	15/16	5/5	-
Tomas Georgiadis	Member	2020	Yes	Yes	16/16	-	3/3
Tomas Ståhl	Member	2018	Yes	No	16/16	5/5	3/3
Mats Karlsson	Member	2023	No	Yes	10/11	-	-

Incentive programmes

The Annual General Meetings of 2021, 2022 and 2023 resolved to introduce long-term incentive programmes for employees in the Group. The incentive programmes aim to create a platform to retain and recruit skilled personnel to the Group, to increase the motivation and company loyalty of participants and establish a community of interests with the company's shareholders and to promote individual share ownership in the company and in so doing, support shareholder value and the company's long-term value creation.

The incentive programmes consist of warrants (2021/2024 series, 2022/2025 series and 2023/2026 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 one new share in the company at a certain time and at a predetermined subscription price. The subscription price corresponds to 125 percent of the volume-weighted average price for the company's shares on Nasdaq Stockholm during the last ten trading days prior to the respective Annual General Meeting's approval of the incentive programme.

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

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

7 Auditor

The auditor shall review Fasadgruppen's Annual Report and accounting, and the administration of the Board of Directors



and the CEO. As the company is a parent company, the auditor also examines the consolidated accounts and the mutual relationships between Group companies. Audits of Fasadgruppen's financial statements and accounts, and of the administration by the Board of Directors and the CEO, are conducted in accordance with generally accepted accounting principles in Sweden. After each financial year, the

auditor shall submit an auditor's report and a consolidated auditor's report to the Annual General Meeting. At the 2023 AGM, accounting firm Deloitte AB was re-elected as the auditor for the period up to the 2024 AGM. Richard Peters, Authorised Public Accountant, is primarily responsible for the audit of Fasadgruppen.

Incentive programmes	Maximum number of warrants	Number of warrants transferred	Number of employees who acquired warrants	Warrant premium paid (SEKm)	Subscription period	Subscription price (SEK)
Series 2021/2024	923,010	501,472	65	7.9	June 2024	164.10
Series 2022/2025	484,000	236,196	46	1.7	June 2025	179.80
Series 2023/2026	500,000	213,410	68	4.3	June 2026	104.00

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

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

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

The responsibility for maintaining an effective control environment and conducting the ongoing work is delegated to the CEO. The CFO has the overall responsibility for coordinating and following up the work in the way that the Board decides. The CFO's responsibilities include ensuring that

accounting and reporting within the Group comply with applicable laws and norms, and that new standards and interpretation statements are implemented correctly.

Control environment

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

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

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

Risk assessment

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

- External risks
- Operational risks
- Financial risks

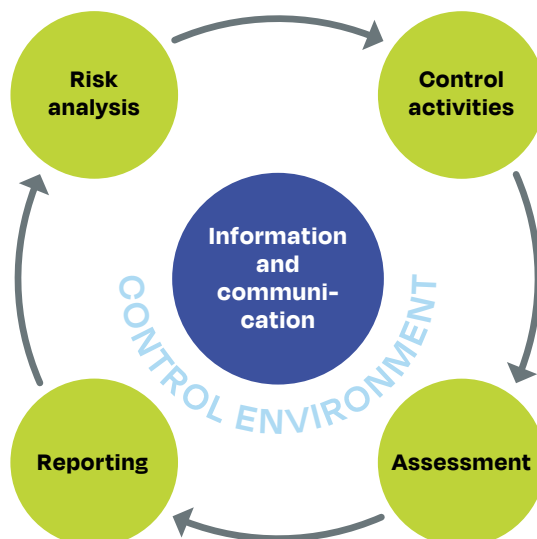
The Auditors' observations from the management audit and elsewhere are also taken into account. The identified risks are assessed based on:

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

The risk assessment includes identifying risks that may arise if the basic requirements for financial reporting (completeness, accuracy, valuation and reporting) in the Group are not met, as well as the risk of loss or misappropriation of assets. For identified critical risks, the processes and associated internal controls are reviewed in order to minimise the risk. The CEO reports identified risks to the Audit Committee and the Board of Directors, who make decisions about which risks are most material to take into account in order to ensure good internal control within financial reporting.

Examples of areas that are considered most material to focus on are assumptions

Fasadgruppen's internal control structure





linked to the percentage of completion method within project accounting, the accounting of acquisitions and the valuation of goodwill and brands.

Control activities

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

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

Assessment and reporting

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

Information and communication

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

Activities 2023

Below is a summary of Fasadgruppen's main activities within internal governance and control during 2023:

- All governing documents were updated during the year to fulfil requirements.
- The work with year-end reporting has continued to be developed and streamlined during the year for faster quarterly reporting.
- Continued work on further developing and improving control activities within prioritised processes with the aim of increasing the number of automated checks and further developing risk management with a focus on financial reporting.

- Established an operational management group in order to increase support and control in relation to the operations of subsidiaries.

Planned activities

Fasadgruppen will continue to develop the work on internal governance and control in 2024. The following planned activities are the focus during the coming year:

- Ongoing adaptation to the auditors' observations and comments.
- Work to develop CSRD-related key performance indicators and implement the Position Green support system for reporting and monitoring relevant key performance indicators on an ongoing basis.
- Establish a central QHSE service to strengthen and further develop the Group's focus on sustainability.
- Strengthen the IT organisation by recruiting an IT manager to further develop the work on IT risks and the strategic role of IT in the long term.
- Further develop the scorecard solution and financial analysis at subsidiary level by implementing the Power BI analysis tool.

Internal audit

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

Stockholm, 12 April 2024

Board of Directors

► The auditor's opinion on the Corporate Governance Report can be found on page 103.

Board of Directors



ULRIKA DELLBY

Chair of the Board

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

Born: 1966.

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

Other significant posts: Vice Chair of BICO Group AB, Board member of Lifco AB, Linc AB, Elanders AB, Werksta, Dramaten and IVAs Näringslivsråd.

Background: Former partner at BCG and in Private Equity. Former board member of SJ AB, Cybercom, Kavli, vice chairman of Norrporten and founder and chairman of Hello World! Ideell Förening.

Shareholding: 68,000 shares (through companies).

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

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

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

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

Shareholding: 6,350 shares (through companies).

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

Favourite façade: Tändstickspalatset



TOMAS GEORGIADIS

Board member

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

Born: 1976

Principal 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).

Background: 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, the Company Management and major shareholders in the Company.

Favourite façade: The Parthenon



CHRISTINA LINDBÄCK

Board member

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

Born: 1963

Principal education: LLB., Stockholm University.

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

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

Shareholding: 2,500 shares

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

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

Principal education: MSc Business and Economics, Lund University.

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

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

Shareholding: 200,000 shares (through companies).

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

Favourite façade: Landsort Lighthouse



MATS KARLSSON

Board member

Elected: Board member since May 2023

Born: 1973

Principal education: Upper secondary qualification.

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

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

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

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

Favourite façade: The Colosseum in Rome

Group Management



MARTIN JACOBSSON

CEO and Group President

Born: 1988

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

Principal education: MSc Engineering, Lund University.

Other significant posts: —

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

Shareholding: 490,000 shares, 28,671 W 2021/2024, 15,125 W 2022/2025, 25,000 W 2023/2026

Favourite façade: Drottningholm Castle



CASPER TAMM

CFO

Born: 1961

Active in the Group since 2020.

Principal 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, Swedol and SSM Holding AB.

Shareholding: 28,575 shares, 28,671 W 2021/2024, 15,125 W 2022/2025, 15,000 W 2023/2026

Favourite façade: Arvfurstens Palace



JOHAN CLAESSION

COO

Born: 1988

Active in the Group since 2020.

Principal 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: 818 shares, 2,000 W 2021/2024, 2,000 W 2023/2026

Favourite façade: MP09 Black Panther

Auditor

The 2023 AGM re-elected Deloitte AB as auditor for the period until the end of the 2024 AGM.

RICHARD PETERS

Authorised Public Accountant

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

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



DANIÉL BERGMAN

Head of M&A

Born: 1980

Active in the Group since 2023.

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

Other significant posts: —

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

Shareholding: 2,961 shares

Favourite façade: Vasahuset in Uppsala



ADRIAN WESTMAN

Head of Communications and Sustainability

Born: 1985.

Active in the Group since 2019.

Principal 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 and NorQuant Technology AS.

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: 16,800 shares, 15,000 W 2021/2024, 15,000 W 2022/2025, 15,000 W 2023/2026

Favourite façade: Stockholm City Hall

W = Warrants.

Financial information

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Board of Directors' Report

The Board of Directors and CEO of Fasadgruppen Group AB (publ), corporate identity number 559158-4122 (the "Company"), hereby present the annual accounts and consolidated accounts for the financial year 1 January 2023 to 31 December 2023. Unless otherwise stated, the information refers to the Group (the "Group" or "Fasadgruppen").

Group operations

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

Fasadgruppen's business concept is to acquire and develop locally leading entrepreneurial specialist companies in order to offer competitive, multidisciplinary solutions by enabling cooperation and to achieve economies of scale and synergy effects between the companies in order to contribute to sustainable property development.

Since Fasadgruppen's inception, Group sales have multiplied several times over, driven primarily by acquisitions but also by organic growth. In 2023, Fasadgruppen completed four business acquisitions, one of which was an asset acquisition. 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 during 2023 have strengthened the Group's sales by an estimated SEK 46.2 million and increased its workforce by around 140 new 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 that can share resources, purchasing agreements and best practice in an effective manner. Fasadgruppen comprises the Parent Company and its subsidiaries, all of which have solid local knowledge and responsibility for a geographical area. The Fasadgruppen philosophy is that customers should be able to benefit from contracting a local, trusted partner, thereby spending less time identifying, contacting and hiring separate contractors spread across the country. Although the Group, in its current form, was founded in 2016, the subsidiaries have extensive experience of complex projects in different environments and in multiple disciplines. For example, the Swedish companies Ahlins Plåt AB and Haga Plåt i Umeå AB were founded in 1909 and 1926 respectively.

Market

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

Fasadgruppen focuses on the mid-size segment of the market, where projects are in the magnitude of SEK 1–100 million, but have an average size of SEK 3–4 million. References, customer relationships, local presence, short lead times and competitive pricing are key factors in successfully tendering for these projects. There is less risk attached to medium-sized projects compared with larger SEK 100 m+ projects, where it can be difficult to calculate costs for time and materials, and they also provide greater profitability than in small projects, below SEK 1 million, where competition is often fierce between many small players.

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.

Façades: Masonry and plastering are the largest service areas within façades. Masonry services include pointing, anchoring and additional insulation of brick façades. In addition to masonry and plastering, some subsidiaries have specialist expertise in other types of façade, such as glass façades.

Windows and balconies: Window work includes the 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. Balcony services include renovation, cleaning, reconcreting, replacement of railings and glazing in.

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

Other services: Includes, for example, façade cleaning, steel structures, concrete work, carbon fibre reinforced polymer strengthening work, plus various kinds of tiling. The service area includes renting out several types of scaffolding for construction

work, including lifts, loaders and protective equipment.

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 at SEK 37 billion, on the Danish market around SEK 27 billion and on the Finnish market around 25 billion.

Business development in 2023

First quarter

The first quarter was characterised by an expected seasonally low level of activity, as some façade services are difficult to perform at low temperatures. The order backlog increased by 9.0 percent in the quarter. Sales in the first quarter amounted to SEK 1,143.3 million, an increase of 55 percent compared with the corresponding quarter in the previous year. The adjusted EBITA margin amounted to 6.5 percent in the quarter, compared with 5.9 percent in the corresponding quarter of 2022.

Significant events during the quarter

- In January, it was announced that CEO Pål Warolin would be, stepping down on 11 May 2023 and that Deputy CEO Martin Jacobsson would be appointed CEO of Fasadgruppen from 12 May 2023 onwards.
- The European Parliament adopted a proposal to increase the renovation rate in the European property stock.

