



# 2020

## Annual Report



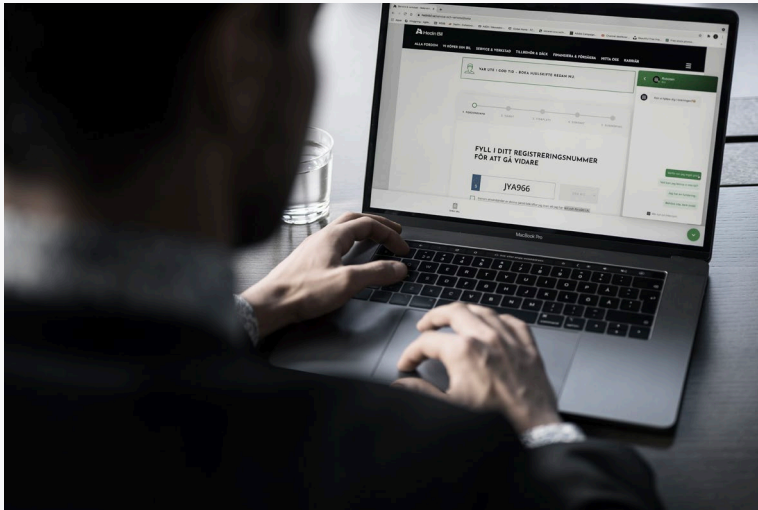
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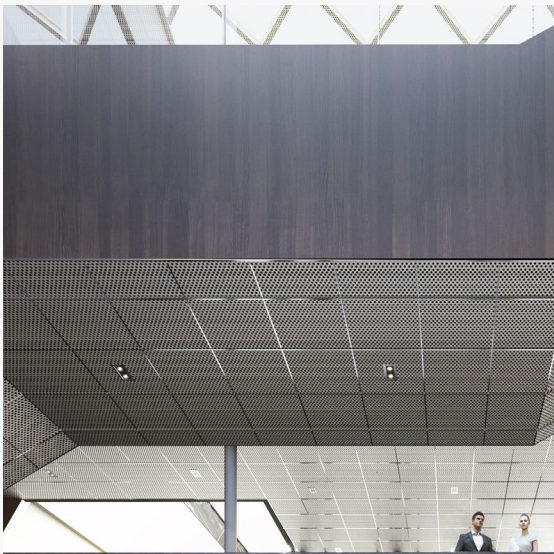
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**2020**

# Year in brief

**Key figures**

**27,526**

Revenue (mkr)

**821**

Operational earnings (mkr)

**3,216**

Average number of employees

**81,469**

Sold vehicles

**81,469**

Sold Vehicles

**27**

Billions revenue

**120**

Dealerships

**31**

Car brands

**3,650**

Employees in 6 countries

**100**

% Privately owned

## Dealerships per country

### Sweden

**84**

Dealerships

**4**

Body shops

### Norway

**17**

Dealerships

### Switzerland

**4**

Dealerships

**1**

Body shop

### Belgium

**15**

Dealerships

**4**

Body shops

## Trademarks per country

### Sweden

Hedin Bil  
Bavaria  
Hedin Performance Cars  
Car Store  
Car to Go Sweden  
Mabi Mobility  
Klintberg & Way Group  
Klintberg & Way Automotive

### Norway

Bavaria  
Hedin Performance Cars  
GS Bildeler  
Conlogo  
Norway Brakes  
Klintberg & Ways Parts

### Belgium

Hedin Automotive  
Klintberg & Way Parts

### Switzerland

Klintberg & Way Automotive  
Hedin Automotive Schweiz

### Germany

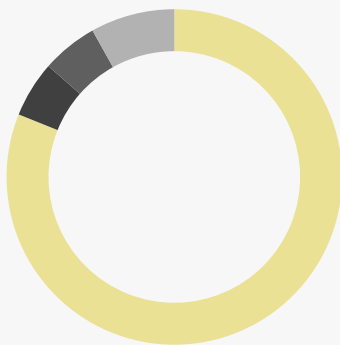
Klintberg & Way Group  
Klintberg & Way Automotive  
Klintberg & Way Parts  
KW Technology Center

### Denmark

Koed



## Car brands per country



- **Sweden 30**
- **Norway 3**
- **Switzerland 2**
- **Belgium 2**

# Summary per quarter

2020

## Q1

- On January 13, Ford Store Västerås was reopened after renovation.
- On January 20, Hedin Bil opened a new Kia facility in Trollhättan through its subsidiary Hedin Göteborg Bil AB – a so-called Red Cube facility.
- On January 29, it was announced that Hedin Performance Cars AB will build a Porsche Center in Linköping. Hedin Helsingborg AB sells Mercedes in Stångebro and Hedin Performance cars sells Porsche in Hackefors. There will be two different showrooms in Mörtlösa. One at about 6,000 square meters in size for Mercedes and the other about 3,000 square meters where Porsche will move in. The grand opening is expected to take place in 2022.
- On March 2, Chinese electric car manufacturer BYTON announced that they are choosing Hedin Automotive as a strategic sales and service partner in Sweden and Norway. The plan has been for BYTON M-Byte to be launched in the first European markets in late 2021. This is, however, currently postponed due to the Covid-19 pandemic.

## Q2

- On April 1, the business for our concept "Car Store" started within the company Car Store Sweden AB. Car Store is a pre-owned concept within the Hedin Bil Group.
- During Easter, GS Bildeler and parts of Bavaria's warehouse moved to a common central warehouse in Oslo.
- On May 11, Hedin Automotive AS acquired the remaining minority in Conlogo AS, and now owns 100%.

## Q3

- On September 1, a new company center for BMW, focusing on VR technology, was opened in Solna United.
- On September 3, the group parent company changed its name. In 1985, the parent company that would eventually become known as Anders Hedin Invest AB was founded. During the year it was time to let a new era take hold and Anders Hedin Invest AB changed its name to Hedin Group AB
- On September 23, Bavaria opened a new plant for BMW and MINI at Breivollveien in Oslo.



# Q4

- On October 8, Hedin Göteborg Bil AB inaugurated a new facility in Alingsås, with sales of Kia and Nissan. In the former plant, the sale of Mercedes-Benz continues as an exclusive brand. The new facility of approximately 2800 m<sup>2</sup> is modernly designed and is adapted, among other things, to meet the increased demand for electrified and rechargeable cars.
- On October 15, Bavaria Sverige Bil AB opened a new BMW plant in Kista.
- In October, Hedin Performance Cars AB was certified for the first time as a Great Place to Work.
- The first sod has been made for Hedin Group's new head office in Eklanda, Mölndal. The move is scheduled to take place in late autumn 2022 and is part of the Group's long-term effort to create a more modern and sustainable workplace with nearly 500 office spaces. Hedin Group's new head office is being built on Jolengatan in Eklanda. The premises cover approximately 15,000 square meters
- On November 13, Hedin Automotive AS acquired 60% of the Danish parts company KOED. KOED is part of a group of five Danish subsidiaries.
- On December 1, an agreement was signed to take over Callisma's premises in Danderyd. After renovation, a reopening will take place with Ford in the premises and will be operated by Hedin Mölndal Bil AB. Mölndal Bil AB.

# Words from our CEO

**In 2020, Covid-19 came and spread anxiety in the market and created many challenges for employers. The cost savings launched in the second quarter meant that we could quickly adapt the business to the changed market conditions. Despite all the challenges, our business has found the right focus and as a result we have seen a gradual recovery. At the end of the year, we can see that we are showing increased profitability, increased deliveries, good cash flows and strong liquidity, resulting in good results, streamlining and development of the business.**

During the year, the Group changed its name. In 1985, the parent company that would eventually become known as Anders Hedin Invest AB was founded. During the year the time came to let a new era take hold and Anders Hedin Invest AB changed its name to Hedin Group AB.

## RETAIL

The total market for new vehicles in Sweden decreased by -18%, in Norway by -0.7%, in Belgium by -21% and in Switzerland by -24%. In Sweden, we lost new car sales, something we made up for both at the pre-owned business and in the service market. In Norway, we increased both in new and pre-owned, and in Belgium, which has been hit hard by lockdowns, we finished strongly on the new car side. Switzerland has also been hit by several lockdowns. The operations in all our markets improved in both earnings and margins.

Within Hedin Bil, new facilities were opened, including Ford Store in Västerås, Kia in Trollhättan and a Kia and Nissan plant in Alingsås. In December, an agreement was signed to take over Callisma's facilities in Danderyd. After renovations, reopening will take place with Ford in the premises.

During the year, three brand new facilities were opened within Bavaria in Sweden. Two flagship stores for BMW and MINI as well as a "City Showroom" in Solna United that focuses on VR technology. Bavaria in Norway moved into a new fantastic facility at Breivollveien and Bavaria Logistics HUB, a robotic central warehouse for spare parts within Bavaria, was launched in the autumn.

Porsche and Hedin Performance Cars have had a year that has been largely characterized by the all-electric Taycan sports car. At the beginning of the year, it was announced that Hedin Performance Cars will build a 3,000 square meter Porsche Center in Linköping. The grand opening is expected to take place in 2022.

Hedin Automotive in Belgium has suffered several closures of the country during the year but has managed to remain as strong as possible. Hedin Automotive expanded during the year and acquired two plants in Zurich, Switzerland. This became the company's first car plant in Switzerland. In the third quarter, another facility was acquired, this time in Dielsdorf.

We launched the concept Car Store, which is a used trade within the Hedin Bil Group, which is run through the newly started company Car Store Sweden AB.

## MOBILITY

Closed communities and businesses have had a major impact on car rental and Mabi Mobility, but we closed strongly in 2020 and will develop a variety of new solutions in 2021.

Our private leasing offer under the Carplus brand continued to be developed in 2020. The success is a combination of competitive offerings, simple and user-friendly products, and a market that expects smooth overall solutions. Within Unifleet, the pandemic has affected the pace of investment in IT development during the year but had no real impact on the business in general.

## DISTRIBUTION

On March 5, we signed an agreement to become an importer of Ford on the Swedish market and on January 4, 2021, Ford's national sales company in Sweden was taken over and renamed Hedin HMC Motor Company AB.

It has been an eventful year for Klintberg & Way, where moving to the new common tyre warehouse in Landvetter was carried out during Q2, where the activities of Dawa, Pro-Imp, KW Wheels and Interwheel are gathered. The company KW Däckdepå AB is a new venture established to operate high-efficiency tyre hotels with market-relevant peripheral services. Two regional warehouses established in Bålsta and Viared to cover the regions of Stockholm and Gothenburg.

During Easter, GS Bildeler, one of our Norwegian companies, moved its and parts of Bavaria's warehouse to a joint central warehouse in Oslo. During the year, the remaining minority in Conlogo AS was acquired and 60% of the Danish spare parts company KOED A/S was acquired, which is now operationally operated by GS Bildeler.

## CONSTRUCTION & REAL ESTATE

During the year, the parent company Hedin Group AB increased its shareholding in Tuve Bygg from 65% to 75%. 2020 was a different and tough year, like for many. Several projects had to be paused at the beginning of the year but were later restarted. In 2020, a new business plan was developed, meaning that strategies for future development are ready for the next five years, with opportunities to grow locally and geographically within Sweden

On September 25, the real estate company Hedin Mölndal Fastighets AB was sold to Fastighets AB Balder, which included the plot for the new head office. The move to our new head-quarters with nearly 500 jobs is scheduled to take place in late autumn 2022. Our new head office is being built on Jolengatan in Eklanda and the premises cover approximately 15,000 square meters.

## IT

Hedin IT supports the entire Hedin Group concern and develops new, improved ERP systems to streamline and digitize our processes. At the same time, several digitalization and development projects are underway that have been implemented during the year and are progressing into 2021.

## INVESTMENTS

Consensus Asset Management is under strong growth and expansion. In 2020, the company delivered a revenue increase of approximately 338% to SEK 220 million (SEK 65 million). The result beats the all-time record and multiplies to SEK 110 million (SEK 11 million).

Starting in 2018, Hedin Group has gradually acquired shares in the British company Pendragon PLC. The company was founded in 1989 and is a listed company focusing on four segments: UK Motor, Software, Leasing and US Motor. The

strategic goal of Pendragon is to lead the change in digitalization of the automotive industry. At present, the shareholding is 13,34 %. The holding is considered a financial investment.

We have increased our holding in Lasingoo Sweden from 16.6% to 24.48%. Lasingoo is a digital platform for workshop bookings that compares workshops and prices in the customer's immediate area.

The remaining share in Marstrands Kulturfastighet, a subsidiary of Ripam Invest, has been acquired from Kungälv Municipality and the holding now amounts to 100%. The Marstrands Kurhotell business opened and premiered in June. The hotel offers 40 rooms.

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2020 marked the milestone for 35 years in the industry and we have made a fantastic journey together with our employees. There is a lot of work behind the great result we have delivered under challenging circumstances, and for those efforts I am both proud and grateful. We continue to safeguard both results and liquidity in order to maintain our long-term focus.

I would like to express my personal thanks to all employees who have worked hard during the year with restrictions, changes, lockdowns and new challenges. Thanks!



Anders Hedin  
Owner and CEO

# Central support functions

In order to gain a greater insight into how we have handled new challenges and also what the view of the near future looks like, we have allowed a couple of our key people to answer two questions. 2020 will go down in history as a different year with new approaches as well as new ways of acting and operating. We have several key support functions that complement, support and assist our entire organization through their specific competences.

**1.** What highlights and achievements do you want to emphasize for your organization in 2020?

**2.** What are the prospects?



**John Warfvinge**  
Marketing Manager

2020 has been a special year in many ways, and to counter the uncertainty in the market, we have made several tactical adaptations in our marketing efforts during the year. We have maintained our strategic aim to position ourselves as the only player with the opportunity to match each customer's unique needs with an unbeatable width in assortment. At the same time, we have managed to make quick tactical campaigns at the right time. I am very proud of how well the both our group marketing department as well as our local marketing teams have succeeded with both of these challenges!

A key for our success during the year is that we have come a long way with our digital marketing, and digital interfaces such as website and customer chat, and that we do all work in-house with our own staff.

These are strengths we will continue to build on in 2021 in order to improve our capabilities in all markets. At the same time, we will also focus on combining central initiatives with the local knowledge and insight that our colleagues that meet the customer on a daily basis have. We believe that we have great potential to keep our positive momentum also during 2021.



**Charlotte Martinsson**  
HR Manager

In 2020, the HR department has introduced a process for the People Performance Process (PPR) and a digital support tool with the aim of developing the organization and operations through the individual, a development that takes place through the interaction between manager and employee.

With Covid-19, during the year HR has acted as expert support for the establishment, creating many new tasks and perspectives. As with all crises, large and small, communication has been key to make employees feel confident in that issues are handled in a good and professional way.

An online crisis portal was established with a clear action plan on how the business should act in different crisis situations to support mana-

gers and employees in unexpected and serious events.

During the autumn of 2020, a HR-initiated project has begun to update and digitize the business guidelines. The project starts with the guidelines that are linked to the customer meeting, i.e., car sales and the service market.

A focus for 2021 will be to focus on the recruitment process to improve the experience for those looking for a job with us, but also to increase the chance of hiring the right person. An education effort is planned during the year in competence-based interview technology for recruiting managers. At the same time, we have introduced a clear method for background checks..



**Per Mårtensson**  
CFO

The finance function consists of Treasury, Group accounting, as well as shared service centers with finance department for a large part of the Swedish companies. The Group is constantly changing, and it is important to manage these changes with everything from new facilities in existing companies, to acquisitions both in Sweden and in the other markets.

Covid-19 has meant that during the year there has been an increased focus on liquidity and cost control to ensure that we have sufficient ability to take action depending on how the market develops, including tighter liquidity forecasts.

A new ERP system, Pinewood, was installed at the end of 2019 in one of the Swedish companies, and during the year work continued to develop and improve the processes around this.

We have also moved on and installed the system in two more companies in Norway during the autumn. Other processes have improved as well during the year, including a new payment method for the workshops, which means that payment can be made remotely in advance, thus creating faster processing when the car is to be picked up.



**Anna-Karin Höjjer**  
Procurement Manager

Global sourcing within Hedin Group works group-wide with strategic procurements of indirect materials and services. For Hedin Group, the department has implemented category-driven sourcing and started a digitalization journey, which streamlines the entire procurement process.

During the year, Purchasing has increased the cooperation with Hedin Fastighet and Tuve Bygg, thereby conducting industry-specific procurements, which generated savings in addition to previously set goals.

Digitalization will reduce our internal administration and provide an increased transparency regarding suppliers, agreements, KPIs and savings for the Group. In 2021, the digitalization project will be completed. The procurement process based on category-driven purchasing is developed with a focus on new product areas.

With the support of the procurement controller, which is a new role in Purchasing, all companies in the Group shall be incorporated into Purchase's system support. This is to achieve the best possible synergy.



**Conny Hansson**  
Quality and Sustainability Manager

Within the framework of our systematic environmental work, it is our energy efficiency project that continues to generate the most significant savings, especially financially, as well as our work for increased recycling in waste.

Digitalization of education in quality, environment, health and safety and development of our methodology for customer-oriented business development with a new digital tool for self-assessment of the state of maturity in

local operations in business management.

Long-term success requires the right things to be done in the right way, which means continued efforts to support our businesses in their development in quality, environment, health and safety as well as the work to increase customer satisfaction and customer loyalty. We also see great potential in continuing to develop our sustainability work within the Group.



# Introduction of Hedin Group

2020 marked the milestone for 35 years in the industry and we have made a fantastic, albeit different, journey together with our employees this year as well.

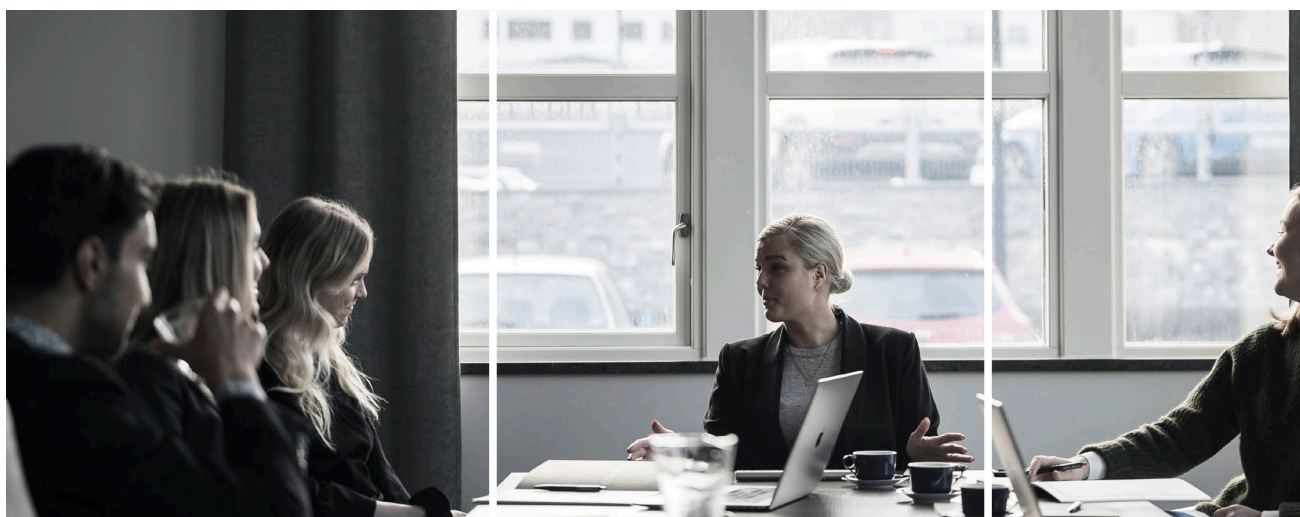
The Hedin Group is a family-owned company with operations mainly in the sale and service of vehicles, wholesale of spare parts and tires for vehicles and rental car operations. Hedin Group's operations consist essentially of managing and developing ownership in existing subsidiaries. The company is 100% owned by Anders Hedin.

To get an overview of our business areas within Hedin Group, more detailed information about the past year will be given on upcoming spreads.



*2020 marked the milestone for 35 years in the industry and we have made a fantastic journey together with our employees. There is a lot of work behind the great result we have delivered in challenging circumstances, and I am both proud and grateful for those efforts.*

**Anders Hedin, CEO Hedin Group**



## RETAIL

The I.A. Hedin Bil Group conducts trade and engineering activities in the motor industry in Sweden, Norway and Belgium. In Sweden, some 30 brands are marketed within **Hedin Bil**, among others. Mercedes-Benz, KIA, Nissan, Jeep, Alfa Romeo, Jaguar, Land Rover, Range Rover, Dodge and RAM. Under the **Bavaria** brand, BMW and Mini are marketed in Norway and Sweden, and under **Hedin Performance Cars/Porsche Center** Porsche is marketed in Norway and Sweden. In Belgium, Mercedes-Benz and Smart are marketed under the **Hedin Automotive** brand. The **Car Store** brand is run through the subsidiary Car Store Sweden AB, which operates in Sweden and is a concept that was introduced at the end of the year and sells pre-owned vehicles.

The Hedin Group is currently represented in over 100 locations and the Group provides both new and pre-owned passenger and transport vehicles as well as trucks. The ambition is to be a full-service company with a comprehensive offer for both private and corporate customers. The overall concept offers financing, service agreements and insurance, among other things.

## DISTRIBUTION

### VEHICLES

In March 2020, we signed an agreement to become the importer of Ford on the Swedish market and on January 4, 2021 Ford's national sales company in Sweden was taken over and renamed **Hedin HMC Motor Company AB**.

Since 2017, **Klintberg & Way Automotive** has been providing management, sales, market and technical development for the distribution of Dodge and RAM car brands in Europe. In its own premises, with a capacity of over 500 vehicles per month, BHC performs homologation of Dodge and RAM for the European market.

**KW Cars** works with the import and sale of American-made cars, mainly Chevrolet and Ford. In addition to standard cars, pickups and SUVs, special vehicles are an area where KW Cars' experience and knowledge offer customers an opportunity to access vehicles for unique purposes.

**KW Homologation** is part of Klintberg & Way Automotive. In its own premises, with a capacity of over 500 vehicles per month, BHC performs homologation of Dodge and RAM for the European market.

### SPARE PARTS & TIRES

**Klintberg & Way Parts AB**, a subsidiary of Klintberg & Way Group AB, is an authorized spare parts distributor for General Motors North American Vehicles and Mopar (Chrysler, Jeep, Dodge, RAM), and is also Europe's largest spare parts wholesaler of U.S. auto parts, with sales in 37 countries. The company has subsidiaries in Sweden, Germany, Belgium and Norway.

The Group also includes **the tyre business** Dawa Däck AB, which is one of Sweden's largest wholesalers in the tyre trade and importer of the tyre brands Kumho, LingLong and Roadstone. KW Wheels AB assembles and sells complete wheels on the Swedish market and has the agency for Alutec and Italmatic. Pro-Imp AB represents eight brands including Cooper-Tire and Mickey Thompson that are leading the development of drag, street, and off-road racing tires.

**GS Bildeler**, is Norway's largest independent supplier of spare parts for BMW and MINI. GS Bildeler also operates the companies Conlogo, Brakes Norway and Koed A/S.



## MOBILITY

**Mabi Mobility** offers short-term rentals through a full range of passenger cars, light trucks and minibuses. In addition, there is a concept of long-term rental services that is marketed under the name Flexilease. The business is mainly conducted through franchises and has a nationwide station network in Sweden.

**Car to Go Sweden AB** conducts the distribution of passenger cars through its own digital sales channels Carplus.se and Carbuy.se. Under the Carplus Store brand, the company also operates a store concept where the company's online business is combined with physical stores. The company is the driving force in digital transformation of the automotive business. The company also conducts product development in new digital business areas online aimed at consumers and companies.

**Unifleet AB** offers operational and financial leasing and vehicle administration services to the Swedish corporate market.

## CONSTRUCTION & REAL ESTATE

Tuve Holding AB is the parent company of the **Tuve Group**. Tuve Bygg AB conducts construction operations in West Sweden and Stockholm. Tuve Byggservice conducts construction service activities in the Gothenburg area to private real estate companies and public clients, as well as conversions and extensions to smaller contractors. Tuve Snickeri AB develops complete solutions for carpentry assignments and performs special and custom-made interiors for private and public environments. Tuve Förvaltning AB owns shares in companies that develop properties for future production and conduct project development for residential and commercial properties.

We own properties for seven of our 15 plants in Belgium through subsidiaries of Hedin Automotive Belgium AB. These are developed and managed, as these are properties used in the Group's operations.

## IT

**Hedin IT** supports the entire Hedin Group and develops new, improved ERP systems to streamline and digitize the processes.

## INVESTMENTS

### FINANCE

Consensus Asset Management AB (**Consensus**) is a securities company approved by the Swedish Financial Supervisory Authority that is under strong growth and expansion. Hedin Group holds a 28% stake.

**A.H. Securities** owns, manages and trades securities.

### VEHICLES

Hedin Group owns 13.34% in **Pendragon PLC**, which is the second largest car dealership in the UK. It operates Evans Halshaw, Stratstone, the Quickco brands, pre-owned car plants in the UK and dealerships in the US. The company is based in Annesley, Nottingham. It is listed on the London Stock Exchange.

**Lasingoo** is an industry-owned online collection portal for booking services for mainly passenger cars. Lasingoo is jointly owned and operated by AD Bildelar, Autoexperter, Bosch, Hedin Bil, OKQ8 and Mekonomen Group (MECA, Mekonomen, MekoPartner, Speedy). Hedin Group holds a 24.48% stake.

### MISCELLANEOUS

The half-owned company Ripam Invest owns companies that operate Marstrands Kurhotell and Societetshuset on Marstrand. Kurhotellet had its opening in June 2020.







# Business areas

**1** RETAIL

**2** MOBILITY

**3** DISTRIBUTION

**4** CONSTRUCTION & REAL ESTATE

**5** IT

**6** INVESTMENTS





# 01

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## Retail

**Companies that are part of the business area:**

I.A. Hedin Bil AB (and subsidiaries)

Hedin Automotive Switzerland AB

## I.A. Hedin Bil AB

(and its subsidiaries)

*The total market for new vehicles in Sweden decreased by -18%, in Norway by -0.7%, in Belgium by -21% and by -24% in Switzerland. In Sweden, we lost new car sales, something we made up for both at the pre-owned store and in the service market. In Norway, we increased both in new and pre-owned and in Belgium, which has been hit hard by lockdowns, we finished strongly on the new car side. Switzerland has also been hit by several lockdowns. The operations in all our markets improved both in earnings and margins.*

Within **Hedin Bil**, new facilities were opened, including the FordStore in Västerås, Kia in Trollhättan and a Kia and Nissan plant in Alingsås. In December, an agreement was signed to take over Callisma's premises in Danderyd. After renovation, reopening will take place with Ford in the premises.

During the year, three brand new facilities were opened within **Bavaria** in Sweden. Two flagship stores for BMW and MINI as well as a "City Showroom" in Solna United that focuses on VR technology. Bavaria in Norway moved into a new fantastic facility at Breivollveien and Bavaria Logistics HUB, a robotic central warehouse for spare parts within Bavaria, was commissioned in the autumn.

Porsche and **Hedin Performance Cars** have had a year that has been largely characterized by the all-electric Taycan sports car. At the beginning of the year, it was announced that Hedin Performance Cars will build a 3,000 square meter Porsche Center in Linköping. The grand opening is expected to take place in 2022.

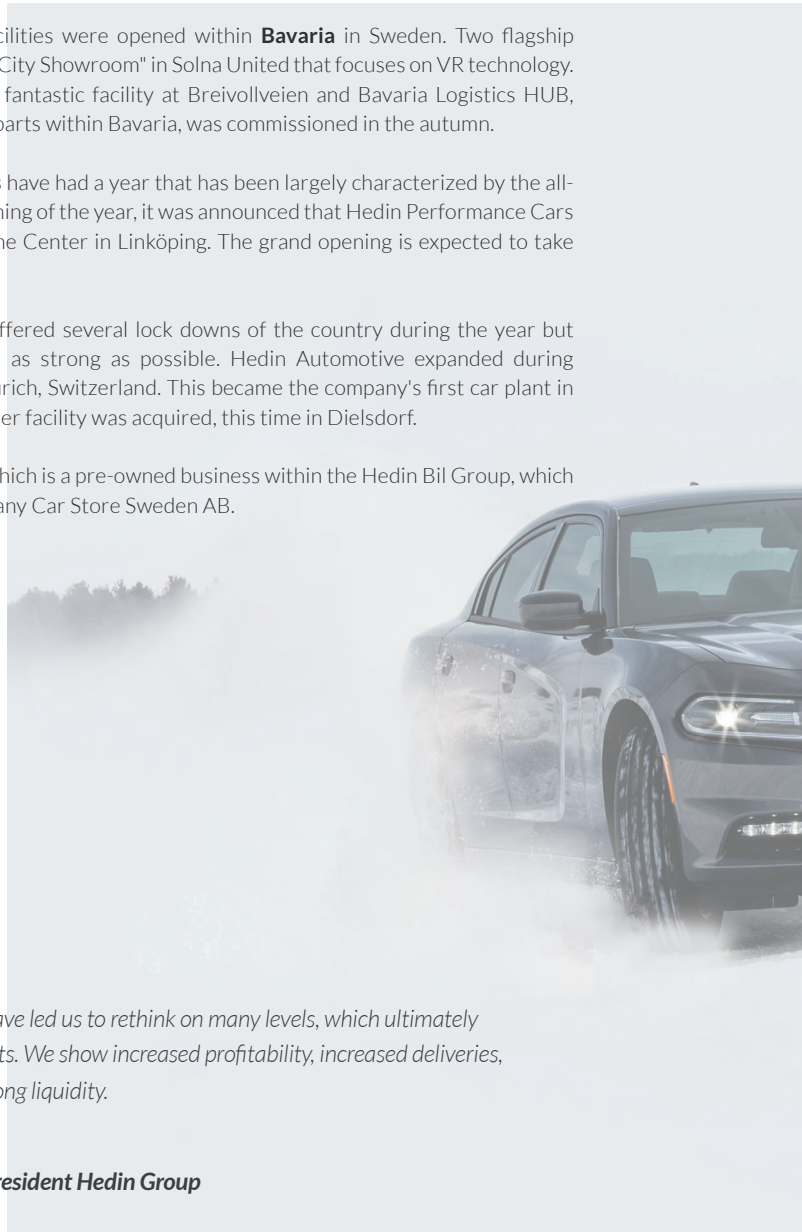
**Hedin Automotive** in Belgium has suffered several lock downs of the country during the year but has nevertheless managed to remain as strong as possible. Hedin Automotive expanded during the year and acquired two plants in Zurich, Switzerland. This became the company's first car plant in Switzerland. In the third quarter, another facility was acquired, this time in Dielsdorf.

We launched the concept **Car Store**, which is a pre-owned business within the Hedin Bil Group, which is run through the newly started company Car Store Sweden AB.

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*This year's challenges have led us to rethink on many levels, which ultimately resulted in positive results. We show increased profitability, increased deliveries, good cash flows and strong liquidity.*

**Hampus Hedin, Vice President Hedin Group**



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*It has been incredibly exciting to start this journey with dealerships in a new market area for us. We are actively working to bring all the dealerships together into one company.*

**Marcus Larsson, CEO Hedin Automotive Switzerland**

## Hedin Automotive Switzerland AB

***We have been in various locations across Europe for a couple of years and expanded further during the year by entering the Swiss market for the first time.***

On 16 January, SeeAll Group will be acquired in Zurich (Wohlen and Samstagern). SeeAll Group's two dealerships, Allmend Garage and Seeblick Garage, became the Hedin group's first two in Switzerland. Admission took place on May 20.

A further expansion was made on 4 September when an agreement was signed to acquire BMW's own dealership business (niederlassung) in Zurich-Dielsdorf. The dealership is a dealer of BMW, MINI and BMW Motorcycles. Closing took place on October 30 and the Dielsdorf plant is part of the Group's newly established Swiss subsidiary Hedin Automotive AG.

The dealerships in Switzerland are operational under the Norwegian unit Hedin Automotive.

During the year, a joint marketing campaign was carried out to strengthen unity and put Hedin Automotive on the map. As of the take-over, a variety of measures have been implemented, such as name change, IT migration, investments in business development and initiated synergy projects.

Due to Covid-19, the country went into lockdown during the spring and the show rooms were closed from 18 March to 15 May.

BMW's total fell by -14.2% in 2020 while maintaining volumes and ended the year with about as many cars sold as in 2019. During the year, our three dealerships in Wohlen, Samstagern and Dielsdorf together sold 2,328 vehicles, new and pre-owned BMW and MINI as well as new and pre-owned BMW Motorcycles.

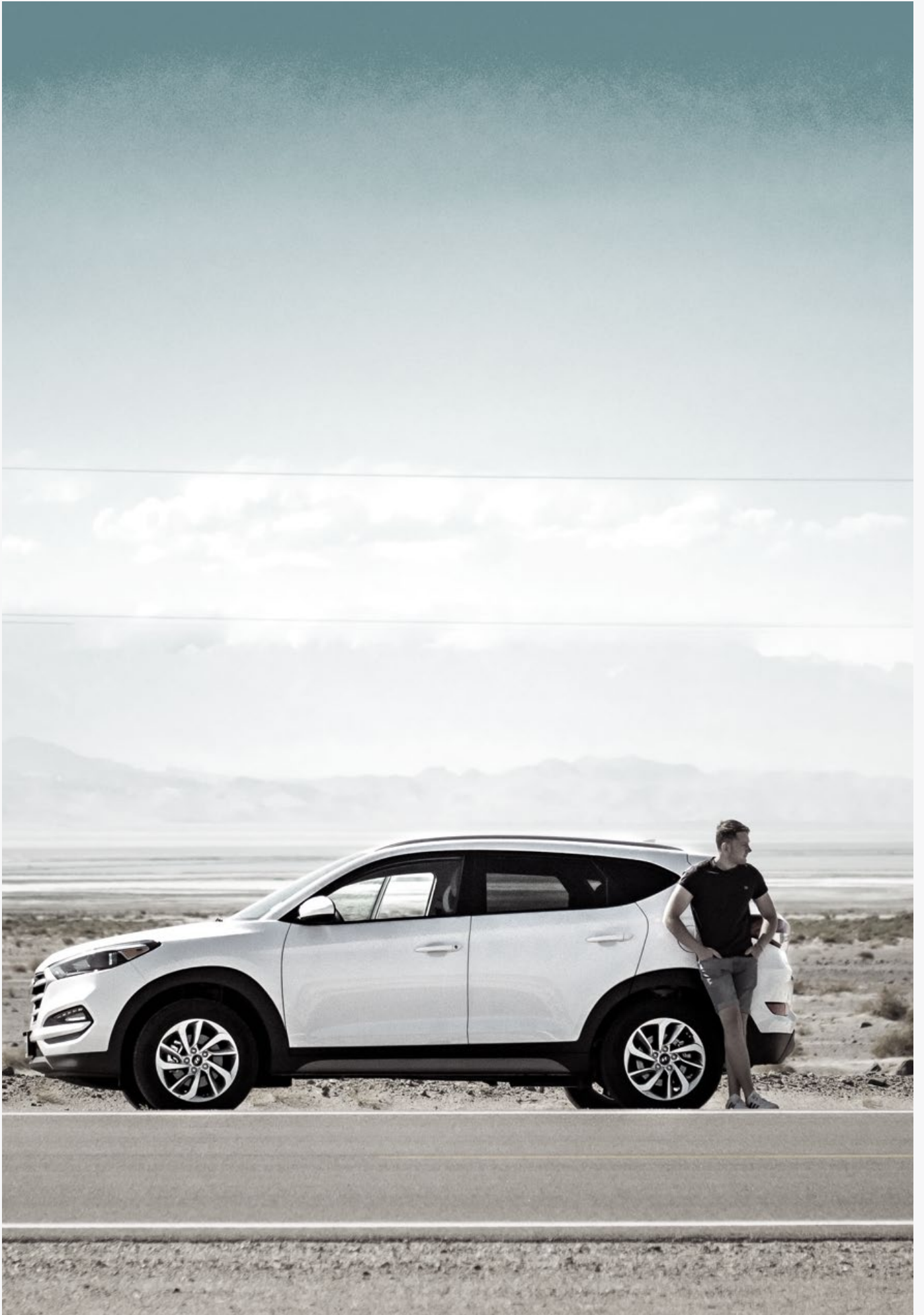
Financially, SeeAll Group delivered a better result than in 2019 despite the closure of the closing of the country and the global pandemic.



**81,469**

New and used car were sold during the year by the Hedin Group, including Hedin Automotive in Switzerland

**HEDIN**  
AUTOMOTIVE



# 02

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## **Mobility**

**Companies that are part of the business area:**

Mabi Mobility AB

Car to Go Sweden AB

Unifleet AB

## Mabi Mobility AB

*To sum up the year, all quarters were better in terms of earnings than last year's, with the exception of Q2, which landed at SEK -1.5 million (SEK 8 million).*

With the reduced demand for our services after March, there was no way to make up for it. However, with the strong Q4 in the back, we still ended the year with +10 MSEK compared to SEK 16 million last year. This includes state aid of SEK 2 million. Growth was understandably halted during the year, but we are strongly equipped when society slowly but surely returns to the new normal.

The closing of all kinds of operations has been felt at the beginning of 2021.

The challenge in 2021 will be the development of a carpool system to be used for the housing company Poseidon in Gothenburg, the development of new payment solutions such as Qliro, Klarna and Swish and the development of a new connection via GDS (Global Distribution System).

”

*Closed communities and businesses have had a major impact on car rentals, but we finished 2020 strongly and will develop a variety of new solutions in 2021.*

**André Schleemann, CEO Mabi Mobility**

**170**

Stations

**4,300**

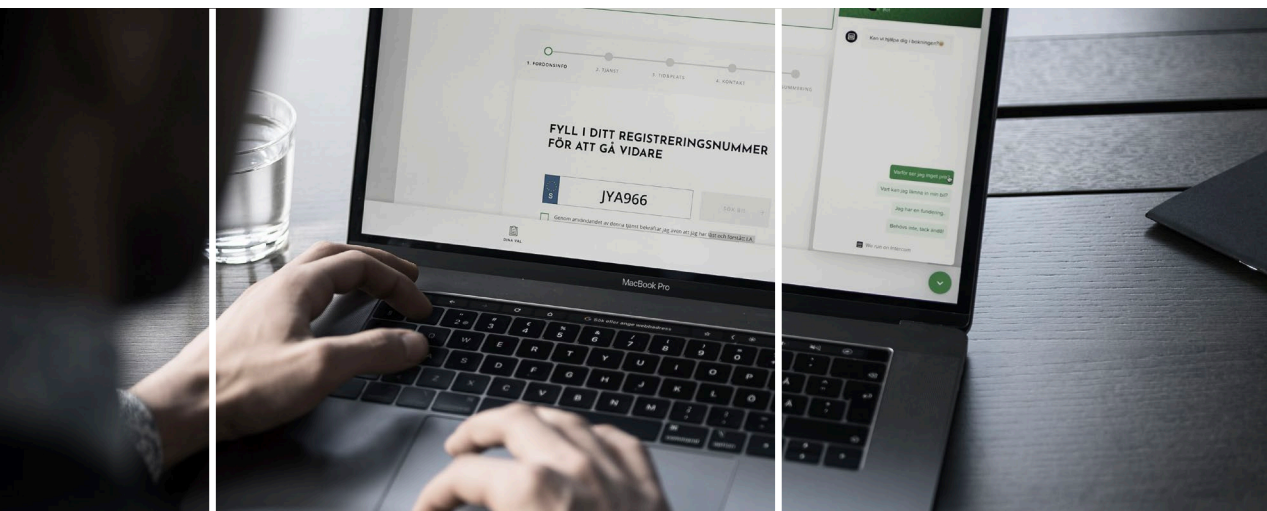
Available vehicles

**31**

Car brands

**42**

Employees





## Car to Go Sweden AB

**The year was marked by a large IT development project that makes the company sell its own services to a greater extent, compared to brokerage assignments that have been completely dominant in sales in the past.**

A decrease in sales of new contracts compared to the previous year, however, continued with an increased customer base. Sales were negatively impacted by a combination of sharply reduced new car stocks, increased competition and a more vivid consumer restraint.

The company continued to increase sales and improve profit thanks to the streamlining of the business. Our two showrooms have been temporarily but completely closed, as sales through our showrooms have been heavily affected negatively by the pandemic. At the beginning of the year, we closed a showroom, and no new openings were carried out during the year. Rental discounts have only been granted for a few months from the property owners.

Carplus online sales and sales through retailers have thus increased in share and we passed a milestone with 10,000 active customers.

## Unifleet AB

**The year has meant a strong growth of new customers and administered vehicles. During the year, Unifleet was one of Sweden's fastest growing fleet management companies both in terms of the number of new vehicles under administration and in percentage growth.**

Sales and profit are sharply reduced due to misleading comparative figures in 2019, actual revenue growth and profit are according to plan.

The pandemic affected the pace of investment in IT development during the year but had no real impact on the business in general. The company applied short-term layoffs for a shorter period in the second quarter. We saw a sharp increase in online sales, and we passed 2,000 during administration.

New investments will be made in 2021 to further increase sales.

”

*Despite the impact of the outside world, the Carplus brand has managed to develop during the year and also passed a milestone of 10,000 active customers*

*The pace of investment decreased slightly during the year, but the Unifleet brand has not been affected otherwise.*

**Jakob Werner, COO Car to Go & Unifleet**

**10,000**

Stock, Carplus

**2,400**

Stock, Unifleet

**22**

Car brands Unifleet & Car to Go

**14**

Employees Unifleet & Car to Go



# 03

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## Distribution

**Companies that are part of the business area:**

### VEHICLES

Hedin HMC Motor Company AB

KW Automotive AB

Klintberg & Way Cars AB

KW Homologering AB

### SPARE PARTS & TIRES

Klintberg & Way Group AB

GS Bildeler AS

Conlogo AS

EBC Brakes Norge AS

Koed A/S

## Hedin Motor Company

*In 2020, Hedin Group has entered into a SPA regarding the acquisition of 100% of the shares in Ford Motor Company Sverige AB, with a transaction date of January 4, 2021. The acquisition means that Hedin Group through Hedin HMC Motor Company AB will be responsible for the import and distribution of passenger and light transport cars, as well as distribution of accessories and spare parts for the Swedish market.*

The timing of the acquisition is right in time as Ford launches several electrified models for both passenger cars and light trucks, with a plan that all passenger cars will be zero-emission compatible or Plug-in Hybrid by mid-2026 and fully electrified by 2030.

Previously announced agreements with Volkswagen with joint production of light transport cars, EV and autonomous cars provide good conditions for growth in the Swedish market.

The organization with Ford experience is along for the journey and is planned to be strengthened further to support set growth plans.

Historically, the development of Ford sales has taken different directions. Passenger car sales have developed negatively over a 10-year period from 6.2% market share to ending in 2020 with 5,899 registered passenger cars and 2.02% market share (-0.55% vs 2019). Ford lacked rechargeable models for most of the year, with the market increasing to 32.2% (vs 11.3% in 2019) in a total market of 292,024 registered passenger cars.