Second quarter

Sales in the second quarter amounted to SEK 1,309.6 million, an increase of 7.6 percent compared with the corresponding quarter in the previous year. The order backlog at the end of the period was SEK 3,528 million, an increase of 24 percent from the first quarter of 2023. Adjusted EBITA for the first half of the year improved by 21 percent to SEK 202 million compared with the corresponding period last year, while the adjusted EBITA margin decreased from 8.5 to 8.2 percent. Competition in Stockholm and Copenhagen, which are both major markets for Fasadgruppen, has intensified, putting pressure on margins during the second quarter.

Significant events during the quarter

- In June, the acquisition was announced of Danish balcony manufacturer Weldmatic A/S.
- Fasadgruppen won several major renovation contracts, including two schools in Stockholm and an apartment building in Oslo.

Third quarter

Sales in the third quarter amounted to SEK 1,259.2 million, an increase of 4.2 percent compared with the corresponding quarter last year. Norway and Finland showed positive organic growth, while Sweden and Denmark exhibited a weaker development due to tougher market competition. The order backlog has increased

by 7 percent, of which organic growth of 5 percent, compared with the corresponding point last year and amounted to SEK 3,410 million at the end of the period. Adjusted EBITA for the first nine months of the year increased by 4 percent to SEK 320 million, while the adjusted EBITA margin decreased from 9.7 to 8.6 percent.

Significant events during the quarter

- Fasadgruppen entered into agreements for the acquisition of façade contractor Rosborg Entreprenad and the bankrupt estate of balcony specialist Teknova.
- Fasadgruppen joined the Science Based Targets initiative.

Fourth quarter

Sales increased by 1 percent to SEK 1,397.5 million in the fourth quarter, but decreased by 2 percent organically in local currency, which is attributable entirely to Swedish operations. Norway, Denmark and Finland all returned positive organic growth in the quarter. This is partly down to unusually cold temperatures at times in November and December, which resulted in the postponement of some projects. The adjusted EBITA margin amounted to 9.1 percent in the quarter, compared with 9.0 percent in the corresponding quarter in the previous year.

Significant events during the quarter

- Fasadgruppen closed the acquisitions of Rosborg Entreprenad and Surface Byggställningar and strengthened the production capacity of Alnova through the asset acquisition of Teknova.
- Fasadgruppen entered into an agreement for the acquisition of Danish balcony specialist Alument.

Net sales and profit

Net sales for the full year 2023 amounted to SEK 5,109.7 million (4,547.7), a total increase of 12.4 percent compared with the same period in the previous year. The increase consists of organic growth of +2.8 percent in local currency, exchange rate changes of +0.6 percent and acquired growth of +8.9 percent. Organic growth has been primarily affected by the impact of the cost inflation of materials during the first quarter. During the period January to December 2023, Fasadgruppen completed four business acquisitions, one of which was an asset acquisition. For more information on acquisitions during the period January–December 2023, see Note 9.

EBITA for the full year 2023 amounted to SEK 421.2 million (421.9) and adjusted EBITA to SEK 448.0 million (431.6). Items affecting comparability during the period totalled SEK -26.8 million (-9.8) with an adjusted EBITA margin of 8.8 percent (9.5). Customer pricing could be managed satisfactorily during the first quarter, with positive effects on the margin, but was negatively affected by increased competition in Sweden, and in the metropolitan regions in particular, during the subsequent three

quarters of the year. Other operating income/expenses were significantly impacted by the revaluation of contingent earnouts during the period, in the amount of SEK +45.0 million (+152.7) and SEK -61.5 million (-141.7) respectively, the items being treated as affecting comparability; see also Notes 6 and 7. Net financial items for the period totalled SEK -101.9 million (-38.2). Interest expenses on loans from credit institutions amounted to SEK -92.8 million (-30.1). The discounting of earnouts had a negative impact on net financial items of SEK -7.7 million for the current period and accrued expenses from previous financing arrangements settled as part of the restructuring of financing in August had a further negative impact of SEK -2.7 million. Profit for the period amounted to SEK 219.2 million (271.9), corresponding to earnings per share of SEK 4.42 (5.62) before and after dilution. The effective tax rate was 27.4 percent (21.5). The difference in effective tax rate between the periods is the result of an adjustment to the Group's tax-deductible interest in Sweden, which increased the tax expense by approximately SEK 10 million for the period, differences in the net effects of the revaluation of earnouts that are non-taxable, as well as a positive adjustment in deferred tax in the comparison period of SEK 3.0 million at one of our Norwegian subsidiaries.

Order backlog

At the end of December 2023, the order backlog amounted to SEK 2,867.0 million (2,983.3), a decrease of -3.9 percent. The decrease consists of organic growth of -4.2 percent in local currency, exchange rate changes of -1.3 percent and acquired growth of +1.6 percent. From a geographical perspective, the order backlog trend was declining in Norway and Sweden and positive in Denmark and Finland.

Financial position and financing

At the end of the period, shareholders' equity was SEK 2,182.3 million (2,092.5). The change in shareholders' equity between the period ends can be attributed to the repurchase of own shares in the amount of SEK -3.8 million, warrant payments of SEK +4.3 million and dividends of SEK -84.4 million. The rest of the change in shareholders' equity is attributable to the comprehensive income for the period. Interest-bearing net debt on 31 December 2023 amounted to SEK 1,240.2 million (1,274.3). The interest-bearing net debt includes lease liabilities amounting to SEK 168.1 million (166.8). Earnouts are not included in interest-bearing net debt and on 31 December 2023 amounted to SEK 232.5 million (271.5). The fixed interest period for interest-bearing liabilities varies between 1 and 6 months and the average interest expense paid for the period January–December 2023 was approximately 5.8 percent (2.0). The ratio of Fasadgruppen's interest-bearing net debt to adjusted EBITDA 12M (not on a proforma basis) was 2.3 (2.5) at the end of the period. On 31 December 2023, the Group held cash and

cash equivalents and other short-term investments amounting to SEK 467.6 million (452.6). In addition to cash and cash equivalents and other short-term investments, there were unutilised credit facilities of around SEK 1,133 million at the end of the period. The Group's entire previous financing was refinanced in August and the facilities available increased by around SEK 600 million.

Cash flow and investments

The change in working capital for the full year 2023 was significantly better than the comparison period and amounted to SEK 123.9 million (-45.2). The strong development in working capital is considered to be partly due to the companies returning to purchasing materials closer to project implementation, as opposed to making purchases early in order to protect margins, as was the case during the material cost inflation in 2022. It is also partly due to the measures implemented since the turn of the year to improve tied-up working capital within the Group, which are now beginning to bear fruit. Cash flow from operating activities totalled SEK 547.6 million (401.7) as a direct result of the positive development in working capital during the current period. Group net investments in property, plant and equipment amounted to SEK -99.4 million (-57.1) for the period January to December 2023. The increase between the periods is mainly attributable to a major investment in scaffolding during the second quarter totalling SEK 22.2 million in scaffolding company Rapid. Depreciation on non-current assets for the period amounted to SEK -119.3 million (-119.4), of which depreciation on acquired intangible assets, such as customer relationships, amounted to SEK -17.3 million (-37.3). Investments in company acquisitions for the period January–December 2023 amounted to SEK -112.7 million (-916.6). Contingent earnouts relating to acquisitions in previous years were settled at a net amount of SEK 107.3 million during the full year 2023.

Parent Company

Fasadgruppen Group AB acts as a holding company for the Group and provides head office functions such as Group-wide management, administration and a finance department. Income comprises management fees from Group companies for Group-wide services and costs covered by the Parent Company. Net financial items mainly comprise dividends and interest income from Group companies, as well as interest expenses from external financing. Profit/loss for the period January to December amounted to SEK 79.7 million (47.9). Assets, primarily consisting of participations in and receivables from Group company Fasadgruppen Norden AB, amounted to SEK 3,110.6 million (3,103.8) at the end of the period. Shareholders' equity amounted to SEK 1,520.2 million (1,524.3) on the balance sheet date. The number of employees at the Parent Company at the end of the period was 2 (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 programmes

The Annual General Meetings of 2021, 2022 and 2023 resolved to implement long-term incentive programmes for employees in the Group, consisting of warrants. Each warrant entitles the holder to subscribe for one new share in the company at a predetermined price and within a specified subscription period. The subscription price corresponds to 125 percent of the volume-weighted average price for the company's shares on Nasdaq Stockholm during the last ten trading days prior to the respective Annual General Meeting that approved the incentive programme. See also the table below for a summary of the current warrant programmes. Read more about the warrant programmes in Note 4 Remuneration to employees and the Board of Directors.

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

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

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

The share and share capital

Following the buy-back of 68,741 shares during the fourth quarter

of 2023, the number of shares and votes as at 31 December 2023 amounted to 49,555,089, with a share capital of SEK 2.5 million, corresponding to a quotient value of SEK 0.05 per share. The three largest shareholders in the company at the end of 2023 were Capital Group, Connecting Capital and Swedbank Robur Fonder.

Based on the authorisation granted by the Annual General Meeting of 11 May 2023, Fasadgruppen's Board of Directors decided on 13 November 2023 to initiate a share buy-back programme of up to SEK 50 million. The purpose of the buy-back programme is to enable Fasadgruppen to use repurchased own shares to finance future acquisitions and to optimise the company's capital structure and create value for the company's shareholders.

Risks and uncertainty factors

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

The year 2023 began with the highest level of inflation in Sweden for more than 30 years. The macroeconomic challenges, combined with escalating global geopolitical tensions, resulted in continued uncertainty on the market during the year. Although Fasadgruppen does not have any direct exposure to Russia and Ukraine, the business is affected by the general economic situation, just like everyone else. Inflation began to ease during the year, however, as the economy slowed, which has resulted in a general increase in competition. Despite uncertainty in the construction and property sector and the downturn in the economy, the impact on Fasadgruppen has been limited so far. This is largely due to the Group's strong presence on the renovation market,

Incentive programmes	Maximum number of warrants	Number of warrants transferred	Number of employees who acquired warrants	Warrant premium paid (SEKm)	Subscription period	Subscription price (SEK)
Series 2021/2024	923,010	501,472	65	7.9	June 2024	164.10
Series 2022/2025	484,000	236,196	46	1.7	June 2025	179.80
Series 2023/2026	500,000	213,410	68	4.3	June 2026	104.00

which accounts for 80 percent of sales. Demand in the renovation sector has remained stable, driven by the underlying renovation requirements of the ageing property stock in the Nordic region together with a new EU Directive that places more stringent requirements on the energy performance of properties. The longer-term consequences of the rising interest rate levels, which are mostly considered to be of a general cyclical nature, remain hard to predict. The Group continues to monitor developments closely as part of its ongoing risk management work, making adjustments when necessary.

More information about the Group's risks can be found on pages 22–25.

Sustainability Report

Sustainability is an integral part of Fasadgruppen's operations and therefore also an integral part of the Annual Report. In accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, the Group has chosen to produce a sustainability report that is separate to the Board of Directors' Report. The statutory Sustainability Report is integrated into the Annual Report on pages 26–41. Disclosures in accordance with the EU Taxonomy Regulation are presented in the Sustainability Report on pages 39–41. The risk analysis in relation to 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 45.

Employees

Fasadgruppen has a decentralised and dedicated organisation to drive the business forward. The Group had 2,069 employees (1,975) on 31 December 2023, of whom 90 were women (85). The average number of employees for the period January–December 2023 was 2,001 (1,807). The change relative to the comparison period is primarily attributable to new acquisitions between the periods.

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

Guidelines for remuneration to senior executives

The Board of Directors proposes that the following guidelines for the remuneration of senior executives apply to the remuneration

agreed by the Company after the 2024 AGM. The guidelines do not encompass remuneration resolved by the General Meeting.

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

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

Fixed salaries should be in line with market rates and based on the senior executive's responsibilities, expertise and performance.

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

The assessment of whether the targets for payment are met is to be made when the relevant measurement period for the targets has ended. The Board's Remuneration Committee is responsible for assessing variable remuneration for the CEO. The CEO is responsible for the assessment with regard to variable remuneration for other senior executives.

Variable remuneration may not exceed 75 percent of annual fixed salary (i.e. annual fixed salary excluding pensions, benefits and similar).

An amount corresponding to 25 percent of the variable remuneration received by the senior executive before deduction of income tax (i.e. the gross amount) must be used to acquire shares in Fasadgruppen. The shares acquired must be held for at least three years, subject to certain customary exceptions. The purpose of reserving a portion of the variable remuneration for the acquisition of shares in Fasadgruppen is to increase the long-term com-

mitment of the senior executives to the Company and so benefit the strategy and long-term value creation of the Company. The acquisition of Fasadgruppen shares by senior executives using the portion of variable remuneration shall normally take place in May–June and is subject to the applicable market abuse regulations.

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance Report

The Corporate Governance Report is presented as a separate part of Fasadgruppen's 2023 Annual Report and does not form part of the formal annual report documents, see pages 42–53.

Significant events after the end of the year

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

Future projections

The Nordic market is expected to continue to have stable underlying renovation requirements in the future. Underlying driving forces, such as urbanisation, housing shortages, the tough Nordic weather climate and increased focus on improving energy efficiency in buildings, 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. The Group's financial base creates the stability that aids both investments and acquisitions. Fasadgruppen continues to develop its sustainability work with a 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 and energy in several industries and rising interest rates in the section on Risks and uncertainties.

Proposed appropriation of profit

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

Consolidated statement of comprehensive income

SEKm	Note	2023	2022
Net sales	2	5,109.7	4,547.7
Other operating income		61.4	179.9
Operating income		5,171.1	4,727.6
Materials and consumables		-2,680.8	-2,428.5
Remuneration to employees	4, 5	-1,565.4	-1,347.1
Depreciation and impairments of tangible and intangible non-current assets	6	-119.3	-119.4
Other operating costs	3	-401.8	-448.0
Operating costs		-4,767.3	-4,343.0
Operating profit/loss		403.8	384.6
Financial income	7	28.0	10.3
Financial costs	7	-130.0	-48.5
Profit/loss from financial items		-101.9	-38.2
Profit/loss after financial items		301.9	346.3
Tax on profit for the year	8	-82.7	-74.4
Profit/loss for the year		219.2	271.9
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		-50.1	72.9
Hedging of net investments		5.8	-
Tax attributable to components in other comprehensive income		-1.2	-
<i>Items that will not be reclassified to profit or loss:</i>			
Other comprehensive income for the year, net after tax		-45.4	72.9
Comprehensive income for the year		173.7	344.8
Comprehensive income for the year attributable to:			
Shareholders in the Parent Company		173.7	344.8
Holdings without controlling interest		-	-
Earnings per share for the year before dilution, SEK		4.42	5.62
Earnings per share for the year after dilution, SEK		4.42	5.62
Average no. of shares before dilution		49,615,784	48,360,099
Average no. of shares after dilution		49,615,784	48,360,099
Actual no. of shares at the end of the period		49,555,089	49,623,830

Consolidated statement of financial position

SEKm	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	10	2,917.3	2,842.3
Brands	10	432.0	406.7
Customer relationships	10	0.1	17.0
Other intangible assets	10	1.5	1.8
Total intangible assets		3,350.9	3,267.8
Property, plant and equipment			
Right-of-use assets	6	169.3	163.3
Buildings and land	11	2.4	2.4
Equipment	11	139.4	116.3
Total property, plant and equipment		311.1	282.0
Non-current financial assets			
Non-current securities holdings		0.6	0.5
Deferred tax assets	8	5.0	1.8
Other non-current receivables		6.2	2.0
Total non-current financial assets		11.9	4.3
Total non-current assets		3,673.9	3,554.1
Current assets			
Inventories	14	29.4	25.5
Accounts receivable	13, 15	721.5	702.3
Revenues from contracts with customers	16	215.1	211.3
Prepaid expenses and accrued income	17	46.9	36.1
Current receivables		57.8	67.6
Cash and cash equivalents	18	467.6	452.6
Total current assets		1,538.2	1,495.4
TOTAL ASSETS		5,212.0	5,049.5

SEKm	Note	31 Dec 2023	31 Dec 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	19		
Share capital		2.5	2.5
Other contributed capital		1,423.9	1,423.4
Reserves		43.0	88.5
Retained earnings including profit/loss for the year		712.9	578.1
Total shareholders' equity		2,182.3	2,092.5
Non-current liabilities	13, 14		
Liabilities to credit institutions	21	1,430.9	1,421.0
Non-current lease liabilities		102.3	102.1
Deferred tax liabilities	8	146.3	122.6
Appropriations	20	8.5	10.7
Other non-current liabilities	14	130.4	187.4
Total non-current liabilities		1,818.3	1,843.8
Current liabilities	13, 14		
Liabilities to credit institutions	21	108.8	139.1
Current lease liabilities	6	65.8	64.8
Accounts payable		385.9	356.4
Current tax liabilities		25.0	43.6
Contract	22	109.6	165.2
Other liabilities		243.8	138.6
Accrued expenses and prepaid income	23	272.4	205.6
Total current liabilities		1,211.3	1,113.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,212.0	5,049.5

Consolidated statement of changes in equity

SEKm	Note	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Reserves	Total share-holders' equity
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	1,423.4	578.1	88.5	2,092.5
Shareholders' equity 01 January 2023						
Shareholders' equity 01 January 2023		2.5	1,423.4	578.1	88.5	2,092.5
Comprehensive income						
Profit/loss for the year				219.2		219.2
<i>Other comprehensive income for the year:</i>						
Exchange rate differences on translation of foreign operations					-50.1	-50.1
Hedging of net investments					5.8	5.8
Income tax attributable to components in other comprehensive income					-1.2	-1.2
Total comprehensive income		-	-	219.2	-45.5	173.7
Transactions with owners						
Dividend				-84.4		-84.4
Warrant payment			4.3			4.3
Buy-back of own shares			-3.8			-3.8
Total transactions with owners		0.0	0.5	-84.4	-	-83.9
Shareholders' equity 31 December 2023	19	2.5	1,423.9	712.9	43.0	2,182.3

Consolidated statement of cash flows

SEKm	Note	2023	2022
OPERATING ACTIVITIES			
Profit/loss after financial items		301.9	346.3
Adjustment for non-cash items	24	251.4	117.2
<i>Changes in working capital:</i>			
Change in inventories		1.9	2.7
Change in receivables		5.8	-156.1
Change in liabilities		116.2	108.2
Cash flow from operations		677.2	418.4
Interest paid	24	-66.7	-31.2
Tax paid		-81.3	-74.3
Cash flow from operating activities		529.1	312.8
INVESTING ACTIVITIES			
Acquisition of subsidiaries and businesses	9	-112.7	-916.6
Net investments in other non-current assets	11	-99.4	-57.1
Net investments in financial assets		-4.3	0.7
Cash flow from investing activities		-216.4	-973.0
FINANCING ACTIVITIES			
New share issue	9, 19	-	409.5
Transactions with owners		0.5	1.7
Dividend paid		-84.4	-58.3
Proceeds from borrowings	24	1,931.0	791.3
Repayment of loans	24	-2,061.0	-260.3
Repayment of lease liability	24	-70.5	-51.9
Cash flow from financing activities		-284.3	832.0
Cash flow for the year		28.4	171.8
Cash and cash equivalents at beginning of year		452.6	271.6
Translation difference in cash and cash equivalents		-13.5	9.2
Cash and cash equivalents at end of year		467.6	452.6

Parent Company income statement

SEKm	Note	2023	2022
Operating income		12.0	12.2
Operating costs	3, 4	-17.6	-21.3
Operating profit/loss		-5.6	-9.2
Financial income	7	108.7	2.0
Financial costs	7	-105.3	-32.1
Profit/loss from financial items		3.4	-30.1
Profit/loss after financial items		-2.2	-39.3
Appropriations	8	92.9	102.5
Profit/loss before tax		90.7	63.2
Tax on profit for the year	8	-10.9	-15.3
Profit for the year*		79.7	47.9

* 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 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible and tangible non-current assets			
Other intangible non-current assets		0.1	0.1
Right-of-use assets	6	0.0	0.0
Total intangible and tangible non-current assets		0.1	0.1
Financial non-current assets			
Participations in Group companies	12	450.0	450.0
Receivables from Group companies		2,660.1	2,651.9
Total financial non-current assets		3,110.1	3,101.9
Total non-current assets		3,110.2	3,102.1
Current assets			
Other receivables	14	0.2	1.6
Prepaid expenses and accrued income	17	0.1	0.1
Cash and bank	18	0.0	0.0
Total current assets		0.4	1.7
TOTAL ASSETS		3,110.6	3,103.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital		2.5	2.5
Total restricted shareholders' equity		2.5	2.5
Unrestricted shareholders' equity			
Share premium reserve		1,423.9	1,423.4
Retained earnings		14.1	50.5
Profit/loss for the year		79.7	47.9
Total unrestricted shareholders' equity		1,517.7	1,521.9
Total shareholders' equity		1,520.2	1,524.3
Non-current liabilities			
Liabilities to credit institutions	13, 14 21	1,435.0	1,417.7
Total non-current liabilities		1,435.0	1,417.7
Current liabilities			
Liabilities to credit institutions	13, 14 21	107.8	138.0
Accounts payable		1.6	0.3
Current tax liabilities		13.8	14.2
Accrued expenses and prepaid income	23	31.7	8.5
Other current liabilities		0.4	0.8
Total current liabilities		155.3	161.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,110.6	3,103.8

Change in the Parent Company's equity

SEKm	Note	Restricted shareholders' equity		Unrestricted shareholders' equity		Total shareholders' equity
		Share capital	Share premium reserve	Retained earnings		
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
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	1,423.4	98.4		1,524.3
Shareholders' equity 01 January 2023						
		2.5	1,423.4	98.4		1,524.3
Comprehensive income						
Profit/loss for the year				79.7		79.7
Total comprehensive income				79.7		79.7
Transactions with owners						
Dividend				-84.4		-84.4
Warrant payment			4.3			4.3
Buy-back of own shares			-3.8			-3.8
Total transactions with owners		0.0	0.5	-84.4		-83.9
Shareholders' equity 31/12/2023	19	2.5	1,423.9	93.8		1,520.2

Parent Company statement of cash flows

SEKm	Note	2023	2022
OPERATING ACTIVITIES			
Profit/loss after financial items		-2.2	-39.3
Adjustment for non-cash items	24	92.1	29.2
<i>Changes in working capital:</i>			
Changes in inventories		0.0	0.0
Changes in receivables		86.0	-1,485.6
Changes in liabilities		-0.9	1.2
Cash flow from operations		175.0	-1,494.5
Interest paid	24	-66.7	-31.2
Tax paid		-11.3	-7.0
Cash flow from operating activities		97.0	-1,532.8
INVESTING ACTIVITIES			
Net investments in non-current assets		-0.3	0.0
Cash flow from investing activities		-0.3	0.0
FINANCING ACTIVITIES			
New share issue		0.0	409.5
Transactions with owners		0.5	1.7
Dividend paid		-84.4	-58.3
Proceeds from borrowings		1,920.4	794.1
Repayment of loans	24	-1,933.3	-260.3
Cash flow from financing activities		-96.7	886.7
Cash flow for the year		0.0	-646.1
Cash and cash equivalents at beginning of year		0.0	646.1
Cash and cash equivalents at end of year		0.0	0.0

Notes

Note 1 Accounting policies

General information

Fasadgruppen Group AB (559158-4122) is a public limited company that was formed and has its registered office in Sweden. The head office is located at Lilla Bantorget 11 in Stockholm, Sweden. Group operations are active on the façade markets in Sweden, Denmark, Norway and Finland, with the majority of its operations in Sweden.

Fasadgruppen Group AB and its subsidiaries are a complete provider of building exteriors. The offering includes services such as façade work, window work and replacement, balcony and roof work, sustainable solutions, scaffolding and other work.

ESEF data

Domicile of entity:	Sweden
Description of nature of entity's operations and principal activities:	Work on the external façades of properties, such as: masonry and plastering, windows and balconies, roofing and sheet metal, sustainable solutions, scaffolding and other work.
Country of incorporation:	Sweden
Legal form of entity:	Aktiebolag (limited liability company)
Name of reporting entity:	Fasadgruppen Group AB (publ)
Address of entity's registered office:	Lilla Bantorget 11, 111 23 Stockholm, Sweden
Name of parent entity:	Fasadgruppen Group AB

From the 2021 financial year onwards, Fasadgruppen applies the Commission Delegated Regulation (EU) 2018/815 with regard to a single electronic reporting format (ESEF). For Fasadgruppen, compliance with the requirements of the new standard means that the annual reports for 2021 onwards have been prepared in an XHTML format (Extensible HyperText Markup Language) and that the financial statements and notes prepared in accordance with International Financial Reporting Standards (IFRS) have been tagged in accordance with a separate ESEF taxonomy.