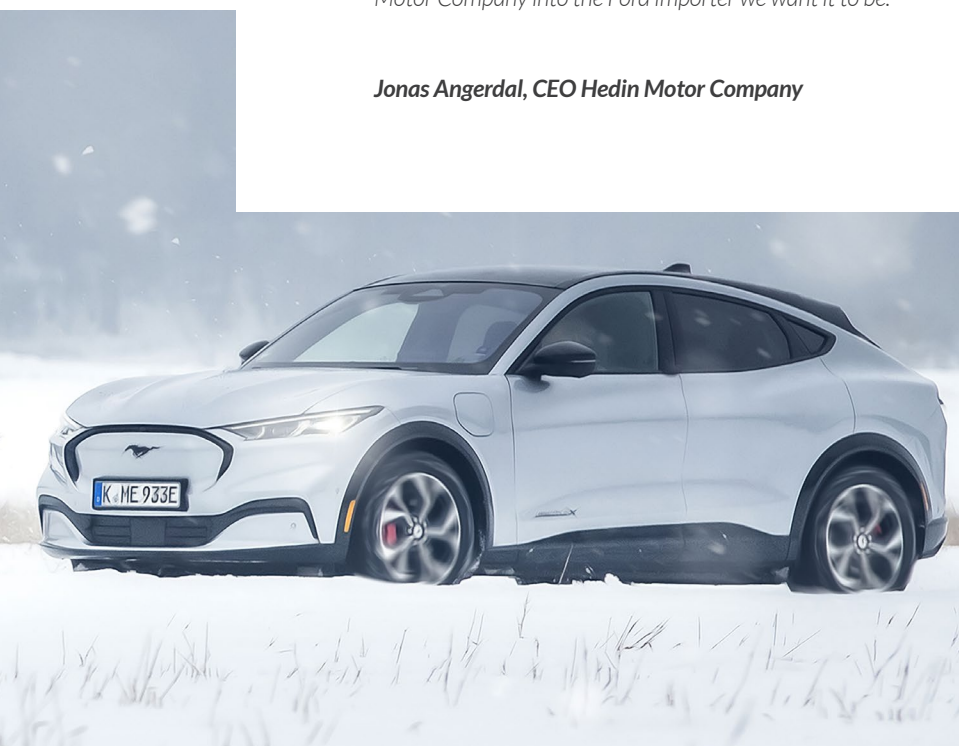
Light transport cars have developed positively over the past 10 years, going from a market share of 8.1% to ending 2020 with 5,257 registered light vans and 16.9% (+1.4% vs 2019) market share in a total market of 31,015 registered light carriers.

The prospects and conditions to cost-effectively grow the business and reach a position in the market in line with Ford's performance in Europe, thus reaching a market share of 6% for passenger cars as well as a leading position on light vans with >25% market share. As a basis lies proximity and knowledge of the local market, short decision-making paths, upcoming model programs for passenger and light transport cars and development of both organization and network.

”

*In 2020, preparations for the takeover were under way, and in 2021 we will move into a higher gear and transform Hedin Motor Company into the Ford importer we want it to be.*

**Jonas Angerdal, CEO Hedin Motor Company**



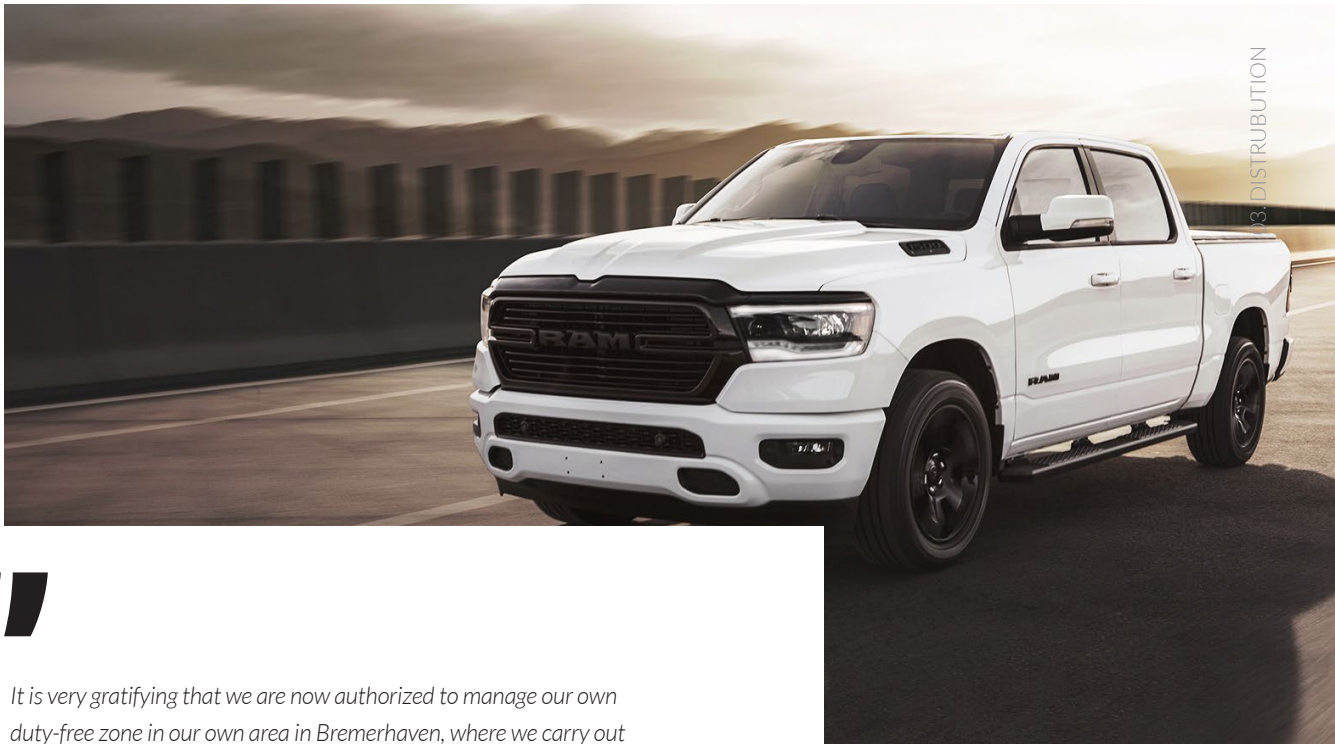
**18,000**

Sold vehicles, goal 2021

**5,800**

Revenue (msek), goal 2021

**HEDIN MOTOR COMPANY**



”

*It is very gratifying that we are now authorized to manage our own duty-free zone in our own area in Bremerhaven, where we carry out homologation of Dodge and RAM*

**Marcus Larsson, CEO Klintberg & Way Automotive**

## **Klintberg & Way Automotive, KW Cars och KW Homologering**

*Sales during the year have grown organically at our current retailers, while we have created many new contracts.*

Since 2017, **Klintberg & Way Automotive** has been providing management, sales, market and technical development for the distribution of Dodge and RAM car brands in Europe. In its own premises, with a capacity of over 500 vehicles per month, BHC performs homologation of Dodge and RAM for the European market.

In 2020, we have imported and sold a number of models and brands within the framework of **KW Cars**.

KW Cars works with the import and sale of American-made cars, mainly Chevrolet and Ford. In addition to standard cars, pickups and SUVs, special vehicles are an area where KW Cars' experience and knowledge offer customers an opportunity to access vehicles for unique purposes.

**KW Homologation** is part of Klintberg & Way Automotive. In its own premises, with a capacity of over 500 vehicles per month, BHC performs homologation of Dodge and RAM for the European market.

During the year, we opened up our homologation business to external customers. New contacts and relationships have been established and these will accelerate in 2021.

During the fourth quarter, we were authorized to manage our own duty-free zone in our own area, which significantly speeds up delivery to our customers while also streamlining our own operations.

**1,254**

Sold vehicles

**670**

Revenue (msek)



## Klintberg & Way

*It has been an eventful year for Klintberg & Way, where moving to the new common tyre warehouse in Landvetter was carried out during Q2, where the activities of Dawa, Pro-Imp, KW Wheels and Interwheel are gathered. All new systems were operational in mid-December when a new inventory management system (WMS) was implemented, after the important autumn season for the business. Our two existing warehouses at Hisingen and Karlstad have been moved in whole or in part.*

A new dedicated warehouse for truck tires and some buffer stock has been established in Borås.

The company KW Däckdepå AB is a new venture established to operate highly efficient tyre hotels with market-relevant peripheral services. Two regional warehouses established in Bålsta and Viared to cover the areas of Stockholm and Gothenburg. Operations began in September.

KW Parts has completed a move from the existing third-party warehouse in Butzbach, Germany, to Stockholm in order to increase cost efficiency, quality and control. The warehouse in Sättra has received a larger assortment of warehouses, which means that the automated warehouse management system can be used to a greater extent, and that bulky items are moved to a new site in Bålsta, co-located with KW Däckdepå in order to find synergies and cost savings. The work has been ongoing mainly during Q4.

During the second quarter and the beginning of the third, some of the staff were laid off due to sales losses linked to Covid-19. Closures of communities in several countries, as well as general supply chain difficulties have affected all companies and operations within the KW Group to varying degrees. Most affected are deliveries from the US where both domestic restrictions as well as restrictions and difficulties in sea and air freight have had negative consequences for KW Parts, mainly in the form of reduced turnover but also in difficulty in maintaining a good level of service on certain segments of spare parts and accessories.

”

*As we provide service to customers all over the world, the pandemic has affected us to a large extent. However, we have implemented a number of measures and centralizations during the year that make us ready for the future.*

**Anders Molander, CEO Klintberg & Way**



## Gule og Skrivarhaug Bildeler (incl. Conlogo, Brakes Norway and Koed)

*Centralization has had a great focus during the year, and after careful planning and well-executed implementation, we will continue to find collaboration between the operations in the future.*

In April, we opened a new logistics center in Oslo with a robot warehouse that centralizes the business and its handling of spare parts and accessories. As a result, we closed three previous warehouses in Sirevåg, Skien and Trondheim.

In summary, the market has been stable during the year, and there has been a strong increase in sales to private individuals which generated an increase of just over 15%. The market for companies also increased by just over 7%.

All GS Bildeler companies have had positive sales and increased their earnings during the year.

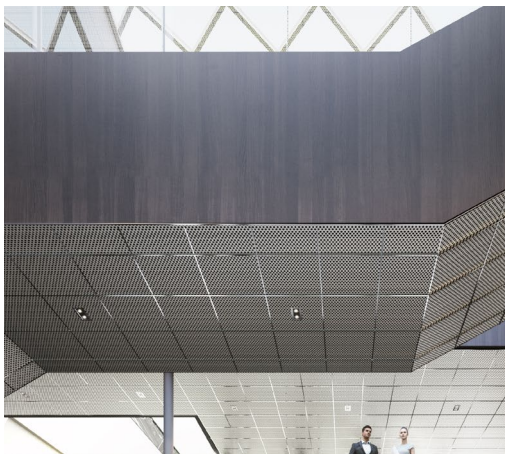
Several investments will be made in 2021, including a new online store for EBC Brakes Norway, which premieres in March 2021.



”

*The fact that people have had to spend more time at home has positively contributed to our increased sales of spare parts, mainly to the private market.*

**Sven Skogheim, Daily leads GS Bildeler**





# 04

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## Construction & real estate

**Companies that are part of the business area:**

Tuve Holding AB

Wholly owned real estate



# 04. Construction & Real Estate

***For Tuve Bygg, 2020, like many others, was a different and tough year. A lot has come down to parrying and adjusting for the Covid-19 pandemic. In March, three major projects were paused to start in March/ April. We acted quickly so as not to suffer too much costs, we alerted and laid off more than 20 people, and in 2020 we have had short-term layoffs. Fortunately, most of the projects have now started again.***

In everyday production, the corona pandemic has affected surprisingly little, some deliveries have become delayed and foreign staff have had problems coming to Sweden, but to a relatively small extent.

We have also started new projects, the most spectacular of which is the new head office of Hedin Group, where Tuve Bygg will also move – a really fun project that we are happy to be involved in creating. The list for new projects also included housing for Balder, Skandiafastigheter and Framtiden Byggutveckling. We also started new projects for Hedin Bil, including planning and designs for a Mercedes and a Porsche dealership in Linköping.

Our companies Tuve Snickeri and Tuve Byggservice have seen a relatively small impact from Covid-19, the jobs and orders have rolled in at a relatively normal pace in terms of the annual basis and have had maintained functioning operations throughout the year.

The market eased after the summer of 2020, especially in the residential segment. Competition continues to be tough, with many entrepreneurs in need of replenishing their order books.

In 2020, we developed a new business plan, which means that strategies for future development are ready for the next five years, with opportunities to grow locally and geographically within Sweden. Accordingly, each unit has developed its own action plans, so that we as a whole will achieve future goals and development.

Compared to budget 2020, sales decreased by approximately SEK 260 million, a consequence of projects being paused in connection with the pandemic's entry last spring. We had some major write-downs in historically poorly accepted projects and a number of projects that went financially better than planned. We succeeded in keeping costs down and in total within the Tuve Group the result lands in about SEK 14 million, against budgeted SEK 32 million. Total sales in the Tuve Group land about SEK 1,460 million against budgeted SEK 1,721 million.

In 2020, Hedin Group strengthened its ownership in Tuve to 75%, which we see as positive and which, against the market, sends good signals that owners believe in our business.



**1,441**

Net sales for the year in the Group, SEK Mkr

**2,188**

Orderstock at the turn of the year, SEK Mkr

**”**

*During the year, we have replenished the order books at a good pace, and it looks better for 2021 than it did for 2020 at the same time of the year.*

**Robert Bengtsson, CEO Tuve Bygg**

# 04. Construction & Real Estate



*Dealership in Aalst*

”

*We develop and manage our properties, as it is properties that are used within the Group's operations.*

**Jørn Heiersjø, Director of Real Estate**



*Dealership in Gent*

## Wholly owned real estate

*The properties for seven of our 15 dealerships in Belgium we own ourselves through subsidiaries of Hedin Automotive Belgium AB. The holding amounts to just over 92,000 m<sup>2</sup>. We also own real estate in Zürich (Switzerland) and Bremerhaven (Germany).*

Dealership	City	Total m <sup>2</sup>
Gent	Gent	22,602
Gent, Certified	Gent	11,005
Sint-Martens-Latem	Sint-Martens-Latem	9,412
Ninove	Ninove	12,342
Aalst	Erembodegem – Aalst	30,941
Star Repair	Lier	1,804
Star Repair	Lier	3,505
Samstagern	Zürich	4,729
Wohlen (2 buildings)	Zürich	4,922
Bremerhaven	Bremerhaven	5,250
		<b>106 512 m<sup>2</sup></b>





# 05

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## **IT**

**Companies that are part of the business area:**

Hedin IT AB

## Hedin IT AB

***Hedin IT supports the entire Hedin Group and develops new, improved ERP systems to streamline and digitize the processes.***

A construction of a complete import business for our new company Hedin Motor Company (HMC) has been carried out. HMC is the Group's company that is the importer of Ford on the Swedish market, where the takeover was made on January 4, 2021, and all preparations have been ongoing during the latter half of 2020.

Pinewood has now been implemented at our Norwegian Porsche business, where we continuously monitor and adjust.

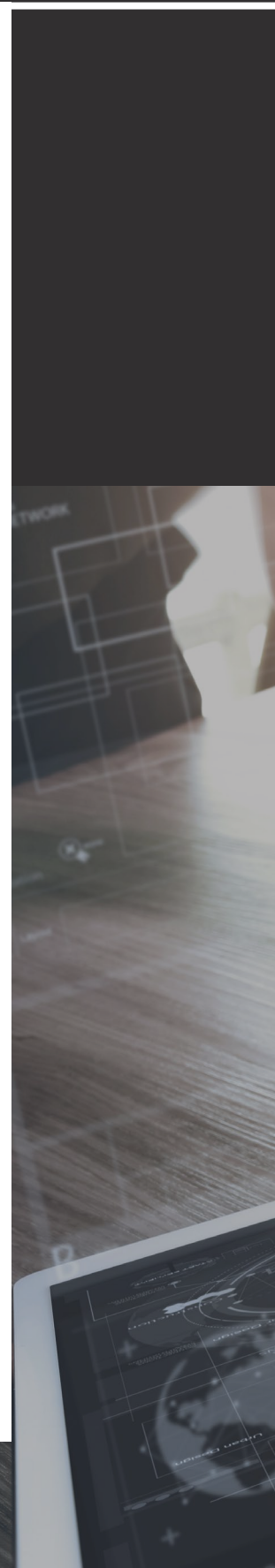
Hedin Automotive AG, a subsidiary of Hedin Automotive Switzerland AB, is now supported after taking over during the year to a 100% of Hedin IT.

An integration platform for the robotic warehouse for KW Tyre Depot in Landvetter has been set up.

In addition to this, a full IT environment and roll-out of Windows 10 have been made and we have built and launched Carstore.se on the E-Commerce platform SiteCore.

**We will gear up further from 2020 and aim for the following goals:**

- Continue to migrate our companies' IT environments towards Hedin IT.
- E-Commerce for Hedin Bil
- New platform for managing service agreements within the Group
- Optimize our import operations
- Continue to build internal expertise in our key areas in order to support the business in the best way
- Strengthen the Pinewood team to accelerate rollout and development







”

*Hedin IT has had an intense year, as the Group continues to develop at a rapid pace both organically and through acquisitions*

**Patrick Olsson, CEO Hedin IT**



# 06

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## Investments

**Companies that are part of the business area:**

### **Finance**

Consensus Asset Management AB

A. H. Värdepapper AB

### **Vehicles**

Pendragon Plc

Lasingoo Sverige AB

### **Miscellaneous**

Ripam Invest AB



## 06. Investments

### Consensus Asset Management AB

*In a situation in March when most things looked dark and the pandemic seriously hit the world's stock markets, everything from there turned into the company's best year by far.*

The company delivered a revenue increase of approximately 338% to SEK 220 million (SEK 65 million). The result beats the all-time record and multiplies to MSEK 110 million (MSEK 11 million).

During the year, we have had exceptional management successes in a highly competitive market:

- Best Nordic Fund – Consensus Small companies +94%
- Best Sweden Fund – Consensus Sweden Select +51%

The number of customers continued to increase in all of our offices.

It is especially gratifying that our funds now also reach the broad customer base as more than 6,000 savers bought the funds at Avanza alone. We continue to see great potential as more and more people discover the results of the funds.

We have increased our assets under management by more than 2 billion to just over 9 billion.

”

*We have historically had a very good development of the company, but that 2020 would be by far the best year ever, was not something we dared to hope for*

*Patrik Soko, CEO Consensus Asset Management*

### A. H. Värdepapper AB

*A.H. Värdepapper AB äger, förvaltar och bedriver handel med värdepapper och därmed förenlig verksamhet.*



## Pendragon Plc

*Across the UK, a decline in the overall market for new cars was reported to -48.5%, and Pendragon decreased -47.9%. Sales and profit were severely affected by the pandemic.*

The UK Government closed the business between 23 March and 1 June. 20 facilities had to be partially open to support workers and their vehicles. From 20 June the facilities were finally reopened.

The Group is working on a new strategy to "transform the car market through digital innovation and operational excellence" through financial targets that will see the company return to positive results. The three pillars of the strategy are:

1. Manage the value of franchise operations
2. Expand and diversify Pinewood
3. Take leading initiatives in the used cars business

## Lasingoo Sverige AB

*Lasingoo is a marketplace where car owners get a clear picture of the range of car repair shops in their local area, and where they can book workshop services at a fixed price.*

Lasingoo was founded in 2015 and today has 2,000 connected car repair shops spread across the country. Lasingoo is an initiative of the engineering industry and is jointly owned by Hedin Bil, AD car parts, Autoexperter, Bosch Car Service, Mekonomen Group and OKQ8.

The booking volume of brokered workshop services for 2020 increased by 20% compared to 2019. In 2020, a cost-saving program was implemented that had the desired effect in the income statement at the end of the year, thus the company is in a good position for 2021.