Compliance with regulations and the going concern principle

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

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

The financial statements for the financial year ended 31 December 2023 (including comparative figures) were approved for issuance by the Board of Directors on 12 April 2024 and will be submitted to the Annual General Meeting on 15 May 2024 for approval.

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

New and amended accounting principles

No new or amended standards, and interpretations of existing standards, which are mandatory to apply for the first time for financial years beginning on or after 1 January 2023 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 2024 are deemed to have had any material significance for the Group.

Changed accounting principles for the Parent Company

The changes to RFR 2 Accounting for Legal Entities that have entered into force and are valid for the financial year 2023 have not had any significant impact on the Parent Company's financial statements.

Basis for preparation

The consolidated financial statements have been prepared with the application of the accrual principle and based on cost. The financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional currency. Amounts are rounded to the nearest million (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. Amounts in parentheses indicate the figure for the previous year.

Basis for consolidation

In the consolidated financial statements, the operations of the Parent Company and subsidiaries are consolidated to the end of 31 December 2023.

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

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

Internal pricing

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

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

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

The following are significant assessments, calculations 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 the need for impairment, Group Management calculates the recoverable amount (value in use) for every cash-generating unit (the Group's three business areas) based on expected future cash flows and with the application of a suitable interest rate to discount these cash flows. There are uncertainties in the assumptions regarding future operating profit and the

determination of a suitable discount rate. To date, the Group has assessed that the value in use of goodwill, brands and customer relationships exceeds their carrying amount. 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, the 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.

Recognition of income from projects in progress

Recognised income and associated contract assets for contracts in building exteriors reflect Group Management's best estimate of the outcome and degree of completion for each contract. In more complex contracts, there is an uncertainty in the assessment of the costs for completion and the assessment of profitability. 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 of assets acquired, liabilities arising or assumed, as well as equity instruments issued by the acquirer in exchange for control over the acquired entities.

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

Foreign currency translation

Reporting currency

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

Transactions and balance sheet items in foreign currencies

Transactions in foreign currency are translated to the reporting currency SEK for the respective Group company based on the current exchange rates on the transaction date (spot rate). Exchange rate gains and losses as a result of the settlement of such transactions and as a result of the revaluation of monetary items to the balance sheet date rate are recognised in the income statement. Non-monetary items are not translated on the balance sheet date, but rather valued at historical cost (translated at the rate on the transaction date), except for non-monetary items measured at fair value, which are translated at the exchange rate on the date when fair value was determined.

Foreign operations

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

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

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

Income

The Group's income mainly derives from the performance of contract assignments for 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 is to be recognised, the Group follows the IFRS 15 five-step model:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when a performance obligation is satisfied

Regarding step 1: Group contracts are always in writing and agreed with the customer. It rarely occurs in the Group for several contracts to be signed in quick succession with the same customer and combinations of contracts are therefore rarely relevant. An amendment to a contract means a change in the scope or price (or both) of a contract that has been approved by the parties.

Regarding step 2: Construction contracts usually constitute one performance obligation as the elements of the assignment cannot be distinguished from one another, but rather they constitute a combined obligation. All construction contracts include a guarantee on work done. These do not constitute extended guarantee commitments, but are instead what are known as 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 terms and do not contain any discount option for the customer. They therefore do not constitute a separate performance obligation.

Regarding step 3: The Group has some assignments on a time and materials basis, but fixed price contracts are the dominant type. The Group does not usually have any variable components, except for penalties. Penalty clauses for delays are usual in all contracts. The Group estimates the penalty outcome in accordance with the rules in IFRS 15 Revenue from Contracts with Customers regarding variable compensation and recognises penalties as a deduction from income. There are no financing components with a credit period in excess of 12 months in the Group.

Regarding step 4: The Group commonly has a single performance obligation, the construction contract as a whole, meaning this step is not relevant.

Regarding step 5: 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 performed 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 obligation is not fulfilled over time, it is fulfilled at a specific 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 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. Contract assets are the subject of impairment testing in accordance with IFRS 9 Financial instruments in the same way as accounts receivable. If advance payments are received from customers before the Group has carried out its performance, these are recognised in the item Contract liabilities and similar liabilities on the balance sheet.

Contractual modifications

Contractual changes, referred to as alterations and additional work, are common for the Group and the sector.

Additional work in the form of more work or other work than expected, e.g. sheet metal or similar, may be added during the course of the project. This is priced 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. They must therefore 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, are inserted in the project calculations which are then updated, and form the basis for the time and materials expenses as income (margin) affected by a catch up effect.

Interest income and expenses

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

Acquired intangible assets

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

Brands

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

Customer relationships

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

Goodwill

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

Other intangible non-current assets

Software licences

Software licences that meet the conditions for capitalisation are recognised as intangible non-current assets and initially measured at fair value.

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

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

When intangible non-current assets are sold, the capital gain/loss is calculated as the difference between the selling price and the carrying amount of the asset and is recognised in the income statement under either Other operating income or Other operating expenses.

Property, plant and equipment

Land

Land is recognised at cost, less any impairment.

Equipment, tools, fixtures and fittings

Equipment, tools, fixtures and fittings are initially recognised at cost and thereafter at cost less accumulated depreciation and impairment.

Equipment, tools, fixtures and fittings are depreciated on a straight-line basis from cost with a useful life of five to ten years.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between what has been received and the carrying amount of the assets and are recognised in the items Other operating income or Other operating expenses.

Right-of-use 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 period of time in exchange for consideration".

Valuation and recognition of leases

At the beginning of the lease, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is valued at cost, which comprises the amount that the lease liability is originally valued at, any initial direct expenses that the Group incurs and lease payments that were paid before the beginning of the lease (less any benefits received).

The Group depreciates the right-of-use asset on a straight-line basis from the beginning of the lease to the earlier of the end of the right-of-use asset's useful life and the end of the lease. The Group also makes an assessment of whether there is any impairment requirement for the right-of-use asset when there is an indication of a decrease in value.

At the beginning of the lease, the Group measures the lease liability at the present value of the lease payments that have not been paid at that date. The lease payments are discounted using the interest rate implicit in the lease if this rate can be readily determined, or the Group's incremental borrowing rate.

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

After the start date, the liability is reduced by payments made and increased by the interest added. The liability is revalued to reflect any new assessment or change or if there are changes in the essentially fixed payments. When the lease liability is revalued, a corresponding adjustment shall be made regarding the right-of-use or in the income statement if the right-of-use has already been assigned a value of zero.

The Group has chosen to recognise short-term lease agreements and lease agreements for which the underlying asset has a low value by applying the practical solution in IFRS 16 Leases. Instead of recognising a right-of-use and a lease liability, lease payments relating to these leases are expensed on a

straight-line basis over the lease term.

Right-of-use assets are reported separately on the balance sheet under Property, plant and equipment, while the lease liability is reported separately under Liabilities.

Impairment testing of acquired intangible assets and other intangible assets

For 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. 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 is tested at least once 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 loss is recognised for the amount by which the carrying amount of the asset or the cash-generating unit exceeds its recoverable amount, which is the higher of fair value less disposal costs 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 linked to the Group's latest approved budget and forecast, 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 relating to cash-generating units first reduce the carrying amount of any acquired intangible asset that is allocated to the cash-generating unit. Any remaining impairment proportionally reduces the other assets in the cash-generating unit.

With the exception of acquired intangible assets, a new assessment is made of all assets for an indication that a previous impairment is no longer justified. Impairment is reversed if the recoverable amount of the asset exceeds the carrying amount.

Financial instruments

General principles

A financial asset, or a portion of a financial asset, is derecognised from the balance sheet when the contractual rights are realised or expire or the Group loses control over them. A financial liability, or a portion of a financial liability, is derecognised from the balance sheet when the obligation in the contract is fulfilled or ceases to apply in some other way. Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date when the Group undertakes to acquire or dispose of assets.

Classification and measurement of financial assets on initial recognition

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

All financial assets are measured at amortised cost because:

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

After initial recognition, these financial assets are measured at amortised cost using the effective interest method. Discounting is not applied if the effect of discounting is immaterial. The Group's liquid assets, accounts receivable and most other receivables belong to this category of financial instruments.

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

Financial assets include accounts receivable, contract assets and other receivables measured at amortised cost.

Accounts receivable and other receivables, as well as contract assets, are covered by the simplified model in IFRS 9 Financial Instruments. Expected credit losses are measured using a provisioning matrix based on historical credit losses, adjusted for factors for general economic conditions and an assessment of both the current and forecast factors at the end of the reporting period. The Group assesses the impairment of accounts receivable collectively, where the receivables are grouped based on the number of days overdue because they have common credit risk characteristics. The assets are covered by a loss provision for expected credit losses; see Note 13.

Classification and measurement of financial liabilities on initial recognition

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

Financial liabilities measured at fair value through profit or loss

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

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

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

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

Hedging of net investments in foreign operations

Fasadgruppen applies hedge accounting to parts of its net investments in foreign operations. The Group uses loans as hedging instruments. Hedging of net investments in foreign operations is recognised in a similar way to cash flow hedging. The proportion of gain or loss on the hedging instrument that is deemed to be an effective hedge is recognised in Other comprehensive income. The gain or loss attributable to the ineffective portion is recognised in the income statement. Accumulated gains and losses in shareholders' equity are recognised in the income statement when the foreign operations are divested in whole or in part.

Inventories

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

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 may be used against future taxable surpluses. This is assessed based on the Group's forecast regarding future operating profit, adjusted for significant non taxable

income and expenses and specific limitations in the utilisation of unutilised tax loss carry-forwards or credits.

Deferred tax liabilities are essentially recognised in their entirety, even if IAS 12 Income Taxes allows limited exceptions. As a result of these exceptions, the Group does not recognise deferred tax on temporary differences attributable to goodwill or investments in subsidiaries.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances as well as short-term liquid investments such as commercial papers and bank certificates with a maturity date of 90 days or less from the acquisition date, which can readily be converted into a known amount and which are subject to a insignificant risk of value fluctuations. In the statement of 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 includes premiums (if any) received on the new issue of share capital. Any transaction costs related to a new issue of shares is deducted from the capital, taking into account any income tax effects. Retained earnings include all retained earnings and share-based payments to employees for current and earlier financial years.

All transactions with the Parent Company's owner are recognised separately in shareholders' equity. Dividends to be paid to shareholders are included in the item Other current liabilities when the dividends have been approved at a General Meeting before the balance sheet date.

Earnings per share

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

Employee benefits

Pension obligations

The company pays fixed contributions to independent companies regarding several state pension plans, as well as insurance for individual employees. The Group has no legal or constructive obligation to pay further contributions in addition to the payment of the fixed contributions, which are expensed in the period in which the associated service is provided by the employee. Obligations for old-age pension and family pension for white-collar workers in Sweden are secured through insurance at Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting of ITP 2 pension plan financed through insurance at Alecta, this is a multi-employer defined benefit plan. According to the ITP 2 agreement, the size of the old-age pension is determined by the employee's number of years of service and their final salary at the time of retirement. The size of the family pension is determined by the employee's estimated number of years of service (calculated as the number of years of service from the time of employment to the time of retirement) and salary at the time of death. The size of the employee's and survivor's pension does not depend on the premiums that the Company pays into the plan, as well as the return on capital that these premiums provide. Old-age pensions and family pensions therefore do not meet the definition of defined contribution plans in IAS 19 Employee Benefits. For white-collar workers in Sweden covered by the ITP 2 plan's defined benefit pension obligations for old-age and family pension (alternatively family pension), this is secured through an insurance policy at Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting of ITP 2 pension plan financed through insurance at Alecta, this is a multi-employer defined benefit plan. For the 2023 financial

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

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

Short-term benefits

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

Provisions, contingent liabilities and contingent assets

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

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

Parent Company's accounting policies and valuation principles

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

Presentation

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

Acquisition analysis

Intangible assets with an indeterminate useful life are amortised in the Parent Company's accounts. The Parent Company measures financial instruments according to the cost principle and therefore values contingent earnouts at the value established in the acquisition analysis. There is no revaluation to fair value.

Contingent earnouts are recognised as a part of the cost if it is likely that they will be payable. 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 dividends

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

Subsidiaries

Holdings in subsidiaries are valued according to the cost method. There is no reclassification of assets held for sale.

Financial instruments

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

Hedging of net investments in foreign operations

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

Financial guarantees

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

Cash and bank

The definition of cash and bank comprises cash funds and available balances at banks and equivalent institutions.

Deferred income tax

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

Note 2 Operating income

Geographical areas Group, SEKm	Order backlog		Net sales		Non-current assets*	
	2023	2022	2023	2022	2023	2022
Sweden	1,426.4	1,684.0	2,969.1	2,730.5	2,229.5	2,100.8
Denmark	806.6	620.5	959.9	763.2	670.9	640.4
Norway	487.8	619.2	980.9	974.4	486.4	525.2
Finland	146.1	59.7	199.8	79.6	275.2	283.4

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

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 contracts with a maturity of 12 months, which means separate reporting is not necessary. The income in the business is recognised over time as performance takes place, i.e. in line with the degree of completion (recognised costs in relation to estimated total project costs), for assets controlled by the customer (percentage of completion method). Invoicing takes place continuously as agreed during the course of the project. Net sales outside Sweden account for 40 percent of the Group's total sales. The order backlog is mostly expected to be recognised as revenue in the next 24 months with the majority in the coming year.

Income

Group, SEKm	2023	2022
Work performed but not invoiced	215.1	211.3
Invoiced but not performed work	-109.6	-81.1

Revenue reported in 2023 that derives from work performed in 2022 is not considered to come to any significant amounts. Invoiced but not performed work as of 31 December 2022 is deemed to have been performed in 2023.

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 to auditors

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Deloitte				
Audit assignment	5.4	5.6	0.3	1.6
Auditing activities in addition to audit assignment	0.7	0.7	0.0	0.0
Tax advice	0.0	0.0	0.0	0.0
Other services	0.3	0.1	0.0	0.0
Mazars Statsautoriseret Revisionspartnerselskab				
Audit assignment	0.7	1.0	0.0	0.0
Auditing activities in addition to audit assignment	0.0	0.1	0.0	0.0
Tax advice	0.1	0.0	0.0	0.0
Other services	0.3	0.0	0.0	0.0
Other companies				
Audit assignment	0.3	0.6	0.0	0.0
Auditing activities in addition to audit assignment	0.0	0.0	0.0	0.0
Tax advice	0.6	0.0	0.0	0.0
Other services	0.1	0.1	0.0	0.0
Total	8.5	8.2	0.3	1.6

The audit assignment refers to fees charged for the statutory audit, review of the annual report and consolidated financial statements, the accounting, the Board's and CEO's management, i.e. such work as was necessary to prepare the auditor's report, as well as auditing advice provided in connection with the audit assignment. The assignment also includes audits and other reviews per-

formed in accordance with agreement or contract. Auditing activities in addition to audit assignment comprise other quality assurance services that are performed in accordance with regulations, the Articles of Association, statutes or agreements. Tax advice includes both advice and auditing of compliance in matters of taxation. Any other assignments are referred to as Other services.

Note 4 Remuneration to employees and the Board

Remuneration to employees

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Salaries and other benefits	1,192.7	1,027.9	8.0	9.0
Social security contributions	280.4	237.9	3.0	3.2
Pension costs (defined contribution plans)	65.0	51.0	2.2	1.8
Total	1,538.1	1,316.8	13.2	14.0

Salaries, other benefits and social security contributions

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

2022 SEKm	GROUP		
	Salaries and other benefits	Pension costs	Social security contributions
Board members, CEOs 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

Remuneration to the Board of Directors and senior executives

SEKm	GROUP	
	2023	2022
Salaries and other short-term benefits	17.2	16.6
Severance pay	0.0	0.0
Post-employment benefits	0.0	0.0
Other long-term benefits	3.4	3.4
Total	20.6	20.0

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

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

period from the Company for the CEO is six months and from the CEO is also six months. The figure for 2023 includes remuneration to other senior executives who have had assignments for part of the year (5 people), as the number of senior executives was decreased from 11 to 5.

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					
CEO, Pål Warolin	2,663,700	639,375	104,610	859,994	4,267,679
Deputy CEO, Martin Jacobsson	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 basic salary, other benefits and defined contribution pension, and can additionally consist of variable remuneration based on fixed target indicators. Results in 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. The period of notice on termination of employment by the Company is normally three to six months, and on the resignation of a senior executive is normally three months, or six months in exceptional cases. No severance pay is payable. The notice period from the Company for the CEO is six months and from the CEO is also six months. The figure for 2022 includes remuneration to other senior executives who have had assignments for part of the year (1 person), as the number of senior executives was increased from 10 to 11.

Warrants

The Annual General Meetings of 2021, 2022 and 2023 resolved to implement long-term incentive programmes for employees in the Group, consisting of warrants. Each warrant entitles the holder to subscribe for one new share in the company at a predetermined price and within a specified subscription period. The subscription price corresponds to 125 percent of the volume-weighted average price for the company's shares on Nasdaq Stockholm during the last ten trading days prior to the respective Annual General Meeting that approved the incentive programme. See also the table below for a summary of the current warrant programmes.

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

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

Warrants in the series 2023/2026, 2022/2025 and 2021/2024

Warrant series	Subscription period	Max. number of warrants	Number of warrants transferred to employees	Number of employees who have acquired warrants	Warrant premium, SEK	Cost, SEKm	Time of allotment	Subscription price, SEK
Series 2023/2026	1 June 2026 to 30 June 2026	500,000	213,410	68	19.95	4.3	2023	104
Series 2022/2025	1 June 2025 to 30 June 2025	484,000	236,196	46	7.55	1.7	2022	179.8
Series 2021/2024	1 June 2024 to 30 June 2024	923,010	501,472	65	16.29	7.9	2021	164.1

Average number of employees

Group	2023			2022		
	Average number of employees	Of which men	Of which women	Average number of employees	Of which men	Of which women
Sweden	1,223	1,169	54	1,154	1,107	47
Rest of Nordics	778	744	34	653	621	32
Total	2,001	1,913	88	1,807	1,728	79

Average number of employees

Parent	2023			2022		
	Average number of employees	Of which men	Of which women	Average number of employees	Of which men	Of which women
Sweden	2	2	0	3	3	0
Total	2	2	0	3	3	0

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

Gender balance of senior executives

The gender balance of the Board and other senior executives on the balance sheet date on 31 December 2023 and 2022 is presented in the table below:

Group	2023			2022		
	Number	Of which men	Of which women	Number	Of which men	Of which women
Board of Directors	6	3	3	6	3	3
Senior executives	5	5	0	11	9	2

Note 5 Transactions with related parties

The Group has related-party transactions with persons on the Board and in the Group Management, their relatives, and companies that are under their controlling influence. Other related parties are comprised of companies on behalf of which the aforementioned persons perform services for the Group. The Parent Company, Fasadgruppen Group AB, has related party relationships with its subsidiaries. As at 31 December 2023, shares corresponding to 10.2 percent of the Fasadgruppen Group's share capital and voting rights were held by Connecting Capital Sweden AB. The company is considered to be a related

party to the Group. As at 31 December 2023, no other shareholder owned shares corresponding to ten percent or more of the Fasadgruppen Group's share capital and voting rights.

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

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

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Sale of services, SEKm				
<i>Within the Group:</i>				
Sale of contract services	284.8	182.9	-	-
Invoiced costs	14.4	10.7	-	-
Sale of administrative services	79.7	58.4	12.0	12.2
Total	378.9	252.0	12.0	12.2

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

There were no services sold between Fasadgruppen and companies controlled by senior executives in 2023 or 2022.

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Purchase of services, SEKm				
Within the Group	378.9	252.0		
<i>Companies controlled by senior executives:</i>				
Bendrik Invest AB	0.0	0.8	-	-
KFAB Förvaltning AB	0.6	0.5	-	-
KB Träflöjten	0.2	0.5	-	-
Sterner Stenhus Services AB	1.2	0.9	-	-
Sterner Stenhus Entreprenad AB	0.1	0.1	-	-
JL Fastighet i Eskilstuna	0.0	0.6	-	-
Total	381.0	255.4	0.0	0.0

Transactions within the Group pertain to purchases of services between Group companies as part of operating activities. Transactions with companies controlled by senior executives primarily comprise invoiced consultancy fees for acquisition-related consulting services, financial advisory services, management fees and rent for office premises. In 2023, senior executives connected with the companies Bendrick Invest AB and KB Träflöjten left the management team.

Balances

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

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Receivables from related parties, SEKm				
Subsidiaries	-	-	2.7	2.7
Liabilities to related parties, SEKm				
Subsidiaries	0.0	17.4	-	-
<i>Companies controlled by senior executives:</i>				
KB Träflöjten	0.0	0.1	-	-
Sterner Stenhus Services AB	0.0	0.0	-	-
Stenhus Tumba Samariten AB	0.0	0.4	-	-
Total	0.0	0.5	-	-

Liabilities to related parties are attributable to purchase transactions that mature 30 days after the purchase date. The liabilities accrue without interest. No receivables from related parties are outstanding as at the balance sheet date on 31 December 2023 and 31 December 2022.

Note 6 Leases

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

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Non-current	102.3	102.1	-	-
Current	65.8	64.8	-	-
Total	168.1	166.9	-	-

Interest expenses for leases in the 2023 financial year amounted to SEK 3.8 m (2.9). The Group mainly leases premises for offices and warehouses, as well as vehicles. With the exception of short-term leases and leases for which the underlying asset has a low value, rights-of-use and lease liabilities are recognised on the balance sheet. Variable lease payments that are not indexed are excluded in the initial calculation of the lease liability and asset. The Group recognises its right-of-use assets under Property, plant and equipment. In general,

the leases are limited in terms of lessee rights, insofar as there is no contractual right for the Group to rent out the asset to another party so that only the Group can utilise the asset. The leases are either interminable or can only be terminated for a material termination fee. The Group must keep rented premises for offices and warehouses in good condition. In addition, the Group must insure the leased assets and pay expenses for their maintenance in accordance with the lease agreement.

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

Right-of-use assets	Offices and warehouses	Vehicles	Other
Number of right-of-use assets	96	427	19
Range of remaining lease term	0–10	0–5	0–6
Average remaining lease period	2.3	1.9	1.8

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

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

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

The Group's future minimum lease payments as at 31 December 2023 and 31 December 2022 amounted to the following:

Minimum lease payments

31 December 2023, SEKm	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	After 5 years
Lease payments excluding financial expenses	69.6	50.1	25.8	13.0	7.0	8.5
31 December 2022, SEKm						
Lease payments excluding financial expenses	61.4	46.4	29.6	14.0	7.6	6.1

Leasing of premises

A number of assumptions are made when calculating the lease liability and the right-of-use asset, such as the assessment of the term of a lease. The Group takes into account whether there is reasonable certainty that an extension option will be exercised, primarily with regard to commercial premises, taking into account the circumstances that apply for the lease in question. With regard to Group leases that expire within a five-year period, the Company considers whether it is reasonable to assume an extension period, depending on the nature of the respective asset and the length of the respective extension period. No extension has been assumed for leases that run beyond 2028. How operations will look and develop beyond this period is difficult to assess and the Company assessment is therefore that further extensions cannot be assumed with reasonable probability at the moment. This assessment will be continuously reviewed.

Leases that are not recognised as a liability

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

The cost for lease payments not included in the calculation of the lease liability amounts to SEK 149.2 million (157.6).

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

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

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
Acquisition via business combinations	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

Total cash flow for leasing in the Group in 2023 amounted to SEK -70.5 million (-51.9).