## Ripam Invest AB

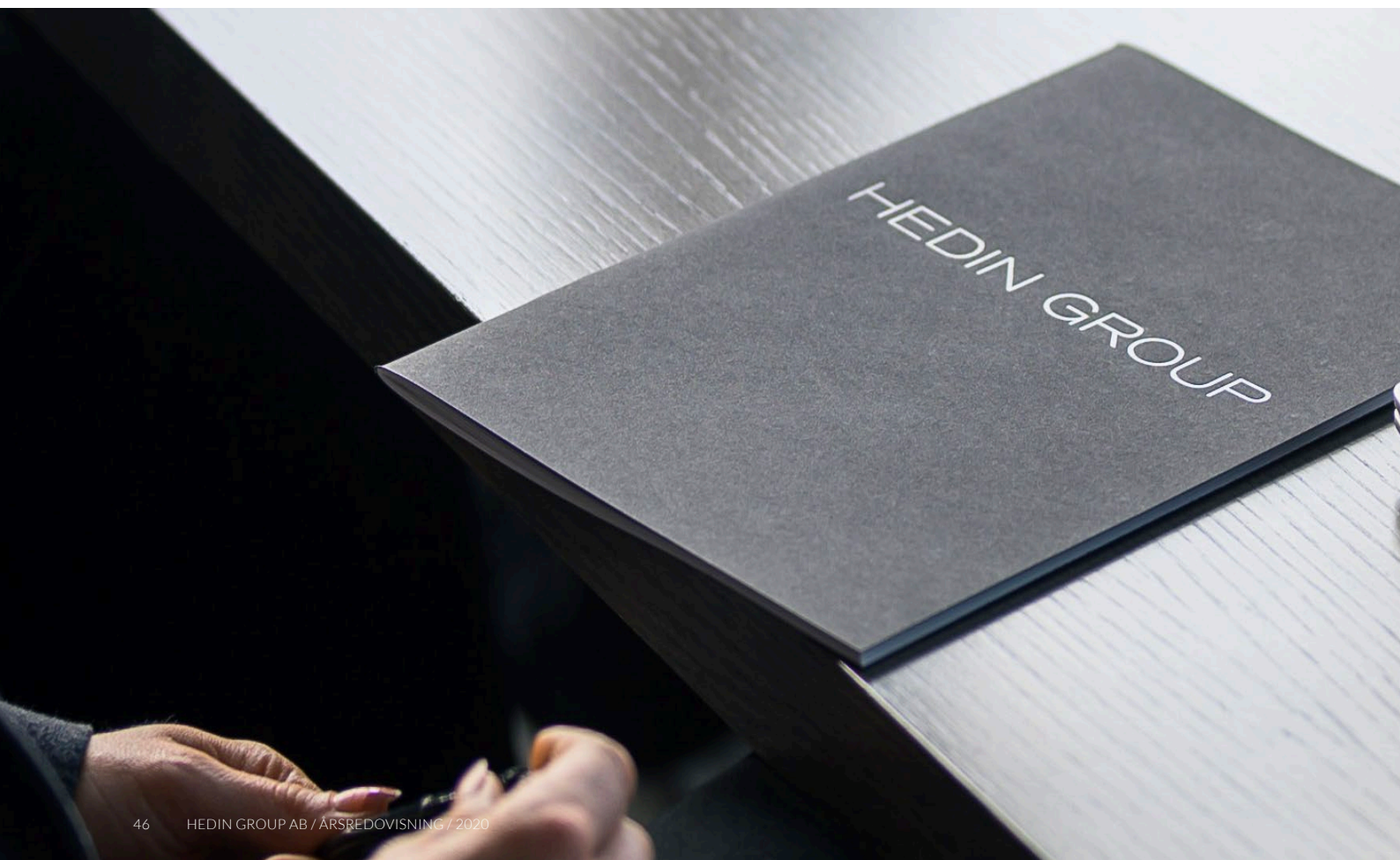
*The business opened and premiered on June 1, 2020, in the midst of the covid-19 pandemic. The opening summer still ended up good, as the restrictions did not allow travel abroad and the Swedish people vacationed in Sweden instead.*

The local traveling meant that the summer was fully booked in terms of bookings of the 40 rooms offered by the hotel. In conclusion, the first financial year has run under the conditions and requirements imposed on us. Socityshuset had to cancel all the weddings booked and had limited availability and limited opening hours in the restaurant.

On December 17, the remaining share in Marstrands Kulturfastighet AB was acquired from Kungälv Municipality and the holding amounts to 100%.

In 2021, Phase 2 will begin and a breakfast room, gym, sauna, etc. will be opened.

# 07. APPENDIX





In the next spreads we have collected summaries from the following areas:

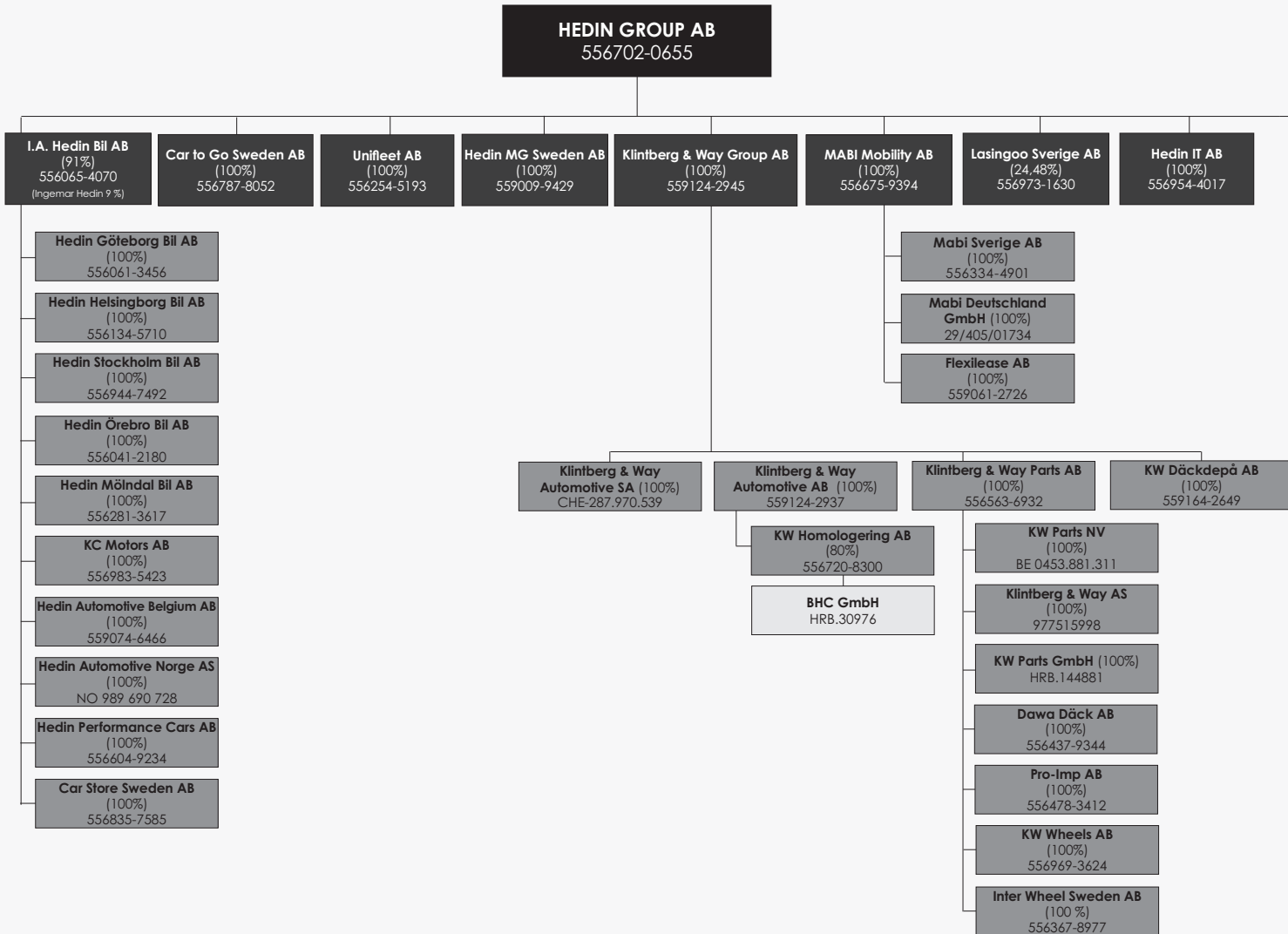
**ORGANIZATION STRUCTURE HEDIN GROUP**

**ORGANIZATION STRUCTURE HEDIN BIL**

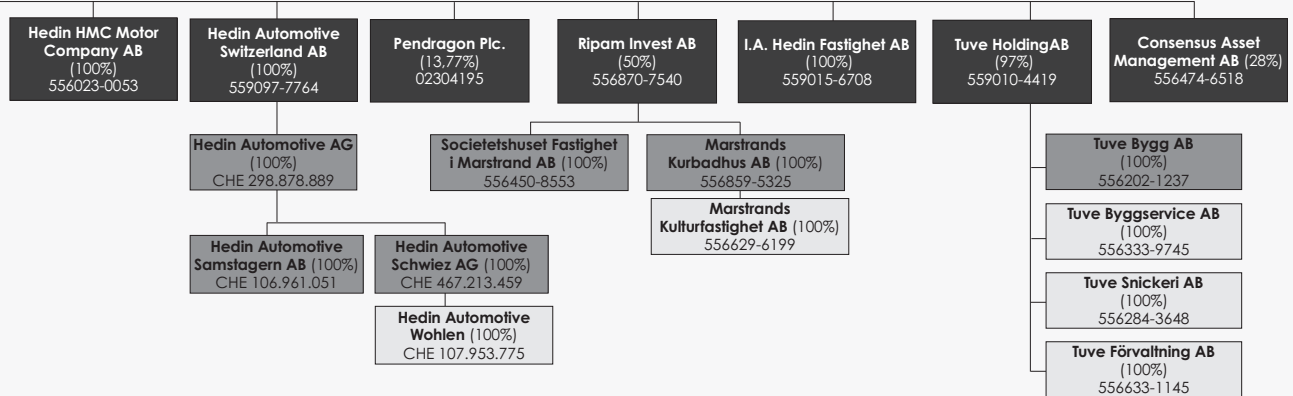
**DEALERSHIPS & BRAND MANAGERS**

**DEALERSHIPS & CONSTRUCTION PROJECTS**

# Organization structure Hedin Group

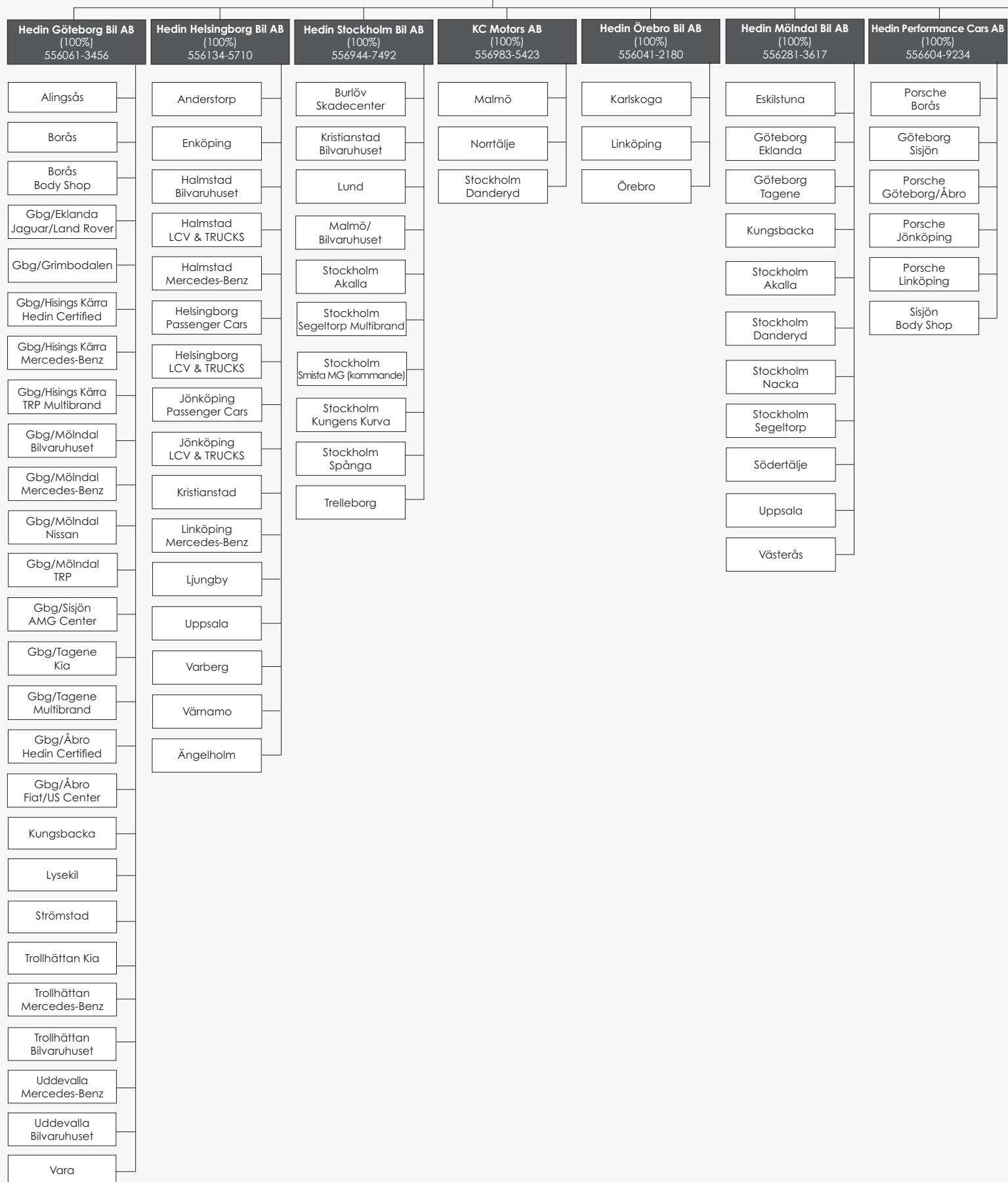




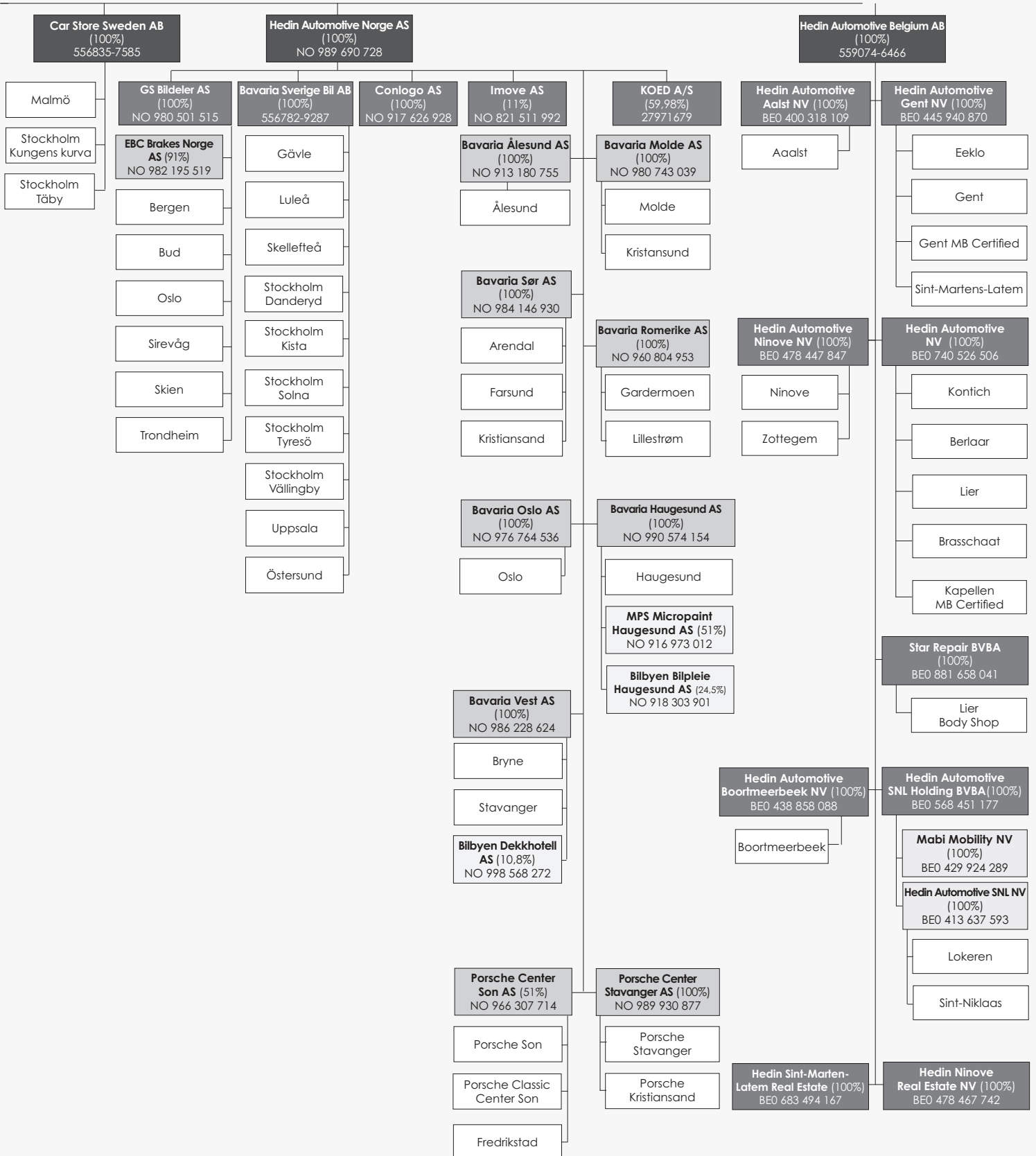


**HEDIN GROUP AB**  
556702-0655





















**I.A. Hedin Bil AB**  
(91%)  
556065-4070



# Organization structure Hedin Bil



# Dealerships and brand managers

 <p><b>MERCEDES-BENZ</b> 36 Personal vehicles</p> <p><b>SWEDEN</b> Johan Stålhammar</p> <p>Alingsås Anderstorp Borås Enköping Göteborg / Hisings Kärra Göteborg / Mölndalsvägen Göteborg / Sjösjö Halmstad / Stenlyckan Helsingborg Jönköping Kristianstad Kungsbacka Linköping Ljungby Strömstad Trollhättan Uddevalla Uppsala Varberg Värnamo Ängelholm</p> <p><b>BELGIUM</b> Henrik Lessèl</p> <p>Aalst Berlaar Boortmeerbeek Brasschaat Eeklo Gent Gent MB Certified Kapellen MB Certified Kontich Lier Lokeren Ninove Sint-Martens-Latem Sint Niklaas Zottegem</p>	 <p><b>Mercedes-Benz</b> Vans. Born to run.</p> <p><b>MERCEDES-BENZ</b> 26 Vans</p> <p><b>SWEDEN</b> Lars Holmström</p> <p>Alingsås Borås Enköping Göteborg / Hisings Kärra Halmstad / Stenlyckan Helsingborg Jönköping Kristianstad Kungsbacka Linköping Ljungby Möndal Trollhättan Uddevalla Uppsala Varberg Värnamo</p> <p><b>BELGIUM</b> Henrik Lessèl</p> <p>Aalst Boortmeerbeek Gent Eeklo Ninove Lokeren Sint-Niklaas Sint-Martens-Latem Zottegem</p>	 <p><b>PORSCHE</b> 9</p> <p><b>SWEDEN</b> Rickard Magnusson</p> <p>Borås Göteborg / Äbro Jönköping Linköping</p> <p><b>NORWAY</b> Rickard Magnusson</p> <p>Fredrikstad Kristiansand (Sør) Son Son Classic Center Stavanger</p>	 <p><b>JAGUAR</b> 4</p> <p>Rikard Alm</p> <p>Göteborg / Eklanda Linköping Bilvaruhuset Jönköping Örebro</p>	 <p><b>FIAT</b> 15</p> <p>Ludvig Almgren</p> <p>Göteborg / Grimbodalen Göteborg / Äbro US Center Halmstad / FCA &amp; TRP Jönköping Kristianstad Bilvaruhuset Linköping Bilvaruhuset Lund Malmö / Jägersro Stockholm / Akalla Trelleborg Uddevalla Bilvaruhuset Uppsala Varberg Värnamo Örebro</p>
 <p><b>Mercedes-Benz</b> Trucks you can trust</p> <p><b>MERCEDES-BENZ</b> 13 Trucks</p> <p><b>SWEDEN</b> Björn Janström</p> <p>Borås Göteborg / Hisings Kärra TRP Halmstad / Stenlyckan Helsingborg TRP Jönköping Transport- &amp; Lastbilscenter Kristianstad Linköping Uddevalla Uppsala</p> <p><b>BELGIUM</b> Henrik Lessèl</p> <p>Aalst Boortmeerbeek Gent Sint Niklaas</p>	 <p><b>MERCEDES-AMG</b> 4</p> <p><b>SWEDEN</b> Johan Stålhammar</p> <p>Göteborg / Sjösjö Performance Center Helsingborg Jönköping</p> <p><b>BELGIUM</b> Henrik Lessèl</p> <p>Brasschaat AMG Performance Store</p>	 <p><b>BMW</b> 22</p> <p><b>SWEDEN</b> Johan Frisk</p> <p>Gävle Luleå Skellefteå Stockholm / Danderyd Stockholm / Solna Stockholm / Tyresö Stockholm / Vällingby Uppsala Östersund</p> <p><b>NORWAY</b> Hallvard Vikeså</p> <p>Arendal Bryne Farsund Gardermoen Haugesund Kristiansand Kristiansund Lillestrøm Molde Oslo Breivollveien Stavanger Stavanger Beg. Ålesund</p> <p><b>SWITZERLAND</b> Marcus Larsson</p> <p>Dielsdorf Samstagern Schindellegi Wohlen</p>	 <p><b>CHEVROLET</b> 2</p> <p>Kalle Bernhardsson</p> <p>Göteborg / Äbro US Center Stockholm / Kungens Kurva</p>	 <p><b>FIAT PROFESSIONAL</b> 17</p> <p>Ludvig Almgren</p> <p>Göteborg / Hisings Kärra TRP Halmstad / FCA &amp; TRP Jönköping Transport- &amp; Lastbilscenter Kristianstad Bilvaruhuset Linköping Bilvaruhuset Lund Malmö TRP Möndal TRP Stockholm / Akalla Stockholm / Kungens Kurva Stockholm / Spånga Trelleborg Uddevalla Bilvaruhuset Uppsala Varberg Värnamo Örebro</p>
 <p><b>Mercedes-Benz</b> Trucks you can trust</p> <p><b>MERCEDES-BENZ</b> 13 Trucks</p> <p><b>SWEDEN</b> Björn Janström</p> <p>Borås Göteborg / Hisings Kärra TRP Halmstad / Stenlyckan Helsingborg TRP Jönköping Transport- &amp; Lastbilscenter Kristianstad Linköping Uddevalla Uppsala</p> <p><b>BELGIUM</b> Henrik Lessèl</p> <p>Aalst Boortmeerbeek Gent Sint Niklaas</p>	 <p><b>SMART</b> 3</p> <p><b>SWEDEN</b> Johan Stålhammar</p> <p>Göteborg / Mölndalsvägen</p> <p><b>BELGIUM</b> Henrik Lessèl</p> <p>Aalst Eeklo</p>	 <p><b>MINI</b> 8</p> <p><b>SWEDEN</b> Johan Frisk</p> <p>Stockholm / Solna Uppsala</p> <p><b>NORWAY</b> Hallvard Vikeså</p> <p>Kristiansand Molde Oslo Vika Oslo Økern Stavanger Ålesund</p>	 <p><b>LAND ROVER</b> 4</p> <p>Rikard Alm</p> <p>Göteborg / Eklanda Linköping Bilvaruhuset Jönköping Örebro</p>	 <p><b>NISSAN</b> 23</p> <p>Victor Liljeborg</p> <p>Alingsås Anderstorp Borås Enköping Göteborg / Hisings Kärra TRP Göteborg / Mölndalsvägen Göteborg / Tagene Halmstad Bilvaruhuset Helsingborg Helsingborg TRP Kristianstad Kungsbacka Ljungby Möndal TRP Stockholm / Akalla Strömstad Trollhättan Bilvaruhuset Uddevalla Bilvaruhuset Uppsala Vara Varberg Värnamo Ängelholm</p>
 <p><b>Mercedes-Benz</b> Trucks you can trust</p> <p><b>MERCEDES-BENZ</b> 13 Trucks</p> <p><b>SWEDEN</b> Björn Janström</p> <p>Borås Göteborg / Hisings Kärra TRP Halmstad / Stenlyckan Helsingborg TRP Jönköping Transport- &amp; Lastbilscenter Kristianstad Linköping Uddevalla Uppsala</p> <p><b>BELGIUM</b> Henrik Lessèl</p> <p>Aalst Boortmeerbeek Gent Sint Niklaas</p>	 <p><b>ALFA ROMEO</b> 10</p> <p>Ludvig Almgren</p> <p>Göteborg / Äbro US Center Halmstad / FCA &amp; TRP Jönköping Kristianstad Bilvaruhuset Linköping Bilvaruhuset Malmö Stockholm / Akalla Stockholm / Kungens Kurva Uppsala Örebro</p>	 <p><b>CORVETTE</b> 2</p> <p>Kalle Bernhardsson</p> <p>Göteborg / Äbro US Center Stockholm / Kungens Kurva</p>	 <p><b>CADILLAC</b> 2</p> <p>Kalle Bernhardsson</p> <p>Göteborg / Äbro US Center Stockholm / Kungens Kurva</p>	 <p><b>ALFA ROMEO</b> 10</p> <p>Ludvig Almgren</p> <p>Göteborg / Äbro US Center Halmstad / FCA &amp; TRP Jönköping Kristianstad Bilvaruhuset Linköping Bilvaruhuset Malmö Stockholm / Akalla Stockholm / Kungens Kurva Uppsala Örebro</p>