Note 7 Profit/loss from financial items

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Interest income	9.6	1.1	35.6	2.0
Dividends, Group companies	-	-	70.0	-
Exchange rate differences	18.2	9.0	3.1	-
Other	0.2	0.2	-	-
Financial income	28.0	10.3	108.7	2.0
Interest expenses, borrowing at amortised cost	-92.8	-30.1	-91.8	-29.1
Interest expenses for leases	-3.8	-2.9	-	-
Exchange rate differences	-20.0	-11.5	-8.4	-
Other financial expenses	-13.4	-4.0	-5.1	-3.0
Financial costs	-130.0	-48.5	-105.3	-32.1

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 27.4 percent (21.5) and for the Parent Company of 12.1 percent (24.2) are as follows:

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Profit/loss before tax	301.9	346.3	90.7	63.2
Tax at applicable tax rate (20.6%)	-62.2	-71.3	-18.7	-13.0
Non-taxable income	1.8	0.3	14.4	0.0
Non-deductible expenses	-3.6	-2.0	-0.1	0.0
Difference in foreign tax rates	-3.5	-0.9	0.0	0.0
Tax reversal of net interest	-10.4	0.0	-6.1	0.0
Adjustment attributable to previous year	-1.1	-2.3	0.0	-2.3
Net effect of the revaluation of earnouts	-3.4	2.3	0.0	0.0
Other	-0.4	-0.5	-0.4	0.0
Tax recognised in income statement	-82.7	-74.4	-10.9	-15.3
The tax expense comprises the following components:				
Current tax on profit/loss for the year	-62.0	-86.4	-10.9	-15.3
Deferred tax	-20.7	12.0	0.0	0.0
Tax recognised in income statement	-82.7	-74.4	-10.9	-15.3

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

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

Changes during the year, SEK thousand	1 January 2022	From acquisitions	RECOGNISED 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
Inventories, 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

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

Appropriations, SEK thousand	PARENT COMPANY	
	2023	2022
Group contributions received	94.6	102.5
Group contributions paid	-1.7	0.0
Total	92.9	102.5

Note 9 Acquisitions

Business combinations in 2023

Company acquisitions January–December 2023

During the period, Fasadgruppen completed the acquisition of all of the shares in Weldmatic A/S, Rosborg Entreprenad AB and Surface Byggställningar AB. The acquisitions were made to strengthen the Group's position geographically within its respective markets. The acquisition of Weldmatic does so within balcony and forging work, particularly in the Greater Copenhagen area. The acquisition of Rosborg targets façade, roof, and window works, as well as structural completion and remediation in Stockholm and Mälardalen. Surface gives the Group a turnkey supplier of scaffolding and weather protection with five local branches in Jönköping, Trollhättan, Skara, Örebro and Västerås.

The acquired companies reported total earnings of around SEK 213 million and EBITA amounted to approximately SEK 33 million for the 2022 calendar year. Since the time of acquisition and up to 31 December 2023, the company has contributed SEK 46.2 million to Group net sales and SEK 4.4 million to Group EBITA.

The combined purchase consideration amounted to SEK 161 million, of which SEK 116.4 million has been paid in cash and cash equivalents on closing and SEK 44.7 million constituted earnouts. The outcome of the earnouts that are dependent on future operating profits achieved by the company concerned has been valued via a probability assessment for different outcomes within the term of the earnout period, which is 1–4 years.

Acquisition costs totalling SEK 2.2 million are recognised as other operating expenses.

Other business acquisitions January–December 2023

Asset acquisitions

One asset acquisition was completed in 2023, with operating subsidiary Alnova Balkongsystem AB complementing its business operations. Alnova has acquired the operations of Teknova Byggsystem AB as an asset acquisition from the bankrupt estate. SEK 7.0 million has been paid in cash and cash equivalents on closing. As a consequence of its size, the asset acquisition is not considered significant in relation to the Group's financial position and earnings.

Earnouts settled

During the period, earnouts have been paid in the net amount of SEK 107.3 million on the basis of performance up to the end of 2022 relating to the acquisitions of Karlaplans Plåtslageri, Er-Jill Byggnadsplåt, Husby Takplåtslageri & Ventilation, Kumla Fasadteam, DVS, Byens Tag og Facade, Engman Tak, Bruske Delér, OPN and two asset acquisitions. Earnouts settled are SEK 18.2 million higher than estimated.

Acquisition analyses – company acquisitions

Some of the surplus value in the preliminary acquisition analysis has been allocated to the company brand, 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.

Goodwill and brands have an indeterminable useful life and are not amortised but are tested for impairment annually or if such is indicated.

Acquisitions of companies

Closing, 2023	Acquisitions	Country	Estimated annual sales at time of acquisition, SEKm	No. of employees
October	Surface Byggställningar AB	Sweden	114	69
October	Teknova Byggsystem AB (asset acquisition, bankruptcy)	Sweden	-	-
October	Rosborg Entreprenad AB	Sweden	58	45
July	Weldmatic A/S	Denmark	41	11
			213	125

Value according to acquisition analysis – company acquisitions January–December 2023

SEKm	Carrying amount	Fair value adjustment	Fair value
Brand	-	32.5	32.5
Right-of-use assets	-	8.3	8.3
Property, plant and equipment	24.1	-	24.1
Financial non-current assets	0.1	-	0.1
Inventories	1.5	-	1.5
Accounts receivable and other receivables	44.4	-	44.4
Cash and cash equivalents	10.7	-	10.7
Deferred tax liabilities	-1.1	-6.8	-7.8
Lease liabilities	-	-8.3	-8.3
Liabilities to credit institutions	-2.3	-	-2.3
Appropriations	-1.0	-	-1.0
Other liabilities	-34.8	-	-34.8
Accounts payable and other liabilities	-11.7	-	-11.7
Identifiable net assets	29.9	25.8	55.6
Goodwill			105.5
Consideration			161.1
Of which earnout			44.7
Of which cash and cash equivalents transferred			-116.4
Acquired cash and cash equivalents			10.7
Change in Group cash and cash equivalents			-105.7

Note 10 Intangible assets

The Group's acquired intangible assets have arisen through acquisitions of wholly owned companies and asset acquisitions that are allocated to cash-generating units (CGUs). The Group's assessment is that the business areas each constitute a CGU. Each business area has a manager who manages a group of underlying businesses with a natural geographical affinity, similar customer base and synergy effects. Together, the companies in a business area generate revenues and cash flows that are greater than the sum from the individual companies if these were to be run completely independently. Acquired intangible assets are tested for impairment at the three CGUs that

the Company has determined for 2023. The CGUs correspond to the three business areas NorthEast, SouthWest and Denmark. There were also three business areas established within the Group in 2022, but these were NorthEast (same as now), South (including the South region of Sweden and Denmark) and West (including the West region of Sweden and Norway). Denmark has grown rapidly in recent years and has therefore constituted its own natural business area in 2023, while the South region of Sweden has been merged with the West region of Sweden and Norway to form a single business area.

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

Goodwill, brands and customer relationships per business area, SEKm	GROUP	
	2023	2022
BA West	-	732.2
BA South	-	812.2
BA NorthEast	1,678.5	1,646.6
BA SouthWest	1,078.9	-
BA Denmark	628.6	-
Total	3,386.0	3,191.0
Exchange rate differences	-36.6	75.0
Closing accumulated cost	3,349.4	3,266.0

Changes in reported values for intangible assets are as follows:

Goodwill, SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	2,842.3	1,953.6	-	-
Purchases	105.5	824.4	-	-
Exchange rate differences	-29.4	64.3	-	-
Reclassifications	-1.1	-	-	-
Closing accumulated cost	2,917.3	2,842.3	-	-
Opening amortisation/impairment	-	-	-	-
Amortisation/impairment for the year	-	-	-	-
Closing accumulated amortisation	-	-	-	-
Carrying amount	2,917.3	2,842.3	-	-

Brands, SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	406.7	264.5	-	-
Purchases	32.5	132.3	-	-
Exchange rate differences	-7.2	9.9	-	-
Closing accumulated cost	432.0	406.7	-	-
Opening amortisation/impairment	-	-	-	-
Amortisation/impairment for the year	-	-	-	-
Exchange rate differences	-	-	-	-
Closing accumulated amortisation/impairment	-	-	-	-
Carrying amount	432.0	406.7	-	-

Customer relationships, SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	84.2	43.5	-	-
Purchases	0.0	39.8	-	-
Exchange rate differences	0.0	0.9	-	-
Closing accumulated cost	84.2	84.2	-	-
Opening amortisation	-67.2	-29.9	-	-
Amortisation for the year	-16.9	-37.3	-	-
Exchange rate differences	0.0	0.0	-	-
Closing accumulated amortisation	-84.1	-67.2	-	-
Carrying amount	0.1	17.0	-	-

Other intangible assets, SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	2.9	1.1	-	-
Purchases	0.6	1.1	-	-
Acquisitions	0.0	0.7	-	-
Closing accumulated cost	3.6	2.9	-	-
Opening amortisation	-1.2	-0.6	-	-
Amortisation for the year	-0.9	-0.6	-	-
Closing accumulated amortisation	-2.1	-1.2	-	-
Closing carrying amount	1.5	1.8	-	-

The useful life of goodwill and brands is deemed to be indefinite and is not amortised, but is tested for impairment 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 2023 and 2022, 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 these years.

Assumptions

The calculation of the value in use requires a number of critical assumptions to be made. These are described below. Estimated outcome is the basis for the forecast for year 1 and the budget for the acquired companies for year 2. Annual growth rate in years 3–5 has been assumed to amount to 4.0 (2.2) percent. Cash flows beyond the five-year forecast period are extrapolated using a long-term industry growth rate and have been assumed to be 2.0 (2.0) percent. Management is not aware of any other reasonable possible changes in the key assumptions made that could result in a cash-generating unit's carrying amount exceeding its recoverable amount and thereby requiring impairment.

A sensitivity analysis is performed by the model where the value in use is stress tested against the carrying amount for different scenarios of WACC and growth for a given year. The sensitivity analysis for 2023 shows that a WACC after tax of 10–11 percent and negative growth for 2023 would be required 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 material and common to all cash-generating units when calculating value in use: Sales, the competitiveness of the business, expected economic trends in the construction sector, general socio-economic trends, central and local government investment plans, interest rates, and local market conditions.

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

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

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

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

Group	2023	2022
Discount rate (WACC), before tax, %	10.8	11.1
Discount rate (WACC), after tax, %	9.0	9.1

Note 11 Property, plant and equipment

Changes in the carrying amounts of land and buildings:

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Buildings and land, SEKm				
Opening accumulated cost	3.2	2.8	-	-
Purchases via business combinations	1.5	5.4	-	-
Purchases	0.0	0.3	-	-
Sales/disposals	0.0	-5.4	-	-
Reclassifications	-1.4	0.0	-	-
Exchange rate differences	0.0	0.1	-	-
Closing accumulated cost	3.3	3.2	-	-
Opening accumulated depreciation	-0.8	-0.6	-	-
Depreciation for the year	-0.5	-0.5	-	-
Sales/disposals	0.0	0.3	-	-
Reclassifications	0.4	0.0	-	-
Exchange rate differences	0.0	0.0	-	-
Closing accumulated depreciation	-0.9	-0.8	-	-
Carrying amount	2.4	2.4	-	-

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

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

	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Equipment, tools, fixtures and fittings, SEKm				
Opening accumulated cost	149.3	92.7	-	-
Purchases via business combinations	27.1	36.5	-	-
Purchases	34.9	29.9	-	-
Sales/disposals	-15.7	-10.6	-	-
Reclassifications	1.4	0.0	-	-
Exchange rate differences	-2.5	0.8	-	-
Closing accumulated cost	194.5	149.3	-	-
Opening accumulated depreciation	-33.0	-13.5	-	-
Depreciation for the year	-30.1	-29.2	-	-
Sales/disposals	7.5	10.2	-	-
Reclassifications	-0.4	0.0	-	-
Exchange rate differences	0.9	-0.5	-	-
Closing accumulated depreciation	-55.1	-33.0	-	-
Carrying amount	139.4	116.3	-	-

Note 12 Participations in Group companies

SEKm	PARENT COMPANY	
	2023	2022
Opening cost	450.0	450.0
Closing carrying amount	450.0	450.0

According to impairment testing for the Parent Company's carrying amount in the Group companies, there is no impairment requirement as at 31 December 2023.

The Group's direct and indirect holdings in subsidiaries as at 31 December 2023 are presented in the table below. Unless otherwise indicated, their share capital consists solely of ordinary shares held directly by the Group and the share of ownership is the same as the share of votes.

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

Subsidiaries	Corp. ID No.	Registered office	Share of equity, % ¹⁾	No. of participations ²⁾	Carrying amount, 31 December 2023, SEKm	Carrying amount, 31 December 2022, 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) Share of ownership is the same as share of equity.

2) Number of shares in thousands.

Note 13 Financial risk management

Financial strategy and objectives

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

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

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

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

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

Market risk

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

Currency risk

An absolute majority of the Group's transactions are conducted in the local currency of each respective country where the Group operates, namely SEK, DKK, NOK and EUR. Transactions between the countries are limited and can be attributed primarily to the payment of management fees to holding companies in connection with acquisition transactions and financial transactions. Minor exposure to exchange rate fluctuations can arise from purchases in EUR (transaction exposure) and from Danish, Norwegian and Finnish subsidiaries with principal exposure in DKK, NOK and EUR respectively (transaction and balance sheet exposure). Currency exposure consists primarily of translation exposure at Group level from the Danish, Norwegian and Finnish subsidiaries. As the proportion of sales outside Sweden amounted to 42 percent for 2023, the translation exposure from the income statement is not insignificant. Exchange rate fluctuations in 2023 had a positive effect on net sales of +0.6 percent relative to the comparison period. Balance sheet exposure gave rise to a negative translation effect of SEK -50.1 million (+72.9). Loans raised in 2023 in DKK and NOK as a natural hedge, and which have been reported in hedge accounting, gave rise to a positive net translation effect of SEK +4.6 million.

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

Interest rate risk

Interest-bearing assets are to be used in the first instance to reduce existing borrowing with consideration given to the need to maintain at all times the ability to pay or the liquidity reserve. Fixed interest rates should accordingly not be for longer than the soonest the Group's loan can be amortised. The Group's consolidated interest rate exposure is to be managed by the Group CFO. Interest-bearing liabilities to lenders carry a variable interest rate and amounted to SEK 1,539.7 million (1,560.1) as at the balance sheet date.

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

Group, 2023, SEKm	Change, %	Effect on profit before tax	Effect on shareholders' equity
Interest-bearing liabilities	+/- 2.0	+/- 30.8 (31.2)	+/- 24.2 (24.6)

Credit risk

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

All companies within the Group are to minimise and avoid exposure to credit risk associated with accounts receivable from customers. The Group takes out credit insurance policies for protection against losses in the event of insolvency and unpaid payments. The credit insurance covers all companies

Credit loss provision, Group:

31 December 2023, SEKm	Not overdue	Overdue <31 days	Overdue 31–90 days	Overdue 91–180 days	Overdue >180 days	Total
Expected loss level, %	0.5%	0.7%	3.3%	20.2%	67.6%	2.5%
Amount of accounts receivable – gross	533.7	157.7	21.3	8.9	18.5	740.1
Credit loss reserve	-2.5	-1.1	-0.7	-1.8	-12.5	-18.6
Carrying amount of accounts receivable	531.2	156.6	20.6	7.1	6.0	721.5
31 December 2022, SEKm						
Expected loss level, %	0.2%	1.1%	3.2%	29.2%	55.9%	2.0%
Amount of 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 of accounts receivable	583.2	93.9	15.2	1.7	8.3	702.3

Approximately 72 percent (82) of the Group's accounts receivables were not overdue as at 31 December 2023.

Financing risk

It is the Group's policy to achieve stability in its long-term capital provision and thereby limit financing risk. This means that the Group should maintain a sufficiently large liquidity reserve, have an adapted maturity structure for loans and credit facilities that harmonises with expected cash flows as far as possible over time, and achieve diversification between forms of financing and markets. Short-term capital provision aims to secure the Group's ability to pay at all times by maintaining adequate payment capacity or liquidity reserve. Payment capacity is defined as cash and cash equivalents, financial investments that can be converted to cash within three banking days, and approved unutilised credit facilities with an outstanding term of at least three months. Approved credit facilities here means approval with an agreed interest margin. The amount the Group has the ability to pay is determined by, and must at all times be able to cover, 100 percent of estimated net investments and working capital requirements for the next three months.

Credit facilities, Group:

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

in the Group and is for a period of 12 months with the possibility of extension. Customers that are excluded from the credit insurance are to be specified in a list that is to be continuously updated. Accounts receivable are written off (i.e. removed from the accounts) when there is no reasonable expectation of receiving payment. Failure to make payments within 180 days of the invoice date and failure to agree with the Group on an alternative payment plan are to be considered indicators that there is no likely expectation of receiving payment.

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

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

31 December 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 approved borrowing	2,174.2	1,564.2	610.0
Available cash and cash equivalents			452.6
Disposable liquidity			1,062.6

As at 31 December 2023, 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	55.2	56.0	1778.3	0.0	1,889.4
Accounts payable and other liabilities	488.0	0.0	130.4	0.0	618.4
Total	543.2	56.0	1,908.7	0.0	2,507.8

As at 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

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

Note 14 Financial instruments

Categorisation of financial assets and liabilities

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

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

Group, 2022, SEKm	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Total statement of financial position
Assets					
Accounts receivable	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
Current interest-bearing liabilities		139.1	139.1		139.1
Earnouts				271.5	271.5
Accounts payable		356.4	356.4		356.4
Total		1,916.5	1,916.5	271.5	2,188.1

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

Parent Company, 2022, SEKm	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Total statement of financial position
Assets					
Receivables from Group companies	2,653.6		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 to credit institutions		1,555.7	1,555.7		1,555.7
Total		1,556.0	1,556.0		1,556.0

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

Fair value of financial instruments

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

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

Earnouts

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

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

Financial liabilities measured at fair value through profit or loss pertain to earnouts not yet settled and amounted to SEK 271.5 million as at 1 January 2023. For the period January to December 2023, earnouts were settled in the amount of SEK 107.3 million. Additional new earnouts amounted to SEK 44.7 million from the company acquisitions of Weldmatic A/S, Rosborg Entreprenad AB and Surface Byggställningar AB. At the end of the period, earnouts not yet settled amounted to SEK 232.5 million. The earnout amounts are mostly based on either EBITDA, EBIT or post-tax profits for the years 2022, 2023, 2024, 2025 and/or 2026. The earnouts are valued on an ongoing basis using a probability assessment, where an evaluation is made of whether they will be paid at the agreed amounts. Management has considered here the risk for the outcome of future cash flows. In the assessed valuation during the period January to December 2023, earnouts not yet paid have been devalued by SEK -2.3 million. At the same time, earnouts settled have exceeded the assessed valuation by SEK 18.2 million.

Changes in contingent earnouts, SEKm

Opening contingent earnouts, 01/01/2023	271.5
Contingent earnouts added	44.7
Earnouts settled	-107.3
Earnouts settled above the assessed valuation	18.2
Changed assessment of contingent earnouts	-2.3
Fixed interest time factor	7.7
Closing contingent earnouts 31/12/2023	232.5

Expected disbursements, SEKm

Expected disbursements in 2024	-102.1
Expected disbursements in 2025–2027	-130.4

Note 15 Accounts receivable

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Accounts receivable, gross	740.1	716.4	0.0	0.0
Reserve for expected credit losses/doubtful receivables	-18.6	-14.1	0.0	0.0
Accounts receivable, carrying amount	721.5	702.3	0.0	0.0

All amounts are current. The net carrying amount for accounts receivable is considered a reasonable estimate of fair value. Maximum credit exposure amounted to SEK 740.1 million as at 31 December 2023 (716.4).

Impairment of accounts receivable in the year amounted to SEK 4.5 million (6.0) and 0 million (0) in the Parent Company. This impairment of accounts receivable is primarily attributable to business customers in financial difficulty.

Provisions for doubtful receivables are based on customer payment history over a period of 24 months prior to the start of the financial year. Historical losses are then adjusted to take into account current and forward-looking information on factors that may affect a customer's ability to pay the receivable.

Provision for doubtful receivables amounted to SEK 18.6 million on 31 December 2023 (14.1). The change in the reserves for receivables is essentially due to increased balances.

Note 13 contains disclosures relating to credit risk exposures and analyses regarding the reserve for expected credit losses. Both the current and previous year's reserves for impairment losses are attributable to the loss model applied in accordance with IFRS 9, which is a model with expected losses.

Note 16 Contract assets

Contract assets consist of the following:

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Completed but not invoiced performance obligations	215.1	211.3	-	-
Total	215.1	211.3	-	-

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	
	2023	2022	2023	2022
Prepaid lease payments	2.7	1.8	0.0	-
Prepaid insurance premiums	5.3	1.6	0.1	0.1
Accrued supplier bonus	30.1	24.1	0.0	-
Other accrued income	1.5	0.4	0.0	-
Other prepaid expenses	7.3	8.2	0.0	-
Total	46.9	36.1	0.1	0.1

Note 18 Cash, cash equivalents and bank balances

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Cash and bank balances				
SEK	187.9	173.3	-	-
NOK (translated from NOK to SEK)	105.1	162.2	-	-
DKK (translated from DKK to SEK)	147.0	104.5	-	-
EUR (translated from EUR to SEK)	27.6	12.6	-	-
Total	467.6	452.6	0.0	0.0

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 intra-Group balance.

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. In order to maintain or adjust the capital structure, the Group can adjust the amount of the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

SEK	31 Dec 2023	31 Dec 2022
Subscribed and paid shares:		
- At beginning of year	49,623,830	45,387,653
- New and offset share issues	-	4,236,177
- Repurchase	-68,741	-
Subscribed and paid shares at year-end	49,555,089	49,623,830

Number of shares and dividend

Number of shares	2023	2022
One share class	49,555,089	49,623,830
	49,555,089	49,623,830

Dividend

In 2023, a dividend of SEK 1.70/share (1.20) was paid. For 2023, the Board has proposed a dividend of SEK 1.70/share to the General Meeting. Any shares issued up to the record date for dividends in 2024 are also entitled to dividends. Instruments with a potential dilutive effect

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

Share capital

At the end of 2022 and 2023, share capital in the Parent Company consists solely of fully paid shares with a nominal value (quotient value) of SEK 0.05 per share. All shares have the same right to a dividend and repayment of paid-in capital. The shares constitute a single class of share corresponding to 1.0 vote per share at a General Meeting of the Parent Company.

Following the repurchase of 68,741 shares during the fourth quarter of 2023, the number of shares and votes as at 31 December 2023 was 49,555,089.

Instruments with potential dilution effect

As at 31 December 2023, Fasadgruppen Group had three outstanding warrant programmes. The exercise price, including adjustment for outstanding vesting costs for the 2021, 2022 and 2023 programmes, exceeded the average share price per share at year-end. These programmes are therefore considered to have no dilutive effect and have been excluded from the calculation of earnings per share after dilution. If the average share price in the future exceeds the exercise price including the adjustment above, these warrants will give rise to dilution.

Note 20 Provisions

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

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Guarantee provisions	8.1	8.3	-	-
Pension provisions	0.4	0.4	-	-
Other provisions	-	2.0	-	-
Total	8.5	10.7	-	-

SEKm	GROUP	PARENT COMPANY
Opening balance as at 1 January 2022	4.6	-
Acquired provision	3.8	-
Additional provisions	2.6	-
Provisions utilised	-	-
Reversal of unused provisions	-0.3	-
Closing balance, 31 December 2022	10.7	-
Opening balance as at 1 January 2023	10.7	-
Acquired provision	-	-
Additional provisions	-	-
Provisions utilised	-2.0	-
Reversal of unused provisions	-0.2	-
Closing balance, 31 December 2023	8.5	-

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

Guarantee claims are usually settled within 3 to 18 months from the start, depending on the approaches used in claims negotiations. As the point in time for the settlement of these claims is largely dependent on how quickly the negotiations progress with different counterparties and legal authorities, neither the Group nor the Parent Company can reliably estimate the amounts

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

Group Management is not aware 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 0.0 million (0.5) as at 31 December 2023.