**NISSAN GTR**  
**2**

Victor Liljenberg  
Göteborg / Mölndalsvägen  
Stockholm / Akalla



**JEEP**  
**14**

Ludvig Almgren  
Göteborg / Grimbodalen  
Göteborg / Äbro US Center  
Halmstad / FCA & TRP  
Jönköping  
Kristianstad  
Linköping  
Lund  
Malmö  
Stockholm / Akalla  
Stockholm / Kungens Kurva  
Uddevalle Bilvaruhuset  
Uppsala  
Värnamo  
Örebro




**ABARTH**  
**7**

Ludvig Almgren  
Göteborg / Äbro US Center  
Halmstad / FCA & TRP  
Jönköping  
Kristianstad  
Malmö  
Stockholm / Akalla  
Stockholm / Kungens Kurva



**HONDA**  
**1**

Victor Liljenberg  
Möndal Bilvaruhuset



**RENAULT**  
**6**

Michael Bergström  
Göteborg / Hisings Kärra TRP  
Göteborg / Tagene  
Halmstad Bilvaruhuset  
Halmstad / FCA & TRP  
Möndal Bilvaruhuset  
Möndal TRP



**KIA**  
**22**


Kenny Ohlsson  
Alingsås  
Borås  
Göteborg / Tagene  
Halmstad Bilvaruhuset  
Helsingborg  
Jönköping  
Kungsbacka  
Kristianstad Bilvaruhuset  
Lysekil  
Möndal Bilvaruhuset  
Stockholm / Akalla  
Stockholm / Segeltorp  
Strömstad  
Trelleborg  
Trollhättan Bilvaruhuset  
Uddevalle Bilvaruhuset  
Västra  
Värnamo  
Ängelholm

**KC MOTORS**  
Danderyd  
Malmö  
Norrtälje



**FORD**  
**8**

Jonas Hamstedt  
Enköping  
Eskilstuna  
Göteborg / Eklanda  
Göteborg / Tagene  
Halmstad  
Kungsbacka  
Stockholm / Akalla  
Stockholm / Danderyd  
Stockholm / Nacka  
Stockholm / Segeltorp  
Södertälje  
Uppsala  
Värnamo  
Västerås



**DS**  
**3**

Selahattin Unsal  
Malmö  
Möndal Bilvaruhuset  
Stockholm / Akalla


**ISUZU**  
**2**

Olle Holmberg  
Karlskoga  
Örebro




**OPEL**  
**10**

Olle Holmberg  
Karlskoga  
Kristianstad Bilvaruhuset  
Linköping Bilvaruhuset  
Malmö / Jägersro (end. personbilar)  
Stockholm / Akalla  
Stockholm / Segeltorp  
Stockholm / Spånga  
Trollhättan Bilvaruhuset  
Uppsala  
Örebro



**MITSUBISHI**  
**12**

Stefan Elmström  
Göteborg / Tagene  
Halmstad / FCA & TRP  
Malmö / Jägersro  
Malmö TRP  
Kristianstad Bilvaruhuset  
Lund  
Möndal Bilvaruhuset  
Möndal TRP  
Stockholm / Akalla  
Stockholm / Segeltorp  
Stockholm / Spånga  
Uppsala



**MG**  
**17**

Stefan Elmström  
Borås  
Göteborg / Grimbodalen  
Göteborg / Tagene  
Halmstad Bilvaruhuset  
Helsingborg  
Jönköping  
Linköping Bilvaruhuset  
Malmö  
Möndal Bilvaruhuset  
Stockholm / Akalla  
Stockholm / Smista  
Uddevalle Bilvaruhuset  
Uppsala Bilvaruhuset  
Västra  
Varberg  
Värnamo  
Örebro




**CITROËN**  
**17**

Safin Sherzad  
Borås  
Enköping  
Göteborg / Hisings Kärra TRP  
Halmstad Bilvaruhuset  
Halmstad / FCA & TRP  
Jönköping  
Jönköping Transport - & Lastbilscenter  
Kungsbacka  
Malmö  
Malmö TRP  
Möndal Bilvaruhuset  
Möndal TRP  
Stockholm / Akalla  
Stockholm / Spånga  
Strömstad  
Trelleborg  
Uppsala



**DODGE**  
**14**

Kalle Bernhardsson  
Göteborg / Grimodalen  
Göteborg / Äbro US Center  
Halmstad / FCA & TRP  
Helsingborg  
Jönköping  
Kristianstad Bilvaruhuset  
Linköping Bilvaruhuset  
Malmö Jägersro  
Möndal Bilvaruhuset  
Norrköping  
Stockholm / Akalla  
Stockholm / Kungens Kurva  
Uppsala  
Örebro



**RAM**  
**15**

Kalle Bernhardsson  
Göteborg / Grimbodalen  
Göteborg / Äbro US Center  
Halmstad / FCA & TRP  
Helsingborg TRP  
Jönköping  
Kristianstad Bilvaruhuset  
Linköping Bilvaruhuset  
Malmö TRP  
Möndal Bilvaruhuset  
Norrköping  
Stockholm / Akalla  
Stockholm / Kungens Kurva  
Stockholm / Spånga  
Uppsala  
Örebro



**DACIA**  
**6**

Micheal Bergström  
Göteborg / Hisings Kärra TRP  
Göteborg / Tagene  
Halmstad Bilvaruhuset  
Halmstad TRP  
Möndal Bilvaruhuset  
Möndal TRP



**SUBARU**  
**6**

Selahattin Unsal  
Karlskoga  
Kristianstad Bilvaruhuset  
Lund  
Malmö  
Stockholm / Akalla  
Trelleborg

**HEDIN PERFORMANCE CARS**  
**2**

Rickard Magnusson  
Göteborg / Sisjön (begagnat)  
Göteborg / Sisjön (skadecenter)

**HEDIN CERTIFIED**  
**2**

Hakim Chebil  
Göteborg / Hisings Kärra  
Göteborg / Äbro

**CARSTORE**  
**3**

Hakim Chebil  
Malmö  
Täby  
Stockholm Kungens Kurva

# DEALERSHIPS

## SWEDEN

Dealerships (cars sales) Sweden: 84  
Body shops Sweden: 4

### Hedin Göteborg Bil AB

26 No of dealerships (car sales)

- 1 Alingsås Bilvaruhuset
- 2 Alingsås Mercedes-Benz
- 3 Borås
- 4 Göteborg Eklanda Jaguar/Land Rover
- 5 Göteborg Grimbodalen
- 6 Göteborg Hisings-Kärna Hedin Certified
- 7 Göteborg Hisings-Kärna Mercedes-Benz
- 8 Göteborg Hisings-Kärna Multibrand LCV
- 9 Göteborg Mölndal Bilvaruhuset
- 10 Göteborg Mölndal Mercedes-Benz
- 11 Göteborg Mölndal Nissan
- 12 Göteborg Mölndal Transportbilscenter (LCV)
- 13 Göteborg Sisjön AMG Performance Center
- 14 Göteborg Tagene Kia
- 15 Göteborg Tagene Multibrand
- 16 Göteborg Åbro Hedin Certified
- 17 Göteborg Åbro US Center
- 18 Kungälv
- 19 Lysekil
- 20 Strömstad
- 21 Trollhättan Kia
- 22 Trollhättan Mercedes-Benz
- 23 Trollhättan Bilvaruhuset
- 24 Uddevalla Mercedes-Benz
- 25 Uddevalla Bilvaruhuset
- 26 Vara

- 1 Body shop: Borås

### Hedin Helsingborg Bil AB

16 No of dealerships (car sales)

- 1 Anderstorp
- 2 Enköping
- 3 Halmstad Bilvaruhuset
- 4 Halmstad FCA & Transportbilscenter (LCV)
- 5 Halmstad Mercedes-Benz
- 6 Helsingborg PC
- 7 Helsingborg Last- och Transportbilscenter (LCV/trucks)
- 8 Jönköping PC
- 9 Jönköping Last- och Transportbilscenter (LCV/trucks)
- 10 Kristianstad
- 11 Linköping Mercedes-Benz
- 12 Ljungby
- 13 Uppsala
- 14 Varberg
- 15 Värnamo
- 16 Ängelholm

### Hedin Stockholm Bil AB

8 No of dealerships (car sales)

- 1 Kristianstad Bilvaruhuset
  - 2 Lund
  - 3 Malmö Bilvaruhuset
  - 4 Stockholm Akalla
  - 5 Stockholm Segeltorp
  - 6 Stockholm Kungens Kurva
  - 7 Stockholm Spånga
  - 8 Trelleborg
- 1 Body shop & repair: Burlöv

### Hedin Mölndal Bil AB / Ford

10 No of dealerships (car sales)

- 1 Eskilstuna
- 2 Göteborg Eklanda
- 3 Göteborg Tagene
- 4 Kungälv
- 5 Stockholm Akalla
- 6 Stockholm Danderyd (opening March 1)
- 7 Stockholm Nacka
- 8 Stockholm Segeltorp
- 9 Stockholm Södertälje
- 10 Västerås

### Hedin Örebro Bil AB

3 No of dealerships (car sales)

- 1 Karlskoga
- 2 Linköping
- 3 Örebro

### Hedin Performance Cars AB / Porsche Sweden

5 No of dealerships (car sales)

- 1 Hedin Performance Cars Göteborg Sisjön (Used)
  - 2 Porsche Center Borås
  - 3 Porsche Center Göteborg Åbro
  - 4 Porsche Center Jönköping
  - 5 Porsche Service Center Linköping
- 1 Body shop: Skadecenter Sisjön

### KC Motors / KIA

3 No of dealerships (car sales)

- 1 Malmö
- 2 Norrtälje
- 3 Stockholm Danderyd

### Hedin Automotive / Bavaria SE (BMW & Mini)

10 No of dealerships (car sales)

- 1 Gävle
- 2 Luleå
- 3 Skellefteå
- 4 Stockholm Danderyd BMW
- 5 Stockholm Danderyd MINI
- 6 Stockholm Kista
- 7 Stockholm Solna United
- 8 Stockholm Vällingby
- 9 Uppsala
- 10 Östersund

- 1 Body shop: Tyresö

### Car Store Sweden AB

3 No of dealerships (car sales)

- 1 Malmö
- 2 Stockholm Kungens Kurva
- 3 Stockholm Täby

## NORWAY

Dealerships (cars sales) Norway: 17  
Body shops Norway: 0

### Hedin Automotive AS / Bavaria NO (BMW & Mini)

13 No of dealerships (car sales)

- 1 Arendal
- 2 Bryne
- 3 Farsund (used cars and workshop)
- 4 Gardermoen
- 5 Haugesund
- 6 Kristiansand
- 7 Kristiansund
- 8 Lillestrøm
- 9 Molde
- 10 Oslo Breivollveien
- 11 Stavanger
- 12 Stavanger Used Cars Center
- 13 Ålesund

### Hedin Performance Cars AB / Porsche Norway

4 No of dealerships (car sales)

- 1 Porsche Center Kristiansand (SW)
- 2 Porsche Center Son
- 3 Porsche Center Stavanger
- 4 Porsche Classic Center Son

## BELGIUM

Dealerships (cars sales) Belgium: 15  
Body shops Belgium: 4

### Hedin Belgien Bil AB / Mercedes-Benz

15 No of dealerships (car sales)

- 1 Aalst
- 2 Berlaar
- 3 Boortmeerbeek
- 4 Brasschaat
- 5 Eeklo (only sales)
- 6 Gent
- 7 Gent MB Certified
- 8 Kapellen MB Certified
- 9 Kontich
- 10 Lier
- 11 Lokeren
- 12 Ninove
- 13 Sint-Martens-Latem
- 14 Sint-Niklaas
- 15 Zottegem

- 1 Body shop: Lier (Paint & Body Shop)
- 2 Body shop: Lier (Star Repair)
- 3 Body shop: Sint-Niklaas
- 4 Body shop: Gent

## SWITZERLAND

Dealerships (cars sales) Switzerland: 4  
Body shops Switzerland: 2

### Hedin Automotive AB / BMW

4 No of dealerships (car sales)

- 1 Dielsdorf
- 2 Samstagern
- 3 Schinddellegi Used cars
- 4 Wohlen

- 1 Body shop: Samstagern
- 2 Body shop: Dielsdorf Carolack



# CONSTRUCTION PROJECTS

			<i>Sqm</i>
Ford Danderyd	Adaptions	Dec-20	1,800
Akalla Ford	Adaptions	Dec-20	2,000
Akalla Body shop	Rebuilding	n/a	2,113
Akalla workshop (HSB)	Restoration	15-Jan	1,000
Haninge	New facility	Aug-21	3,841
Luleå	Restoration	Aug-21	1,000
Ålesund Used Cars	New facility	Jan-22	800
Linköping Porsche	New facility	May-22	3,315
Linköping JLR	New facility	May-22	2,588
Linköping MB	New facility	May-22	8,996
Hedin HQ	New facility	Nov-22	14,400
Bryne	New facility	n/a	1,740







# FINANCE - FIVE-YEAR SUMMARY

<b>kSEK</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net sales	27,525,769	25,971,315	24,184,096	14,551,763	10,706,901
Operating profit	806,018	337,397	222,763	211,635	870,205
Financial income and expense	-245,148	-254,985	-203,303	-154,663	-44,906
Profit before tax	560,870	82,412	19,460	56,972	825,299
Tax	-114,312	-31,659	-3,471	-40,972	-52,466
Profit for the year	446,558	50,753	15,989	16,000	772,833
Intangible fixed assets	2,060,504	2,110,399	1,757,829	1,426,634	153,537
Tangible fixed assets	9,338,592	7,988,850	2,419,062	1,725,092	794,114
Financial fixed assets	534,284	491,161	271,701	300,127	1,015,280
Inventories	3,623,464	3,715,190	3,844,642	3,439,444	1,225,645
Accounts receivables	1,336,590	1,445,554	1,142,023	941,529	417,789
Other current assets	1,128,373	1,139,962	1,067,675	1,329,149	462,451
Total assets	18,021,807	16,891,116	10,502,932	9,161,975	4,068,816
Equity	2,083,514	1,803,095	1,892,206	1,918,558	1,802,680
Non-current liabilities	9,112,463	7,979,827	2,721,441	2,622,149	575,293
Accounts payables	2,446,345	2,311,871	2,089,337	2,257,484	430,747
Other liabilities	4,379,485	4,796,323	3,799,948	2,363,784	1,260,096
Total equity and liabilities	18,021,807	16,891,116	10,502,932	9,161,975	4,068,816
Cash Flow from Operating activities	2,225,170	1,686,462	47,703	141,347	476,637
Cash flow from Investing activities	-1,042,162	-1,679,112	-1,465,928	-965,380	-279,162
Cash Flow from Financing activities	-1,078,063	60,109	1,093,977	1,328,739	-202,816
Cash flow for the year	104,945	67,459	-324,248	504,706	-5,341
Equity to assets ratio	16%	15%	18%	21%	44%
Return on equity	23%	3%	1%	1%	49%
Number of employees	3,216	3,238	2,939	2,008	1,626

The figures from 2019 onwards are in accordance with IFRS 16.

<b>kEUR</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net sales	2,742,430	2,489,200	2,353,615	1,477,381	1,119,161
Operating profit	80,305	32,338	21,679	21,486	90,960
Financial income and expense	-24,424	-24,439	-19,786	-15,702	-4,694
Profit before tax	55,880	7,899	1,894	5,784	86,266
Tax	-11,389	-3,034	-338	-4,160	-5,484
Profit for the year	44,491	4,864	1,556	1,624	80,782
Intangible fixed assets	205,291	202,269	171,073	144,840	16,049
Tangible fixed assets	930,417	765,685	235,425	175,142	83,006
Financial fixed assets	53,231	47,075	26,442	30,471	106,124
Inventories	361,011	356,079	374,163	349,193	128,113
Accounts receivables	133,166	138,548	111,143	95,590	43,670
Other current assets	112,421	109,259	103,907	134,943	48,339
Total assets	1,795,537	1,618,915	1,022,153	930,178	425,301
Equity	207,583	172,816	184,151	194,783	188,429
Non-current liabilities	907,887	764,820	264,853	266,216	60,134
Accounts payables	243,733	221,579	203,336	229,193	45,025
Other liabilities	436,334	459,700	369,814	239,985	131,714
Total equity and liabilities	1,795,537	1,618,915	1,022,153	930,178	425,301
Cash Flow from Operating activities	221,697	161,638	4,642	14,350	49,821
Cash flow from Investing activities	-103,832	-160,933	-142,665	-98,011	-29,180
Cash Flow from Financing activities	-107,409	5,761	106,467	134,901	-21,200
Cash flow for the year	10,456	6,466	-31,556	51,241	-558
Equity to assets ratio	16%	15%	18%	21%	44%
Return on equity	23%	3%	1%	1%	49%
Number of employees	3,216	3,238	2,939	2,008	1,626
Exchange rate SEK/EUR	10,04	10,43	10,28	9,85	9,57

The figures from 2019 onwards are in accordance with IFRS 16.

# Directors' report

The Board of Directors and CEO of Hedin Group AB (publ), Corporate ID No. 556702-0655, hereby presents the Annual report and the consolidated financial statements for the financial year 01/01/2020 – 12/31/2020

## General about the business

The Hedin Group is a family-owned business mainly involved in sales and service of vehicles, wholesale of spare parts and tires and car rental operations.

On September 3, the name of the company was changed from Anders Hedin Invest AB to Hedin Group AB.

## Vehicle sales and service operations

I.A. Hedin Bil Group is operating authorized sales and after sales facilities within the automotive industry in Sweden, Norway and Belgium. In Sweden approximately 30 brands are marketed, e.g. Mercedes-Benz, KIA, Nissan, Ford, Jeep, Alfa Romeo, Jaguar, Land Rover, Range Rover, Dodge and RAM. The brands marketed under Bavaria are BMW and MINI in Norway and Sweden, while Porsche is sold in dedicated Porsche Centers and Hedin Performance Cars in Norway and Sweden. In Belgium, Mercedes-Benz and Smart are represented under the trademark Hedin Automotive.

Hedin Bil is currently represented through 116 automotive dealerships in Sweden, Norway and Belgium. The Group provides both new and used passenger cars, commercial vehicles and trucks. The ambition is to be a full-service company with a comprehensive offering for both private and corporate customers. The overall concept offers financing, service agreements and insurance.

Two dealerships in Switzerland were acquired in the acquisition of See-All Group. The companies perform sales and aftersales of BMW and Mini. One more dealership was added in October, in the acquisition of BMW Niederlassung Zürich-Dielsdorf. The businesses are performed under the trademark Hedin Automotive.

Car To Go Sweden AB is a car broker through its own digital sales channels Carplus.se and Carbuy.se. The company also runs a store concept under the brand name Carplus Store, where the company's online business is combined with physical stores. The company is a driving force within the digital transformation of the automotive sector. Car To Go Sweden AB is also involved in product development of new digital online business aimed at private persons and companies.

Unifleet AB provides operational and financial leasing as well as vehicle administration services to the Swedish corporate fleet market.

## Import and distribution of vehicles and wholesale operations in spare parts and tires

Klintberg & Way Parts AB is an authorized spare part distributor for General Motors North American Vehicles and Mopar (Chrysler, Jeep, Dodge, RAM) and is the largest wholesaler in Europe of spare parts for US-produced vehicles with sales in 37 countries.

The company has subsidiaries in Sweden, Germany, Belgium, Switzerland and Norway.