Note 21 Interest-bearing liabilities

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

SEKm	2023				2022			
	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
Liabilities to credit institutions, RCF (Nordea)					4.32	16 Nov 2025	70.0	69.3
Liabilities to credit institutions, RCF (SEB, Nordea)	6.60	31 Jul 2026	470.3	470.3				
Liabilities to credit institutions (SEB)					4.16	16 Nov 2025	150.0	149.8
Liabilities to credit institutions (SEK)					3.46	16 Nov 2025	449.8	449.6
Liabilities to credit institutions, term loan (SEB, Nordea, SEK)	6.00	31 Jul 2026	964.7	958.9				
Liabilities to credit institutions (several independent borrowings)			1.7	1.7			3.3	3.3
Total non-current interest-bearing liabilities			1,436.7	1,430.9			1,423.1	1,421.0
Current interest-bearing liabilities								
Liabilities to credit institutions (several independent borrowings)		31 Dec 2024	1.0	1.0		31 Dec 2023	1.1	1.1
Liabilities to credit institutions (SEB)					4.16	31 Dec 2023	50.0	48.9
Liabilities to credit institutions (SEK)					3.46	31 Dec 2023	90.0	89.1
Liabilities to credit institutions, term loan (SEB, Nordea, SEK)	6.00	31 Dec 2024	107.8	107.8				
Total current interest-bearing liabilities			108.8	108.8			141.1	139.1
Total interest-bearing liabilities			1,545.5	1,539.7			1,564.2	1,560.1

In August 2023, Fasadgruppen entered into a new joint financing agreement for a total of SEK 2,700 million with SEB, Nordea and SEK, comprising a revolving credit facility of SEK 1,600 million and two credit facilities for a total of SEK 1,100 million. The agreement has a term of three years, with the option to extend for a further year on two occasions, giving a maximum term of five years. This agreement increases the Group's total available credit facilities by around SEK 600 million. The external interest-bearing financing is subject to a covenant requiring

that the key debt ratio (external interest-bearing net debt in relation to adjusted EBITDA) for a rolling 12-month period does not exceed a multiple of 3.5 on a pro forma basis and that the interest coverage ratio for a rolling 12-month period does not fall below a multiple of 3.0 on a pro forma basis. The fixed-interest period for interest-bearing liabilities varies between 1 and 6 months.

Note 22 Contract

Contract consist of the following:

SEKm	GROUP	
	2023	2022
Current liabilities		
Advances from customers for construction contracts	109.6	81.1
Earnouts	-	84.1
Total	109.6	165.2

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 2023, SEK 81.1 million (67.6) includes income that is included in contractual

liabilities at the beginning of the financial year. The Group mainly has agreements whereby assignments are carried out within twelve months. During the year, we reviewed the reporting of earnouts and now report this item as Other liabilities.

Note 23 Accrued expenses and prepaid income

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Employee-related expenses	219.2	183.0	2.6	3.5
Accrued interest expenses	29.1	4.0	29.1	4.0
Other	24.1	18.6	-	1.0
Total	272.4	205.6	31.7	8.5

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	
	2023	2022	2023	2022
Depreciation, amortisation and impairment of non-financial assets	119.3	119.4	0.3	0.2
Financial costs	92.8	32.0	91.8	29.1
Capital gain from non-financial items	5.7	-	-	-
Change in provisions	10.1	-13.8	-	-
Revaluation of earnouts	23.5	-20.4	-	-
Total adjustments	251.4	117.2	92.1	29.3
Interest received	0.0	0.0	0.0	1.0
Interest paid	-66.7	-31.2	-66.7	-30.1

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

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

Group, SEKm	Non-current liabilities	Current liabilities	Lease liabilities	Total
1 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
- Loans raised from credit institutions	651.0	140.3	-	791.3
Non-cash flow				
- Assumed through acquisitions	10.3	-	53.8	64.1
- Additional leases	-	-	33.7	33.7
- Contingent earnouts added	71.4	51.3	-	122.7
- Valuation of contingent earnouts	-23.6	3.2	-	-20.4
31 December 2022	1,608.5	223.2	166.8	1,998.5

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

Parent Company, SEKm	Non-current liabilities	Current liabilities	Lease liabilities	Total
1 January 2022	908.7	113.1	0.2	1,022.0
Cash flow				
- Repayment of shareholder loans and loans from credit institutions	-145.7	-114.6	-	-260.3
- Repayment of other financial liabilities	-	-	-0.2	-0.2
- Loans raised 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

Note 25 Pledged assets and contingent liabilities

SEKm	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Pledged assets				
Company mortgages	32.2	35.6	-	-
Pledged funds	36.3	51.2	-	-
Other pledged assets	2.7	0.6	-	-
Total	71.2	87.4	-	-
Contingent liabilities				
Guarantee commitments	635.4	451.6	-	-
Other contingent liabilities	0.0	0.0	-	-
Total	635.4	451.6	-	-

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

Note 26 Proposed appropriation of profits

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

SEK	2023
Share premium reserve	1,423,929,351
Retained earnings	14,073,742
Profit/loss for the year	79,741,434
Total	1,517,744,527

The Board and the CEO propose that the unappropriated earnings of SEK 1,517,744,527, be appropriated as follows:

SEK	2023
To be paid to shareholders as dividends:	
SEK 1.70 per share	84,243,651
To carry forward	1,433,500,876
Total	1,517,744,527

With reference to the above and what has otherwise 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 the Group indicates that the dividend is justified with regard to the demands that this type of business, its scope and risks place on the shareholders' equity and liquidity of the Parent Company and the Group. The consolidated equity ratio amounts to 41.9 percent before the dividend and 40.3 percent after the dividend. This is deemed to be a fully adequate equity ratio even considering future developments.

Note 27 Events after the balance sheet date

- In February 2024, Fasadgruppen entered into an agreement to acquire Elenta AS. Elenta provides services within roofing, solar panels and energy storage in the Oslo region. The business is in a growth phase and has an experienced management team. Elenta has 17 full-time employees and achieved sales of just over NOK 24 million in the 2023 financial year. Fasadgruppen is acquiring 60 percent of Elenta, with the option to purchase the remaining 40 percent.
- Fasadgruppen's subsidiary STARK Fasadrenovering has been commissioned by Statens Fastighetsverk (National Property Board of Sweden) to carry out the complete exterior renovation of Manillaskolan in Djurgården, Stockholm. The work will begin in spring 2024 and last for three years. The order value amounts to approximately SEK 48 million.

Summary of key performance indicators for the Group

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

Signatures of the Board of Directors

The income statements and balance sheets of the Parent Company and of the Group will be presented to the Annual General Meeting for adoption on 15 May 2024.

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a fair representation of the financial position and performance of the Group. The annual report has been prepared in accordance with generally accepted accounting policies and provides a true and fair view of the financial position and per-

formance of the Parent Company. The statutory administration report for the Group and the Parent Company provides a true and fair overview of the development of the operations, position and performance of the Group and of the Parent Company and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 12 April 2024
Fasadgruppen Group AB

Ulrika Dellby
Chair of the Board

Tomas Georgiadis
Board member

Mats Karlsson
Board member

Christina Lindbäck
Board member

Tomas Ståhl
Board member

Gunilla Öhman
Board member

Martin Jacobsson
CEO and Group President

Our audit report was submitted on 12 April 2024

Deloitte AB

Richard Peters
Authorised Public Accountant

Auditor's Report

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Fasadgruppen Group AB (publ) for the financial year 2023-01-01–2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 55-99 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 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

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

Revenue from construction contracts

Fasadgruppen's revenue from construction contracts is reported in relation to the percentage of completion based on costs incurred on the balance sheet date in relation to the total cost forecast for the assignment. The forecasts include estimates of costs for e.g., labour, materials and subcontractors. The elements of judgments and estimates mean that final results may deviate from those currently reported. Given the element of judgments and estimates, this is a key audit matter. Accounting principles and disclosures related to revenue can be found in Notes 1 and 2. Our audit procedures included but were not limited to:

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

Contingent earn-outs

At the end of 2023, the liability for contingent earn-outs amounted to SEK 232.5 million. Recognition of contingent considerations involves significant judgments and estimates by management to determine their fair value. Accounting principles and disclosures related to contingent earn-outs can be found in Notes 1 and 14. Our audit procedures included but were not limited to:

- Review of accounting principles.
- Review of significant assumptions estimates for the valuation of contingent earn-outs.

Valuation of goodwill and trademarks with indefinite useful lives

In the balance sheet as of 31 December 2023, Fasadgruppen reports goodwill amounting to SEK 2,917.3 million and trademarks with an indefinite useful life amounting to SEK 432,0 million. Goodwill and intangible assets with an indefinite useful life are subject to impairment testing annually. In an impairment test, calculations are made based on assumptions and estimates regarding, among other things, discount rates, growth factors and forecasted cash flows. The valuation of goodwill and trademarks is a key audit matter because of management's significant judgments and estimates for estimating recoverable amounts. Accounting principles and disclosures related to goodwill and trademarks can be found in Notes 1 and 10. Our audit procedures included but were not limited to:

- Review of accounting principles and evaluation of processes and controls for impairment tests.
- Review of management's assumptions, primarily related to the variables that have the greatest impact on impairment testing, 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.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-54 and 104-106. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate

of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fasadgruppen Group AB (publ) for the financial year 2023-01-01–2023-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's 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 (publ) for the financial year 2023-01-01–2023-12-31.

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

Basis for opinion

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

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

Responsibilities of The Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

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

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

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

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

Deloitte AB, was appointed auditor of Fasadgruppen Group AB (publ) by the general meeting of the shareholders on the 2022-05-12 and has been the company's auditor since 2018-06-12.

Stockholm 12 April 2024

Deloitte AB

Richard Peters

Authorised Public Accountant

Auditor's report on the statutory sustainability report

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

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 26–41 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Stockholm 12 April 2024

Deloitte AB

Richard Peters

Authorised Public Accountant

Auditor's report on the corporate governance statement

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

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2023-01-01–2023-12-31 on pages 42–53 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinions

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

Stockholm 12 April 2024

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

Growth in net sales

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

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

Organic growth

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

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

EBITA

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

EBITA provides a picture of earnings generated from operating activities.

EBITDA

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

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

EBIT margin

Earnings (EBIT) as a percentage of net sales.

The EBIT margin is used to measure operating profitability.

EBITA margin

EBITA as a percentage of net sales.

The EBITA margin is used to measure operating profitability.

Items affecting comparability

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

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

Adjusted EBIT

EBIT adjusted for items affecting comparability.

Adjusted EBIT improves comparability between periods.

Adjusted EBITA

EBITA adjusted for items affecting comparability.

Adjusted EBITA improves comparability between periods.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

The adjusted EBITA margin is used to measure operating profitability.

Adjusted EBITDA

EBITDA adjusted for items affecting comparability.

Adjusted EBITDA improves comparability between periods.

Cash flow from operating activities

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

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

Cash conversion

Cash flow from operating activities as a percentage of EBITDA.

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

Order backlog

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

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

Return on shareholders' 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 shareholders' 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

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

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

Definitions

eNPS

The Employee Net Promoter Score measures how likely employees are to recommend their employer to others.

LTIF

Lost Time Injury 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.

Information for shareholders

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Financial calendar

Reports

Interim Report Jan–Mar 2024	8 May 2024
Interim Report Apr–Jun 2024	15 August 2024
Interim Report Jul–Sep 2024	12 November 2024
Year-end Report 2024	11 February 2025

General meeting of shareholders

Annual General Meeting 2024	15 May 2024
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Annual General Meeting 2024

The Annual General Meeting of Fasadgruppen will take place on 15 May 2024 at Karlaplans Plåtslageri, Vretenborgsvägen 21 i Stockholm, Sweden at 12:00 CEST. For further information about the 2024 AGM, please see the notice to shareholders.

Further information

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

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

www.fasadgruppen.se

Please note that the English text in this document is a translation of the Swedish version.
If there are any discrepancies, the Swedish version shall take precedence.

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