Klintberg & Way Parts AB further holds authorization to wholesale Dodge and RAM in Europe, which is marketed under the trademark KW Automotive. The business is mainly conducted in Bremerhaven, Germany where the vehicles are homologated. The cars are sold to retailers in Europe.

The Group also includes Dawa Däck AB, one of Sweden's largest wholesalers in the tire sector and importer of Kumho, LingLong and Roadstone. KW Wheels AB assembles and sells complete wheels on the Swedish market and has the agency for Alutec and Italmatic. Pro-Imp AB represents eight brands, including Cooper and Mickey Thompson, the leader in developing drag-, street- and offroad-racing tires.

## Car rental operations

The Mabi Mobility Group offers short-term rentals through a full range of cars, light trucks and minibuses. In addition, there is a long-term rental concept that is marketed under the trademark of Flexilease. The operations are mainly conducted through franchises and there is a national network of rental stations in Sweden.

## Property development

I.A. Hedin Fastighet AB develops and manages real estates used within the Group's operations.

## Construction

Tuve Holding AB is the parent company in the Tuve Group. Tuve Bygg AB is dedicated to construction business in the western part of Sweden and in Stockholm. Tuve Byggservice AB offers facility management in the Gothenburg area for private and public property owners, as well as smaller renovations and construction work. Tuve Snickeri AB develops complete carpentry solutions and custom-made interiors for private and public environments. Tuve Förvaltning AB owns shares in companies that invest in properties for future development and offers project development for residential and commercial buildings.

## Other investments

The holding company has investments in Consensus Asset Management AB and Ripam Invest AB. The company A.H. Värdepapper AB conducts securities trading.

## Parent company

Hedin Group AB's operations consist primarily of managing and developing existing subsidiaries. The company is wholly owned by Anders Hedin.

## Key figures

Amount in thousand SEK (kSEK)	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Net sales	27,525,769	25,971,315	24,184,096	14,551,763	10,706,901
Profit after financial items	560,870	82,412	19,460	56,972	825,299
Total assets	18,021,807	16,891,116	10,492,489	9,150,575	4,068,816
Return on equity %	23	3	1	1	49
Equity ratio %	12	11	18	21	44
Equity ratio %, excluding IFRS 16	16	15	18	21	44
Average number of employees	3,216	3,238	2,939	2,008	1,626

### Definitions

**Return on equity:** Profit for the year in relation to average equity.

**Equity ratio:** Equity in relation to the total assets.

## Key events during the year

- On January 13, a FordStore in Västerås was opened.
- On January 16, the Hedin group expanded into Switzerland by entering an agreement to acquire SeeAll Group (Zürich). SeeAll Group's two car facilities became the first two Hedin facilities in Switzerland. SeeAll is a part of the wholly owned, newly established subsidiary Hedin Automotive Switzerland AB. The acquisition was completed May 20. In September, an agreement was signed with BMW Group Switzerland to acquire BMW Niederlassung Zürich-Dielsdorf. The acquisition was completed in October 30. All the dealerships are today operating as Hedin Automotive.
- On January 20, a new dealership for Kia was opened in Trollhättan, a Red Cube facility.
- On March 2 it was announced that the Chinese electric car manufacturer BYTON had chosen Hedin Automotive as a strategic sale and service partner in Sweden and Norway. BYTON M-Byte will be launched in Europe during 2021-2022.
- On April 1, the Group's new concept "Car Store" was launched. Car Store is a used car sales concept within the I.A. Hedin Bil Group and consists of three showrooms as of December 31.
- On September 1, a new dealership including customer VR experience was opened in Solna United.
- On October 8, a new dealership for Nissan and Kia was opened in Alingsås. The present facility will remain a Mercedes-Benz single-brand facility.
- On October 15, Bavaria Sverige inaugurated a new dealership for BMW in Kista.
- On November 13, 60 percent of Koed A/S was acquired. The company is a Danish wholesaler of spare parts for BMW.

## Import of vehicles and wholesale operations in spare parts and tires

On March 5, Hedin Group AB signed a contract to become the importer of Ford for the Swedish market. The transaction was completed January 4, 2021.

The tire operations has moved to new premises close to Landvetter airport. The new location includes increased storage as well as a highly automatic assembly line of wheels that will enable efficiency improvements.

## Property development

On September 25, Hedin Mölndal Fastighet AB was sold.

## Construction

Several large projects with conditional clauses were put on hold due to Covid-19 during the spring and restarted in the autumn. This has had a negative effect on net sales for the year.

The ownership in Tuve Holding AB increased to 75 percent in September 2020.

## Other

This year has been characterized by uncertainty due to the development of Covid-19 and its impact on the market. Sales of new vehicles have shown a decline in all markets. In Norway and Sweden, the business has been conducted without high restrictions, and the measures have been to adapt the operations to the reduced volume through furloughing and fewer employees. In Belgium, the business has been temporarily closed due to government decisions. In all our markets, actions in the form of cost savings have meant that we have been able to quickly adapt the operation to the changed conditions.

## Events after the end of the financial year

- On January 4, Hedin Group entered as importer of Ford in the Swedish market, by acquiring the national sales company. The company has changed the name to Hedin HMC Motor Company AB.
- Modins Bil AB was acquired on February 5. The company is a Ford dealer in Uppsala.
- KW Parts acquired the Swedish e-commerce company PickupXL AB on February 23. The company sells accessories to US pickups.
- On March 26, Hedin Group AB acquired an additional 22 percent of the shares in Tuve Holding AB, and now holds 97,03 percent of the shares.
- Hedin Group started operations as a distributor for Sweden of the Chinese electric vehicle brand MG. Sales activities were launched in April 2021 and are performed by the retail network within I.A. Hedin Bil.

## Expected future development

The uncertainty due to Covid-19 persists. The business has been affected in different ways depending on the government restrictions in our respective markets, which have been changing over time. We continue to carefully monitor the development continuously and are prepared for different scenarios. We are adhering to guidelines introduced by local governments to limit the spread of the virus and to protect our personnel and our customers.

## Risks

Car sales are dependent on the economic climate which creates sensitivity in Group sales. Efficient processes and control of the inventory situation are required with the purpose of reducing the sensitivity in profitability. Agreements with importers are agreed on a rolling two-year or five-year term. This highlights the importance of maintaining a good relationship and to build long-term partnership between importer and dealer. Hedin Group aims to be a strategic partner for each of its importers and to build up a strong sense of trust between the parties.

The creation of a full-service concept that includes financing, insurance, servicing, credit cards and different forms of ownership, is a key factor in promoting customer loyalty. Through a wide range of brands, the risks arising from excessive exposure on individual brands also decrease. At the same time, the expansion of recent years has mainly focused on the premium segment in well-functioning markets, which reduces and spread the risks.

Diversified Group operations in several sectors of the automotive industry, including sales, service centres, car rental and spare parts, further reduces risk.

The outbreak of Covid-19 has from March 2020 affected our operations. The uncertainty in the market is causing a decline in business activity and the long-term impact on the Group's operations is currently unknown. The most important risks associated with the uncertain situation are the following:

- Demand: Although the impact so far has been limited compared to several other retail industries, there is a risk that consumption of capital goods, including vehicles, will decrease to a significantly lower level over a longer period. Cost saving programs have been implemented to meet the risk of such a development.

- Inventory values: If there is an oversupply in the market, there is a risk of price adjustments downwards in the pricing of vehicles. We continuously analyse existing inventory and trade-in values to ensure that the inventory held is competitive in the market.

- Ability to deliver: Most vehicle factories and their suppliers have been closed during parts of the year, which have had a negative effect on the deliveries of some components. This can affect our delivery capacity in the short term.

- Financing and liquidity: If the decline becomes prolonged, there is a risk that refinancing of the current credit portfolio will not be possible. There is an ongoing dialogue with our creditors to ensure long-term cooperation. In our current terms of lending, there are no special covenants that have a negative impact on financing.

## Quality And Environmental Work

The aim behind the Group's systematic quality and environmental work is that day-to-day operations will be guided by a consideration for the environment, health and quality and that our workplaces are a source of motivation and personal development for all employees. The Company's competitiveness and market presence is enforced by its committed, responsible employees and managers. The majority of the Hedin Bil facilities are certified according to ISO 9001:2015 and ISO 14001:2015.

Our work is summarized by:

- We exceed our customers' expectations
- We reduce our environmental impact through cooperation
- We exceed external expectations
- We assume responsibility
- We have a clear allocation of responsibility
- We have a high level of expertise

## Employees

Within the organization we are constantly working to improve the leadership and to develop the company forward to strengthen our trademark Hedin Bil as an employer. Through these efforts, our employees should have a high sense of satisfaction and professional skills. The basis of all our work is Reliability, Trust and Availability.

During the year, focus has been on educational efforts for our managers and employees to meet new technologies and digital trends, development of our introductory program for different professional positions, continuous monitoring and efforts to reduce staff turnover and to continue the work of clarifying both structure and culture. The purpose is to strengthen the customer focus within the organization and to have quality and competitiveness in a fast-changing market.

## Revenue and earnings

Net sales in 2020 increased by 6 percent to MSEK 27,526 (MSEK 25,971). The profit before tax was MSEK 561 (MSEK 82), and net profit was MSEK 447 (MSEK 51). Major costs have incurred when businesses are moving to new locations, and start-ups of new facilities. The profit excluding items affecting comparability amounted to MSEK 526 (MSEK 172).

Items affecting comparability (MSEK)	2020	2019
Profit excl items affecting comparability	526	172
Capital gains and revaluations	38	0
External construction projects	-14	0
Negative goodwill	45	0
Expenses attributable to 2018	0	-28
Structural expenses	-34	-62
Profit before tax	561	82

## Financial position

As of December 31, 2020, cash and cash equivalents amounted to MSEK 374 (MSEK 285). Together with the unused overdraft facilities, there was a payment readiness of MSEK 1,184 (MSEK 586).

The Group's total assets amounted to MSEK 18,022 (MSEK 16,891) at balance sheet date. Investments during the year in fixed tangible and intangible assets and businesses amounted to MSEK 1,136 (MSEK 1,547).

## Parent Company

Hedin Group AB's operations consist primarily of managing and developing its existing subsidiaries. The profit after financial items amounted to kSEK -49,519 (kSEK -204,311), and net profit for the year amounted to kSEK -47,108 (kSEK -149,240).

## Proposed distribution of unappropriated earnings

At the disposal of the Annual General Meeting of the parent company are:

Balanced earnings	990,314 kSEK
Profit for the year	47,109 kSEK
Total	1 037,423 kSEK

The Board of Directors proposes that unappropriated earnings will be distributed as follows:

Balance carried forward	1,037,423 kSEK
Total	1,037,423 kSEK

For the company's financial development, please, refer to the following income statements and balance sheets with accompanying financial statements.

## CONSOLIDATED INCOME STATEMENT AND TOTAL COMPREHENSIVE INCOME

Amount in thousand SEK (kSEK)	Note	1/1/2020 - 12/31/2020	1/1/2019 - 12/31/2019
<b>Operating income</b>			
Net sales	4,8	27,525,769	25,971,315
Other operating income	5,14	172,157	57,389
		27,697,926	26,028,704
<b>Operating expenses</b>			
Goods for resale	3	-21,732,705	-20,658,476
Other external expenses	7	-1,260,523	-1,276,668
Employee benefit expenses	6	-2,395,626	-2,416,352
Depreciation and amortization of tangible and intangible fixed assets	8	-1,425,598	-1,298,139
Other operating expenses	9,14	-77,456	-41,672
<b>Operating profit</b>		<b>806,018</b>	<b>337,397</b>
<b>Profit/loss from financial items</b>			
Financial income	10,14	15,020	49,539
Financial expenses	11,14	-281,046	-304,895
Profit from participations in associated companies	12	20,878	371
<b>Profit before tax</b>		<b>560,870</b>	<b>82,412</b>
Taxes	13	-114,312	-31,659
<b>Profit for the year</b>		<b>446,558</b>	<b>50,753</b>
<b>Profit for the year attributable to:</b>			
Parent company's shareholders		396,225	34,365
Holdings with non-controlling interests		50,333	16,388
<b>Profit for the year</b>		<b>446,558</b>	<b>50,753</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of pension obligations, net after tax		-409	-4,768
<i>Items that can be reclassified to the profit for the period</i>			
Revaluation of long-term securities holdings		-20,534	-140,980
Conversion differences		-128,117	34,933
<b>Other comprehensive income</b>		<b>-149,060</b>	<b>-110,815</b>
<b>Total comprehensive income for the year</b>		<b>297,498</b>	<b>-60,062</b>
<b>Comprehensive income for the year attributable to:</b>			
Parent company's shareholders		259,078	-80,144
Holdings with non-controlling interests		38,420	20,082
<b>Total comprehensive income for the year</b>		<b>297,498</b>	<b>-60,062</b>

## CONSOLIDATED BALANCE SHEET

Amount in thousand SEK (kSEK)	Note	12/31/2020	12/31/2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Intangible rights	15	67,356	79,160
Customer relations	15	369,053	439,278
Goodwill	15	1,624,095	1,591,961
		2,060,504	2,110,399
<b>Tangible fixed assets</b>			
Land and buildings	16	559,595	351,271
Costs incurred on another's property	16	271,526	225,277
Equipment, tools and installations	16	351,391	340,966
Leasing vehicles	16	2,984,484	2,004,533
Right-of-use assets	16	5,169,001	5,064,440
Constructions in progress	17	2,595	2,363
		9,338,592	7,988,850
<b>Financial fixed assets</b>			
Shares in associated companies	18	61,972	41,494
Other long-term securities	19	302,968	308,082
Deferred tax assets	26	162,798	125,566
Other non-current receivables		6,546	16,019
		534,284	491,161
<b>Total fixed assets</b>		<b>11,933,380</b>	<b>10,590,410</b>
<b>Current assets</b>			
<b>Inventories, etc.</b>			
Finished products and goods for resale		3,623,464	3,715,190
		3,623,464	3,715,190
<b>Current receivables</b>			
Accounts receivable	20	1,336,590	1,445,554
Receivables from associated companies		14,516	11,409
Short-term investments	21	15,692	6,622
Other current receivables		308,028	340,215
Prepaid expenses and accrued income	22	416,545	496,566
		2,091,371	2,300,366
<b>Cash and cash equivalents</b>	23	373,592	285,150
<b>Total current assets</b>		<b>6,088,427</b>	<b>6,300,706</b>
<b>TOTAL ASSETS</b>		<b>18,021,807</b>	<b>16,891,116</b>



## CONSOLIDATED BALANCE SHEET

Amount in thousand SEK (kSEK)	Note	12/31/2020	12/31/2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	24		
Share capital, 1,000 shares		100	100
Reserves		-273,227	-136,452
Balanced earnings, including profit for the year		2,193,705	1,809,967
<b>Equity attributable to the parent company's owner</b>		<b>1,920,578</b>	<b>1,673,615</b>
Holdings with non-controlling interests		162,936	129,480
<b>Total equity</b>		<b>2,083,514</b>	<b>1,803,095</b>
<b>Non-current liabilities</b>			
Provisions for pensions	25	199,977	89,983
Deferred tax liabilities	26	212,079	179,798
Bond loans	27	1,495,800	1,493,400
Other liabilities to credit institutions	27	514,071	214,134
Lease liability	27	4,503,874	4,520,307
Other non-current liabilities	28	2,186,662	1,482,205
<b>Total non-current liabilities</b>		<b>9,112,463</b>	<b>7,979,827</b>
<b>Current liabilities</b>			
Overdraft facilities	27	639,871	1,241,378
Liabilities to credit institutions	27	712,983	894,729
Lease liability	27	571,903	559,699
Accounts payable		2,446,345	2,311,871
Tax liability		64,452	1,442
Other current liabilities	28	1,480,133	1,240,643
Accrued expenses and prepaid income	29	910,143	858,432
<b>Total current liabilities</b>		<b>6,825,830</b>	<b>7,108,194</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,021,807</b>	<b>16,891,116</b>

## GROUP REPORT ON CHANGES IN EQUITY

<i>Amount in thousand SEK (kSEK)</i>	<i>Share capital</i>	<i>Reserves</i>	<i>Balanced earnings, including profit for the year</i>	<i>Total</i>	<i>Holdings with non-controlling interests</i>	<i>Total Equity</i>
<b>Opening balance at 01/01/2019</b>	<b>100</b>	<b>-26,282</b>	<b>1,809,941</b>	<b>1,783,759</b>	<b>108,447</b>	<b>1,892,206</b>
Profit for the year			34,365	34,365	16,388	50,753
Year's change of conversion reserve		30,810		30,810	4,123	34,933
Revaluation of long-term securities holdings		-140,980		-140,980		-140,980
Revaluation of provisions for pensions			-4,339	-4,339	-429	-4,768
Other comprehensive income for the year		-110,170	-4,339	-114,509	3,694	-110,815
<i>Transactions with owners</i>						
Changes in holding with non-controlling interests				0	3,470	3,470
Dividends			-30,000	-30,000	-2,519	-32,519
<b>Closing balance at 12/31/2019</b>	<b>100</b>	<b>-136,452</b>	<b>1,809,967</b>	<b>1,673,615</b>	<b>129,480</b>	<b>1,803,095</b>
Profit for the year			396,225	396,225	50,333	446,558
Year's change of conversion reserve		-116,241		-116,241	-11,876	-128,117
Revaluation of long-term securities holdings		-20,534		-20,534		-20,534
Revaluation of provisions for pensions			-372	-372	-37	-409
Other comprehensive income for the year		-136,775	-372	-137,147	-11,913	-149,060
<i>Transactions with owners</i>						
Changes in holding with non-controlling interests			-12,115	-12,115	-4,623	-16,738
Dividends				0	-341	-341
<b>Closing balance at 12/31/2020</b>	<b>100</b>	<b>-273,227</b>	<b>2,193,705</b>	<b>1,920,578</b>	<b>162,936</b>	<b>2,083,514</b>

## CONSOLIDATED CASH FLOW STATEMENT

Amount in thousand SEK (kSEK)	Note	1/1/2020 - 12/31/2020	1/1/2019 - 12/31/2019
<b>Operating activities</b>	32		
Profit after financial items		560,870	82,412
Adjustments for non-cash items		1,316,344	1,285,260
Income tax paid		-54,052	-68,191
<b>Cash flow from operating activities before changes in working capital</b>		<b>1,823,162</b>	<b>1,299,481</b>
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease (+) in inventories		269,648	345,106
Increase(-)/Decrease(+) in operating receivables		111,827	-281,704
Increase(+)/Decrease(-) in operating liabilities		20,533	323,579
<b>Cash flow from operating activities</b>		<b>2,225,170</b>	<b>1,686,462</b>
<b>Investing activities</b>			
Acquisition of subsidiaries	33	-125,058	-305,615
Acquisition of associated companies		0	-9,540
Purchase of intangible and tangible fixed assets		-218,120	-241,461
Sale of tangible assets		112,172	146,995
Purchase of leasing vehicles		-1,594,759	-1,608,117
Sale of leasing vehicles		802,246	607,841
Acquisition of financial assets		-19,043	-322,157
Divestment of financial assets		400	52,942
<b>Cash flow from investing activities</b>		<b>-1,042,162</b>	<b>-1,679,112</b>
<b>Financing activities</b>			
Borrowings		796,975	931,580
Repayment of debt		-1,264,161	-272,546
Repayment of lease liability		-610,877	-568,925
Dividend paid to the parent company's shareholders		0	-30,000
<b>Cash flow from financing activities</b>		<b>-1,078,063</b>	<b>60,109</b>
<b>Cash flow for the year</b>		<b>104,945</b>	<b>67,459</b>
Cash and cash equivalents at the beginning of year		285,150	215,685
Exchange rate difference in cash		-16,503	2,006
<b>Cash and cash equivalents at the end of year</b>		<b>373,592</b>	<b>285,150</b>

# NOTES

Amounts in thousands SEK (kSEK) unless stated otherwise.

## NOTE 1 MATERIAL FINANCIAL REPORTING STANDARDS

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU. RFR 1 Complementary Accounting Regulations for Groups, issued by the Swedish Financial Reporting Board, has also been applied. Assets and liabilities have been valued at historical acquisition values with exception of certain disposable financial assets, as well as financial assets and liabilities valued at fair value through the income statement.

The Board approved these Consolidated Financial Statements for publication on May 20, 2021.

Preparing financial statements in accordance with IFRS requires the use of several significant estimates for accounting purposes. Furthermore, the management is required to make certain assessments when applying consolidated reporting standards. The areas that involve a high degree of assessment, which are complex, or are areas in which assumptions and estimates are of material significance to the Consolidated Financial Statements, are described in Note 3.

### New financial reporting standards 2020

There are no new standards, changes or interpretations that are entered into force from January 1, 2020, that have had a significant impact on the Group's financial reports.

### New financial reporting standards 2021

There are no new standards, changes or interpretations that are entered into force after December 31, 2020, that are expected to have significant impact on the Group's financial reports.

### Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the principles set out in IFRS 10, Consolidated Financial Statements. The financial statements cover the Parent Company, Hedin Group AB, and all companies in which the Parent Company, directly or indirectly, holds more than 50 percent of the voting rights, or otherwise has a controlling interest. The Group has controlling interests in a company when it is exposed to, or has the right to, variable returns on shares in the company, and can affect returns by way of its controlling interests in the company. Companies are included in the Consolidated Financial Statements on the date controlling interests are transferred to the Group. They are excluded from the consolidated financial statement on the date controlling interests expire. Intragroup transactions, balance sheet items and unrealized gains and losses deriving from intragroup transactions are eliminated.

### Acquisition method

The acquisition method is used for reporting the Group's business acquisitions. The purchase price for the acquisition of a subsidiary comprises the fair value of assets and liabilities. The purchase price also includes all assets and liabilities at fair value as a result of an agreed contingent purchase sum. Subsequent fair value adjustments of a contingent purchase sum that is classified as an asset or liability are reported in accordance with IAS 39, either in the Income Statement or in Other Comprehensive Income. Contingent purchase sums that are classified as equity are not revalued and the subsequent adjustment is reported under Equity.

If the purchase price exceeds the fair value of identifiable acquired net assets, the difference is reported as goodwill. If, in the case of an acquisition made at a low purchase price, and the amount is below the fair value of the acquired net assets, the difference is reported through the income statement. Costs relating to acquisitions are expensed as they arise.

### Changes in ownership in subsidiaries without changes in controlling interest

Transactions with shareholders without a controlling interest that do not result in a loss of controlling interest are reported as equity transactions, i.e., as transactions made by the shareholders in their role as shareholders. A change in shareholding is reported via an adjustment of the carrying value for the holdings with both controlling and non-controlling interests in order to reflect changes in their relative holdings in the subsidiary company. In acquisitions from a holder with a non-controlling interest, the difference between the fair value and the actual, acquired, share of the reported value of the subsidiary's net assets is reported under Equity.

### Associated companies

Associated companies are all companies in which the Group has a significant but not controlling interest, which generally applies to shareholdings of 20-50% of the votes. Holdings in associated companies are reported in accordance with the equity method. When applying the equity method, the investment is initially valued at acquisition value and the carrying amount is increased or decreased accordingly with the purpose of taking into account the Group's share of the associated company's profit or loss following the acquisition date. The Group's reported value of holdings in associated companies includes goodwill identified in conjunction with the acquisition. The Group's share of profit that has arisen after the acquisition is reported in the Income Statement, and its share of changes in other comprehensive income after the acquisition is reported in Other Comprehensive Income, including corresponding adjustments to the carrying value of the holdings. When the Group's shares in an associated company's losses amount to or exceed its holdings in the associated company, including any unsecured claims, the Group does not report further losses unless the Group has accepted legal liability or informal obligations, or has otherwise made payments on behalf of the associated company.

### Translation of currencies

The Parent Company's functional currency is the Swedish krona, which also is the currency used in statements issued by the Parent Company and the Group. Income items are adjusted at the average exchange rate. Translation differences that arise are expensed under Equity and reported under Other comprehensive income.

Transactions in foreign currencies are translated into the functional currency using the exchange rates on the date of the transaction or the date the items are revalued. Exchange gains and losses that arise from payment of the transactions and translation of monetary assets and liabilities in foreign currencies, as at the year-end, are reported in the Income Statement.

Exchange gains and losses that are attributable to loans and cash and cash equivalents are reported in the Income Statement as financial income or expense. All other exchange gains and losses are reported under Operating profit.

## Intangible fixed assets

### Goodwill

Goodwill that arises as a result of business acquisitions is included in intangible assets. Goodwill is not amortized, instead, an impairment test is conducted annually or more frequently if events or changes in conditions indicate a possible fall in value. Goodwill is recognized at cost less accumulated impairments. In the event of the sale of a unit, the goodwill carrying value is included in the resulting gain/loss.

To conduct an impairment test, goodwill arising from business acquisitions is distributed to cash-generating units or groups of cash-generating units that can be expected to benefit from acquisition synergies. Each unit or group of units to which the goodwill is distributed represents the lowest level in the Group at which the relevant goodwill is monitored by internal management.

### Customer relations

Customer relations that are acquired in business acquisitions are reported at fair value. The acquisition value is calculated through cash flow valuation at acquisition date.

### Intangible rights

Intangible rights consist primarily of investment in and development of IT systems, software and licenses. Maintenance costs for software are expensed as they arise. Software development costs and costs for improved operating systems are recognized as an asset if they are technically usable and there are enough resources to pursue further development and implement the systems thereafter. Acquisition costs for software acquired through business acquisitions are recognized at fair value at the time of the acquisition.

Depreciation of intangible fixed assets with the purpose of allocating their acquisition value or revalued amount down to the estimated residual value over the estimated useful life, is made linearly as follows:

Customer relations	7 years
Intangible rights	3-5 years

## Tangible fixed assets

The land and buildings item mainly covers dealerships, service centers, storage facilities and offices. Land and buildings are reported at the revalued amount calculated by an independent external appraiser minus subsequent depreciation of buildings. Valuations are conducted with sufficient regularity to ensure that the fair value of the revalued asset does not deviate materially from the carrying value. Accumulated depreciation at the time of revaluation is eliminated against the asset's revalued acquisition value, after which the net amount comprises the asset's revalued amount. All properties that are valued pursuant to the revaluation method were sold in 2016.

All other tangible fixed assets are reported at cost less depreciation. The acquisition value includes expenses that are directly attributable to the acquisition of the asset.

Additional costs are included in the asset's carrying value, or are reported as an individual asset depending on which is appropriate, only when there is a likelihood of future financial benefits for the Group that are attributable to the asset, and the asset's acquisition value can be measured reliably. The carrying value of the replaced item is removed from the Balance Sheet. All other forms of repairs and maintenance are reported as costs in the Income Statement during the period in which they arise.

Revaluation of the carrying value that arises as a result of revaluation of land and buildings is reported under Other comprehensive income and under Provisions in equity. Decreases that even out previous increases of the same asset are transferred from Provisions to Other

comprehensive income. All other depreciation is expensed. The difference that arises between depreciation based in the asset's reported revalued amount (expensed depreciation) and depreciation based on the original acquisition value is transferred each year from Provisions to Retained earnings.

There is no depreciation on land. Depreciation of assets in order to distribute their acquisition value or revalued amounts down to the estimated residual value during their estimated useful life is made on a straight-line basis as follows:

Buildings	20-100 years
Machinery	10-15 years
Costs incurred on another's property	10-15 years
Equipment, tools and installations	3-5 years

The assets' residual value and useful life are tested at the end of each accounting period and adjusted as necessary. An asset's carrying value and useful life are depreciated immediately to its recoverable value if the asset's carrying value exceeds its estimated recoverable value. Gains and losses that arise from sales are established by comparing sales revenue and the carrying value and are reported under Other operating income or Other operating expense in the Income Statement.

## Leasing vehicles

Assets that are leased under operating leases are reported as tangible fixed assets. These assets consist of sold cars combined with commitment to future repurchases at a guaranteed residual value. Depreciation is made at guaranteed residual value during the useful period, usually of 3 years.

## Impairment of non-financial assets

Intangible assets that have an undefined useful life or intangible assets that are not ready for use are not depreciated. Depreciated assets are assessed for impairment whenever events or changes in circumstances indicate that the reported value may not be recoverable. An impairment loss is made by the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less the selling costs and its value in use. When assessing the impairment requirements, all assets are grouped at the lowest levels covering essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have been previously written down, an assessment is made per each balance sheet date for determining whether the reversal should be made.

## Financial instruments

### Classification

From January 1, 2018, Hedin Group AB classifies the financial instruments in the following categories in accordance with IFRS 9; amortized cost and fair value through income statement. The classification is based on the nature of the asset's cash flows and on the business model the asset is covered by.

### Financial assets measured at amortized cost

Interest-bearing assets (debt instruments) are held as part of collecting contractual cash flows, and these cash flows are solely payments of principal and interest, valued at amortized cost. The reported value of these assets is adjusted with any expected credit losses reported (see paragraph impairment below). The interest income from these financial assets is reported by the effective interest method and is reported as financial income. The Group's financial assets, valued at amortized cost, comprise receivables from Group companies, accounts receivable, other receivables and cash equivalents.

#### *Financial liabilities measured at amortized cost*

The Group's other financial liabilities are classified as valued at amortized cost, using the effective interest method. Financial liabilities at amortized cost consist of borrowings, accounts payable and liabilities/loan to Group companies. Borrowings are initially recognized at fair value, net after transaction costs. Borrowing is subsequently reported at amortized cost. Any differences between the amount received (net after transaction costs) and the repayment amount is reported in the statement of Other comprehensive income, allocated over the maturity period, applying the effective interest method. Borrowing is classified as short-term in the balance sheet if the company does not have an unconditional right to postpone the debt's maturity period for at least twelve months after the reporting period. Dividends paid are reported as a liability after the Shareholders General Meeting has approved the dividend. Accounts payable and other operating liabilities have expected short-term maturity and are valued without nominal amount discounting.

#### *Financial assets and liabilities at fair value through the income statement*

Financial assets measured at fair value through the income statement comprise long-term securities holdings and conditional supplementary purchase price. Financial liabilities measured at fair value through the income statement are also reported in subsequent periods at fair value and the change in value is recognized in profit or loss for the year. Liabilities in this category are classified as current liabilities if the maturity period is within 12 months from the balance sheet date. If the maturity period is later than 12 months from the balance sheet date, they are classified as long-term liabilities.

#### *Financial assets at fair value through other comprehensive income*

Long-term securities are classified as equity instruments and are reported in accordance with the main rule at fair value in the balance sheet with fair value changes in the income statement, unless the instrument meets the conditions for being recognized at fair value with fair value changes in other comprehensive income. This applies if the purpose of the securities at the first reporting date is not to do a divestment in the near future. In that case, the instrument is reported at fair value in the balance sheet with fair value changes in other comprehensive income. Dividends on instruments in this category are reported in the income statement, while results on disposals are reported in other comprehensive income.

#### *Impairment testing of financial assets*

At each reporting date, the Group determine the future expected loan losses that are linked to assets, measured at amortized cost based on forward-looking information. The Group's financial assets, for which credit losses are expected, consists essentially of accounts receivable. The Group's provision method is based on whether there has been a significant change in credit risk or not. A credit provision is reported for expected credit losses at each reporting date. For the Group's financial assets, in all essentials accounts receivable, the Group applies the simplified approach for credit reservation, that is, the provision will correspond to the expected loss over the entire life of the accounts receivable. In order to measure the expected credit losses, accounts receivable have been classified based on distributed credit risk properties and overdue days. The Group uses forward-looking variables for expected credit losses.

#### **Inventories**

Inventories are reported at the lower of the acquisition value and net realizable value. The acquisition value is determined using the first-in-first-out method (FIFU). The net realizable value represents the estimated selling price in the current operations, less applicable variable selling costs. The valuation of the net realizable value is based on an individual assessment of vehicle inventories. In the case of spare parts stocks, an assessment of the stock is made based on age analysis.

#### **Current and deferred taxes**

The tax expense for the period comprises current and deferred taxes. The tax is reported in the income statement, with exception of taxes reported under Other comprehensive income or directly in equity. In those cases, the tax is also reported under Other comprehensive income and Equity. The current tax cost is calculated based on the set tax rules or that were decided in the countries where the parent company and its subsidiaries are active and generate taxable income.

The deferred tax is recognized on all temporary differences arising between the taxable value of assets and liabilities and their carrying value in the Consolidated Financial Statements. However, the deferred tax liability is not recognized if it arises as a result of the initial recognition of goodwill. Moreover, the deferred tax is not recognized if it arises as a result of a transaction that represents the initial recognition of an asset or liability that is not a business acquisition and that, at the time of the transaction, does not affect the reported or taxable income. Deferred taxes are calculated using tax rates that have come into force or have been published at the year-end and which are expected to be in force when the relevant deferred tax asset is realized, or the deferred tax liability is settled. The deferred tax assets are reported provided the future taxable surpluses will be available and against which temporary changes can be utilized.

#### **Remuneration to employees**

Plans for post-employment benefits are classified as either defined contribution plans or defined benefit plans. In defined contribution plans, fixed fees are paid to another company, usually an insurance company, and there is no further obligation to the employee once the fee is paid. The extent of the employee's post-employment benefits depends on the contributions paid and the return on capital that the fees give. Obligations under defined benefit plans are met partly through the PRI system and partly through an insurance policy with Alecta. Defined benefit pension plans via insurance taken out with Alecta are reported as defined contribution pension plans. All pension premiums are thus expensed during the period they were earned.

The liability reported in the Balance Sheet that is attributable to defined benefit pension plans is based on the current value of the defined benefit plan obligation at the year-end. The defined benefit pension plan obligation is calculated annually by independent actuaries using the "projected unit credit method". The current value of the defined benefit plan is established by means of discounting of estimated future cash flows using interest rates for first-class mortgage bonds that have been issued in the same currency in which payments will be made and in accordance with maturities that are relevant to the pension plan obligation. Revaluation gains and losses that arise as a result of experience-based adjustments and changes in actuarial estimates are accounted for under Other comprehensive income for the period in which they arise. They are included under Retained earnings under Changes in equity and in the Balance Sheet. Costs attributable to services performed for previous periods are reported in the Income Statement.

## Provisions

Provisions are reported in the Balance Sheet in the event the Group has a legal or informal commitment that has resulted from previous events, and when there is a likelihood that an outflow of resources may be required to settle the commitment, and the amount can be forecast with a degree of reliability. No provisions are made for future operating losses.

## Revenue recognition

The recognized net sales mainly include revenues from sales of vehicles and aftersales services. Sales of vehicles include the sale of new vehicles as well as the sale of pre-owned vehicles.

### Vehicles

In connection with sale of vehicles, customers can do direct payments or enter into agreements on various financing solutions such as instalment credits and financial leases. The financing solutions are then passed on to various finance corporations. The revenue is recognized when the control of the vehicle has been transferred to the customer. The time for transfer of control refers to the delivery day of the vehicle. The value of provided discounts and other variable compensation has been taken into account as part of the revenue recognition. An assessment regarding variable compensation such as residual value guarantees is made at the beginning of the contract with ongoing revaluation at each reporting period. Commissions on transferred financial assets are reported continuously during the term of the contract. In cases where a vehicle sale is combined with a repurchase agreement and there is a financial incentive for the customer to resell the vehicle, the control is not considered to be transferred to the customer. The revenue and the cost are then reported over the residual value commitment period in accordance with operational leasing. An asset, a residual value debt and a prepaid lease income are reported in the balance sheet. The asset is depreciated over the contract period and the prepaid lease income is accrued over the contract period. The residual debt remains unchanged until the end of the contract.

### Service Market

The service market includes the sale of spare parts, service, extended warranty and other aftermarket products. Revenue is recognized when the control has been transferred to the customer, normally when I.A. Hedin Bil has provided the aftermarket service and a cost of the execution has arisen. Then the customer can have benefit from the service provided. For spare parts, revenues are reported at the time they are delivered to the customer. For service and other aftermarket products, revenue is reported over the contract period. In cases where a payment is made in advance for service contracts, a contractual liability is reported.

For performed service assignments and construction assignments in the construction industry, the income and expenses attributable to the assignment are reported as revenue and cost in relation to the completion of the assignment (percentage of completion). The level of completion of an assignment is determined by comparing the book-keeping expenses on the balance sheet date with the estimated total expenses. If a service assignment or contractual assignment cannot be reliably calculated, the revenue is reported only if it corresponds to the expenses incurred, that are likely to be replaced by the client. The anticipated loss on an assignment is reported as an expense.

## Government support

Supports from governments are reported at fair value as there is a reasonable assurance that the support will be received and that the Group will meet the conditions associated with the support. Government supports relating to cost recovery are accrued and recognized as income in the income statement over the same time as the costs the support are intended to cover. Government supports are reported as Other operating income in the consolidated income statement.

## Leasing

### The Group as lessor

For the lessor, the concept financial and operational leasing remains. Leasing in which a material proportion of the risks and benefits of ownership are retained by the lessor are classified as operational leases.

Payments made for the leasing period are expensed on a straight-line basis in the Income Statement during the term of the lease. In financial leasing, the financial risks and benefits attributable to ownership are transferred to the lessee.

### The Group as lessee

The Group leases premises, equipment, and vehicles. At the time when the leased asset is available for use in the Group, the leasing agreement is reported as Right-of-use asset with a corresponding Lease liability. Lease payments are divided between amortization of the debt and financial expense. The right-of-use asset is depreciated on a straight-line basis over the asset's estimated useful life, which normally corresponds to the length of the leasing agreement. In cases where an assessment is made that the leasing will most certainly be extended, the useful life may be longer than the length of the agreement.

The lease liability corresponds to the discounted present value of future lease payments until the agreement expires. The lease payment includes fixed fees and variable leasing fees that depend on index. Leasing agreements with a term of less than 12 months, short-term leasing, and assets of low value are excluded and the leasing cost is expensed under Other external costs.

## Cash Flow Statement

The Cash Flow Statement is prepared in accordance with the indirect method. The reported cash flow only includes transactions that involve incoming or outgoing payments.

In addition to cash in hand, the company classifies cash and cash equivalents as balances available at banks and other credit institutions, as well as current liquid investments listed on a marketplace and with a maturity of less than three months from the acquisition date. Blocked funds are not classified as cash and cash equivalents. Changes in blocked funds are reported as Investing activities.

## Parent Company financial reporting standards

The Parent Company applies RFR 2 Accounting for legal entities as well as the Annual Accounts Act. The Parent Company applies different accounting principles compared to the Group in the events listed below.

The Income Statement and Balance Sheet comply with the statement format set out in the Annual Accounts Act. The statement of changes in equity complies with the Group's statement format but must include the columns listed in the Annual Accounts Act. In addition, this entails differences in the terminology used compared with the Consolidated Financial Statements, primarily regarding financial income and expenses and equity.

Shares in subsidiary companies are reported at the acquisition value, less deductions for depreciation. Group contributions are reported in the Income Statement under Appropriations.

Financial instruments are recognized at acquisition cost, and the parent company applies the exception in accordance with RFR 2 and does not report in legal person in accordance with IFRS 9. At each balance sheet date, the company estimates whether there is any indication of a need for impairment in any of the financial fixed assets. Write-downs occur if the impairment is deemed to be permanent. Impairment is recognized in the item Profit or loss from other securities in the Income statement. All lease agreements are reported as operational leases, including the higher initial charge, but excluding costs for services such as insurance and maintenance. These are reported on a straight-line basis over the term of the lease.

RFR 2 permits exceptions from IFRS 16 Leases for legal entity, which the parent company has applied as a lessee. Leasing agreements are hereby reported as operational leasing.

## NOTE 2 FINANCIAL RISK MANAGEMENT

### Financial risk factors

The Group is exposed through its operations to a number of financial risks, such as market risks (currency risks, interest risks) credit risks and liquidity risks. The Group's overall risk management policy includes carefully monitoring developments in the financial markets and taking appropriate measures to minimize potentially disadvantageous effects on the Group's financial earnings.

Risk management is handled by a central financial division in accordance with policies adopted by the Board. The CEO approves the risk management measures undertaken in accordance with policy and does so in close collaboration with the Group operating units.

### Currency risk

The Group is exposed to currency risks that arise as a result of exposure to foreign currencies. The main currency risk for the Group is the currency fluctuations that arise when the assets and liabilities of the foreign subsidiaries are converted. Decisions have been made not to hedge these translation differences. Net assets in foreign currency amounted to MSEK 370 (MSEK 724) in EUR and to MSEK 1,278 (MSEK 1,247) in NOK.

Purchases are mainly made in local currency. Some purchases in the spare parts business in Norway are made in US dollars (USD) and in Euros (EUR). In the import operations within Klintberg & Way Group there are some purchases in USD and sales in EUR and USD. Currency risks arise as a result of future business transactions, reported assets and liabilities and net investments in operations abroad. As the Group is only exposed to currency risks to a limited extent, it has been decided not to hedge current payment flows. If the Swedish krona had weakened or strengthened by 10 percent in relation to the US dollar, with all other variables constant, the profit for the year as of December 31, 2020 would have been MSEK 43 (MSEK 31) lower/higher as a result of changes in purchase- and sales prices. If the Swedish krona had weakened or strengthened by 10 percent in relation to the Euro, with all other variables constant, the profit for the year as of December 31, 2020 would have been MSEK 20 (MSEK 41) higher/lower, mainly as a result of higher/lower interest rates for loans with variable interest rates.

### Interest rate risk in borrowing

The Group's interest rate risks arise as a result of long-term borrowing. In general, the Group does not use derivatives to adjust underlying interest rate exposure. Long-term loans consist of a bond in SEK with variable interest rate of, for the moment, approx. 3.6 percent. Other borrowings are at variable interest rates in SEK and EUR. Average interest rate are between 1.2 - 2.0 percent. If the interest rates on loans in Swedish kronor as of December 31, 2020 had been 1 percentage unit higher, with all other variables constant, the estimated profit after tax for the financial year would have been MSEK 25 (MSEK 29) lower/higher, mainly as a result of higher/lower interest rates for loans with variable interest rates. If the interest rates on loans in euro had been 1 percentage unit higher the estimated profit had been MSEK 9 (MSEK 7) lower/higher.

### Credit risk

Credit risks are managed at Group level, with exception of credit risks attributable to outstanding accounts receivable. Each company within the Group is responsible for following up and analyzing credit risks for each new customer prior to offering standard terms and conditions for payment and delivery. Credit risks arise as a result of cash and cash equivalents, holdings with credit institutions and bank deposits, as well as exposure to credit to customers, including outstanding receivables and agreed transactions. The use of credit limits is followed up regularly, and management does not expect any losses as a result of any parties defaulting on their payments. The credit risk in accounts receivable is specified in Note 20.

### Liquidity risk

Cash flow forecasts are prepared by the Group's operating companies and aggregated by the Group's CFO. The Group's CFO carefully monitors current projections for the Group's liquidity reserves in order to ensure that the Group has sufficient liquidity to satisfy any requirements in current operations while at the same time maintaining sufficient flexibility in agreed credit facilities that have not been utilized to ensure that the Group does not exceed the credit limits of any of its loan facilities. The table below analyses the Group's financial obligations distributed over the period remaining as at the year-end through to the agreed expiry date. The amounts in the table are agreed non-discounted cash flows, including future interest payments.

<i>Maturity of liabilities - Group</i>	<i>&lt; 1 year</i>	<i>1-2 years</i>	<i>&gt; 2 years</i>
Bond loans	54,750	1,541,063	0
Liabilities to credit institutions	727,243	61,689	552,926
Leasing liability	580,482	589,189	4,429,336
Overdraft facilities	652,668	0	0
Accounts payable	2,446,345	0	0
Accrued expenses	92,823	0	0
Other liabilities	1,231,709	1,314,549	891,093
Total	5,786,020	3,506,488	5,873,355

<i>Maturity of liabilities - Parent company</i>	<i>&lt; 1 year</i>	<i>1-2 years</i>	<i>&gt; 2 years</i>
Liabilities to credit institutions	316,735	0	0
Accounts payable	1,280	0	0
Other liabilities	4,413	225,051	0
Total	322,428	225,051	0

## NOTE 3 ESTIMATES AND ASSESSMENTS

Estimates and assessments are reviewed continuously. These are based on historical experience and other factors, including expectations of future events, that under current conditions may be assumed to occur. The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes will, by definition, seldom match the actual results. The estimates and assumptions that carry a significant risk of essential adjustments in reported values for assets and liabilities during the following financial year that are mentioned below.

### Impairment testing of goodwill

The Group examines the existence of any impairment for goodwill, in accordance with the Group's accounting principles. The recoverable amounts of cash-generating units have been established by calculating the value in use. By necessity, these calculations include certain estimates (Note 15).

### Repurchase agreements

In some car sales, the Group may occasionally commit to repurchase agreements, which entail a commitment to repurchase a sold vehicle at a pre-agreed residual value. This occurs primarily in conjunction with private leasing transactions. The leases are reported as operational leases in accordance with the Group's accounting principles. The agreements entail a residual value risk in that the Group may be forced to sell pre-owned vehicles at a loss in the future, if the value then is weaker than predicted at the time the agreement was concluded. Ongoing assessments of these vehicles' future net realizable value are made along with randomized check of the resale value of the returned cars. The cars are reported as vehicles under Tangible assets and repurchase agreements are reported under Other liabilities. Contract liabilities are in the form of cars sold with repurchase agreements, see note 28.



## Inventories

Valuation of vehicles is made at the lower of acquisition cost and net realizable value. Net realizable value is established based on an estimated realizable value reduced by sales costs. Net realizable value was lower than acquisition cost by kSEK 35,965 (kSEK 37,621).

## NOTE 4 NET SALES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>Net sales distribution</i>		
Vehicle sales	21,951,856	20,503,131
Workshop	1,856,341	1,800,997
Spare parts in automotive operations	2,735,587	2,557,380
Fee and commission income	472,192	450,668
Spare parts in wholesale operations	910,898	791,417
Car rental operations	241,980	259,085
Construction	1,441,353	2,008,184
Elimination	-2,190,531	-2,452,538
Other	106,093	52,991
	27,525,769	25,971,315
<i>Net sales per geographic market</i>		
Sweden	16,499,622	17,937,208
Norway	4,556,952	3,227,253
Belgium	3,894,083	3,072,021
Switzerland	841,079	0
Other EU countries	1,734,033	1,734,833
	27,525,769	25,971,315

## NOTE 5 OTHER OPERATING INCOME

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Rental income	9,847	9,595
Support/Contributions received	17,860	580
Exchange rate differences	57,653	25,045
Profit on sale of fixed assets	42,024	22,169
Other	44,773	0
Total	172,157	57,389

Government support, relating to Covid-19 consists of furloughing and sick pay costs, amounting to kSEK 16,137. Government support are presented as Other operating income in the consolidated income statement. There are no unfulfilled conditions or contingent liabilities associated with the support.

## NOTE 6 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

	1/1/2020- 12/31/2020	Of which men	1/1/2019- 12/31/2019	Of which men
<b>Average number of employees</b>				
Sweden	2,116	88%	2,331	88%
Norway	492	86%	481	86%
Belgium	493	90%	387	87%
Germany	31	87%	29	83%
Switzerland	84	77%	10	80%
<b>Group Total</b>	<b>3,216</b>	<b>88%</b>	<b>3,238</b>	<b>88%</b>

The Board of Directors consists of 4 (4) persons, of which 1 (1) woman. Other senior executives include 6 (5) persons, wherof 2 (1) women.

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<b>Salaries, other remuneration and social security costs</b>		
Board of Directors, CEO and other senior executives	9,099	8,434
(of which bonuses)	(0)	(0)
Other employees	1,653,169	1,826,585
<b>Total Salaries and other remuneration</b>	<b>1,662,268</b>	<b>1,835,019</b>
Social security costs	456,282	510,436
Pension costs	146,833	147,337
<b>Total</b>	<b>2,265,383</b>	<b>2,492,792</b>

Salaries and remuneration paid to the Parent Company's CEO and Board of Directors during the year amounted to kSEK 2,284 (kSEK 2,760) for 2 persons (2). The corresponding pension costs amounted to kSEK 745 (kSEK 807). Managing directors of subsidiaries have agreements for up to 6 months of mutual notice period. Board members do not receive a director's fee. One board member submits invoices for services rendered.

## NOTE 7 REMUNERATION TO AUDITORS

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>PwC</i>		
Audit assignment (of which kSEK 3,224 to PwC AB)	6,001	6,151
Tax consulting (of which kSEK 1,039 to PwC AB)	1,039	2,090
Other assignments (of which kSEK 731 to PwC AB)	1,376	647
	8,416	8,888
<i>Other</i>		
Audit assignment	163	271
Other assignments	1,329	77
	1,492	348
<b>Total</b>	<b>9,908</b>	<b>9,236</b>

The audit assignment involves examination of the Annual Report and financial statements as well as the administration by the Board of Directors and the CEO. Other duties undertaken by the auditor include provision of advice as a result of observations made during the audit, and advice in other contexts. All other items are classified as Other assignments.

## NOTE 8 LEASES

### Group as lessee

Reported amount in the Balance sheet according to IFRS 16

	12/31/2020	12/31/2019
<b>Right-of-use assets</b>		
Premises	4,979,109	4,867,305
Equipment and vehicles	189,892	197,135
	5,169,001	5,064,440
<b>Lease liabilities</b>		
Short-term	571,903	559,699
Long-term	4,503,874	4,520,307
	5,075,777	5,080,006

**Reported amount in the Income statement according to IFRS 16**

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<b>Depreciation of right-of-use assets</b>		
Premises	-565,794	-555,988
Equipment and vehicles	-45,150	-22,969
	-610,944	-578,957
<b>Interest expenses (included in financial expenses)</b>		
Premises	-73,732	-69,344
Equipment and vehicles	-4,772	-919
	-78,504	-70,263

The total cash-flow applicable to leases was kSEK 651,123 (569,000).

**Group as lessor**

Assets that are leased under operating leases are reported as tangible fixed assets. These assets consist of rental of premises, as well as sold vehicles combined with future repurchase commitments at a guaranteed residual value. The lease income for the year amounts to kSEK 616,439 (510,338).

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<b>Future minimum lease fees at the closing date amounted to:</b>		
Within one year	416,389	217,182
Between one and five years	527,602	204,358
After five years	59	0
	944,050	421,540

**NOTE 9 OTHER OPERATING EXPENSES**

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Loss on sale of fixed assets	-7,906	-2,629
Exchange rate differences	-69,550	-39,043
Total	-77,456	-41,672

**NOTE 10 FINANCIAL INCOME**

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Profit on sale of securities	4,176	-22
Dividends	961	14,620
Exchange gains	6,276	26,231
Interest income	3,607	8,710
Total	15,020	49,539

**NOTE 11 FINANCIAL EXPENSES**

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Interest expenses	-202,542	-198,816
Interest expenses IFRS 16	-78,504	-70,263
Exchange losses	0	-35,816
Total	-281,046	-304,895

## NOTE 12 PROFIT FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Ripam Invest AB	-2,264	-890
Consensus Asset Management AB	23,142	1,261
Total	20,878	371

## NOTE 13 TAX ON PROFIT FOR THE YEAR

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<b>Current tax</b>		
Current tax on profit for the year	-120,353	-65,594
Tax attributable to previous years	-896	-371
	-121,249	-65,965
Deferred tax	6,937	34,306
Total	-114,312	-31,659

Deferred tax relates mainly to accelerated depreciation of tangible fixed assets.

### Reconciliation of effective tax rate;

Profit before tax	560,870	82,412
Tax according to the applicable tax rate for the parent company (21,4%)	-120,026	-17,636
Effect of foreign tax rates	-2,141	-1,828
Tax attributable to previous years	896	-371
Non-deductible costs	-8,465	-14,120
Non-taxable income	17,295	12,067
Change of tax rate	-1,627	-55
Utilization of previously non-capitalized loss	2,059	545
Standard tax rate on allocation reserves	-169	-176
Other permanent differences	-2,134	-10,085
	-114,312	-31,659

## NOTE 14 EXCHANGE RATE DIFFERENCES

Exchange rate differences have been reported in the income statement as follows;

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Other operating income	57,653	25,045
Other operating expenses	-69,550	-39,043
Financial income	6,276	26,231
Financial expenses	0	-35,816
Total	-5,621	-23,583

## NOTE 15 INTANGIBLE FIXED ASSETS

	Intangible rights	Customer relations	Goodwill	Total
<i>Acquisition costs</i>				
Opening balance January 1, 2019	87,483	414,661	1,322,684	1,824,828
Purchase	33,586			33,586
Business acquisitions	4,896	140,550	250,315	395,761
Sales/disposals	-7,062			-7,062
Conversion differences	-3,228	7,391	18,962	23,125
Closing balance December 31, 2019	115,675	562,602	1,591,961	2,270,238
Purchase	28,311			28,311
Business acquisitions	11	38,468	127,854	166,333
Transfers	-3,815			-3,815
Sales/disposals	-9,617			-9,617
Conversion differences	-896	-42,452	-95,720	-139,068
Closing balance December 31, 2020	129,669	558,618	1,624,095	2,312,382
<i>Accumulated depreciation</i>				
Opening balance January 1, 2019	-11,961	-55,039	0	-67,000
Depreciation for the year	-23,568	-67,471		-91,039
Sales/disposals	403			403
Conversion differences	-1,389	-814		-2,203
Closing balance December 31, 2019	-36,515	-123,324	0	-159,839
Depreciation for the year	-33,673	-78,930		-112,603
Transfers	1,956			1,956
Sales/disposals	5,091			5,091
Conversion differences	828	12,689		13,517
Closing balance December 31, 2020	-62,313	-189,565	0	-251,878
Carrying amount December 31, 2019	79,160	439,278	1,591,961	2,110,399
<b>Carrying amount December 31, 2020</b>	<b>67,356</b>	<b>369,053</b>	<b>1,624,095</b>	<b>2,060,504</b>

### *Impairment testing of goodwill*

Goodwill is monitored by the management at Group level. Impairment testing of goodwill attributable to cash-generating units and other intangible assets is conducted annually. Estimated recoverable amount are based on the management's expectations of future earnings and cash flow. The estimated cash flows are based on five-year forecasts using estimated market trends. After the five-year period, the cash flow is based on a perpetual growth rate of 2% (2%).

When calculating recoverable amount for cash-generating units, a discount factor of 9.4% (9.3%) before tax has been used, based on WACC (weighted average cost of capital) and value in use, as the basis for the recoverable amount. The recoverable amount exceeds goodwill for all cash-generating units. There is no need to write down goodwill even with reasonable changes in the assumptions.

The breakdown of cash-generating units has changed to a geographical division within I.A. Hedin Bil. The following cash-generating units have reported goodwill values;

	12/31/2020	12/31/2019
Hedin Bil, Sweden	437,541	437,541
Mabi rental cars	42,977	42,977
Klintberg & Way	40,468	40,468
Car to Go	4,897	4,897
Tuve Bygg	106,258	106,258
Total Sweden	632,141	632,141
Hedin Automotive, Norway	536,312	607,328
Total Norway	536,312	607,328
Hedin Automotive, Belgium	339,110	352,492
Total Belgium	339,110	352,492
Hedin Automotive, Switzerland	116,532	0
Total Switzerland	116,532	0

## NOTE 16 TANGIBLE FIXED ASSETS

	Land and buildings	Costs on another's property	Equipment, tools and installations	Leasing vehicles	Right-of-use-assets	Total
<i>Acquisition costs</i>						
Opening balance January 1, 2019	456,216	155,893	866,733	1,696,007	4,605,969	7,780,818
Purchase	35,811	68,604	120,165	1,608,117	557,704	2,390,401
Business acquisitions	7,143	37,962	19,462	121,420	289,986	475,973
Sales/disposals	-138,807	-579	-26,475	-879,981	0	-1,045,842
Transfers	2,280	11,039	-187,624	0	184,679	10,374
Conversion differences	3,951	1,224	4,952	9,644	34,113	53,884
Closing balance December 31, 2019	366,594	274,143	797,213	2,555,207	5,672,451	9,665,608
Purchase	48,156	42,078	121,688	1,218,599	726,018	2,156,539
Business acquisitions	260,522	37,869	15,474	1,071,966	109,761	1,495,592
Sales/disposals	-35,411	-16,022	-63,617	-1,060,699	0	-1,175,749
Transfers	0	5,375	-494	0	0	4,881
Conversion differences	-51,716	-8,208	-27,043	-72,582	-131,164	-290,713
Closing balance December 31, 2020	588,145	335,235	843,221	3,712,491	6,377,066	11,856,158
<i>Accumulated depreciation</i>						
Opening balance January 1, 2019	-15,029	-23,149	-386,734	-349,745	0	-774,657
Depreciation for the year	-10,454	-28,449	-116,246	-472,993	-578,957	-1,207,099
Sales/disposals	12,827	68	23,750	272,140	0	308,785
Transfers	0	2,721	26,333	0	-29,054	0
Conversion differences	-2,667	-57	-3,350	-76	0	-6,150
Closing balance December 31, 2019	-15,323	-48,866	-456,247	-550,674	-608,011	-1,679,121
Depreciation for the year	-14,575	-32,713	-99,355	-555,408	-610,944	-1,312,995
Sales/disposals		15,123	46,588	369,321		431,032
Transfers		-1,360	-596			-1,956
Conversion differences	1,348	4,107	17,780	8,754	10,890	42,879
Closing balance December 31, 2020	-28,550	-63,709	-491,830	-728,007	-1,208,065	-2,520,161
Carrying amount December 31, 2019	351,271	225,277	340,966	2,004,533	5,064,440	7,986,487
<b>Carrying amount December 31, 2020</b>	<b>559,595</b>	<b>271,526</b>	<b>351,391</b>	<b>2,984,484</b>	<b>5,169,001</b>	<b>9,335,997</b>

Assets that are leased under operating leases are reported as tangible fixed assets. These assets consist of sold cars combined with commitment to future repurchases at a guaranteed residual value.

## NOTE 17 CONSTRUCTIONS IN PROGRESS

	12/31/2020	12/31/2019
At the beginning of the year	2,363	18,870
Investments	12,449	1,719
Sales/disposals	-11,151	-7,852
Reclassification	-1,066	-10,374
<b>Total</b>	<b>2,595</b>	<b>2,363</b>

## NOTE 18 SHARES IN ASSOCIATED COMPANIES

Associated company / Corporate ID no. / Domicile	Capital share	Voting share	Carrying amount	
			12/31/2020	12/31/2019
Consensus Asset Management, 556474-6518, Göteborg	22%	28%	36,114	12,972
Ripam Invest AB, 556870-7540, Mölndal	50%	50%	3,358	5,622
Plusfastigheter Borås Eko 10 AB, 559135-1266, Göteborg	38%	38%	22,500	22,500
HIPAB Holmvägen IndustriPark AB, 556808-9154, Göteborg	33%	33%	0	400
			<b>61,972</b>	<b>41,494</b>
<i>Accumulated acquisition cost:</i>				
Opening carrying amount			41,494	31,583
Purchase			0	9,540
Sale of shares			-400	0
Share of profits in associated companies			20,878	371
<b>Closing carrying amount</b>			<b>61,972</b>	<b>41,494</b>

On December 31, 2020, the fair value of the Group's holding in Consensus Asset Management AB, which is listed on Aktietorget, amounts to kSEK 110,512. Adjusted equity amounts to kSEK 158,353 and adjusted profit after tax amounts to kSEK 104,385 (kSEK 8,490). The company applies accounting rules in accordance with International Financial Reporting Standards.

Ripam Invest AB is unlisted. The profit for 2020 amounts to kSEK -4,531 (kSEK -1,779). Plusfastigheter Borås Eko 10 AB is redeveloping a property in central Borås, which is expected to be completed in 2021.

## NOTE 19 OTHER LONG-TERM SECURITIES

	Carrying amount	
	12/31/2020	12/31/2019
Listed shares	274,326	298,120
Unlisted shares	28,642	9,962
	<b>302,968</b>	<b>308,082</b>
<i>Accumulated acquisition cost:</i>		
Opening carrying amount	308,082	158,398
Purchase	18,862	335,706
Revaluation	-23,873	-180,608
Sales	-103	-5,414
<b>Closing carrying amount</b>	<b>302,968</b>	<b>308,082</b>

The revaluation is reported in other comprehensive income in accordance with the applied principles.

## NOTE 20 ACCOUNTS RECEIVABLE

<i>Due date</i>	12/31/2020	12/31/2019
Not due	959,797	901,831
Past due up to 30 days	259,604	379,874
Past due 30-60 days	48,570	73,248
Past due more than 60 days	68,619	90,601
	1,336,590	1,445,554

The maximum exposure of credit risk at end of the year for accounts receivables are the amounts disclosed. The fair value of the accounts receivables is the carrying amount, as the discount factor is insignificant. No accounts receivables have been pledged apart from disclosed in Pledged assets, note 30. The credit loss provision is estimated to kSEK 14,252 (kSEK 15,542).

## NOTE 21 SHORT-TERM INVESTMENTS

	12/31/2020	12/31/2019
Listed shares	15,692	6,622
	15,692	6,622
<i>Accumulated acquisition cost:</i>		
Opening carrying amount	6,622	61,106
Purchase	7,980	1,194
Change in value	1,090	-8,488
Sales of the year	0	-47,190
<b>Closing carrying amount</b>	15,692	6,622

## NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2020	12/31/2019
Accrued bonus from suppliers	179,202	160,495
Accrued income (uninvoiced)	102,749	91,823
Other items	134,594	244,248
	416,545	496,566

## NOTE 23 CASH AND CASH EQUIVALENTS

	12/31/2020	12/31/2019
Cash and bank balances	373,592	285,150
	373,592	285,150



## NOTE 24 EQUITY

<i>Specification of reserves</i>	<b>Fair value reserve</b>	<b>Translation reserve</b>	<b>Total</b>
Opening balance January 1, 2019	-19,108	-7,174	-26,282
Change in revaluation reserve for the year, net after tax	-140,980	0	-140,980
Change in translation reserve for the year, net after tax	0	30,810	30,810
Closing balance December 31, 2019	-160,088	23,636	-136,452
Change in revaluation reserve for the year, net after tax	-20,534	0	-20,534
Change in translation reserve for the year, net after tax	0	-116,277	-116,277
Closing balance December 31, 2020	-180,622	-92,641	-273,263

### *Fair value reserve*

The market value of long-term securities holdings has decreased during the year. However, no impairment requirements have arisen since the decline in market value cannot be said to be material or long-term in accordance with the applied accounting principles. Changes in the value of the shares have been reported in other comprehensive income.

### *Translation reserve*

Exchange rate differences that are attributable to translation of the Group's foreign subsidiaries functional currencies into Swedish kronor are accrued in the translation reserve. In the event of the disposal of a foreign operation, the accumulated revalued currency effect is reported under Provisions in the Income Statement and is included in profit or loss when sold.

### *Holdings with non-controlling interests*

The Group owns 91% in I.A. Hedin Bil AB. Below is the summarized financial information for I.A. Hedin Bil AB. The information relates to the amount before inter-company eliminations. Data for 2019 include right-of-use assets in accordance with IFRS16.

## Holdings with non-controlling interests

<i>Summary information from the balance sheet</i>	12/31/2020	12/31/2019
Fixed assets	9,251,841	9,510,800
Current assets	4,288,296	4,812,154
Non-current liabilities	-7,632,654	-7,876,863
Current liabilities	-4,710,097	-5,515,063
<b>Net assets</b>	<b>1,197,386</b>	<b>931,028</b>
<i>Summary information on profit and loss</i>	12/31/2020	12/31/2019
Income	24,092,282	22,327,229
Profit after financial items	511,445	147,954
Profit for the year	385,840	103,308
<i>Summary of cash flow statement</i>	12/31/2020	12/31/2019
Cash flow from operating activities	1,707,854	1,508,029
Cash flow from investing activities	-680,018	-1,474,956
Cash flow from financing activities	-1,045,156	22,641
<b>Cash flow for the year</b>	<b>-17,320</b>	<b>55,714</b>

## NOTE 25 PENSIONS

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Opening carrying amount	89,983	87,090
Business acquisitions	119,653	0
Pension costs	5,771	0
Pension payments	-10,704	-5,710
Interest	1,123	1,709
Revaluation due to changes in financial assumptions	1,921	5,747
Revaluation due to experience-based adjustments	-1,401	319
Conversion differences	-6,369	0
Reclassification	0	828
	199,977	89,983

### Defined benefit pension plans

For white collar employees in Sweden, the ITP 2 plan's defined benefit pension commitments for retirement and family pensions are secured through the insurance with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Classification of ITP plans funded through an insurance in Alecta, a defined benefit plan covers several employers. The company has not had access to information and therefore could not report its proportional share of the plan's liabilities, management assets and expenses. This meant that the plan could not be reported as a defined benefit plan. Therefore, the pension plan ITP 2, secured through insurance in Alecta, is reported as a defined contribution plan.

The premium for the defined-benefit retirement and family pension is individually calculated and depends, inter alia, on the salary, previously earned retirement and expected remaining retirement period. The annual pension insurance contributions in Alecta amount to kSEK 41,330 (kSEK 40,335).

The Group has also defined benefit plans in Sweden and these are secured through FPG/PRI. These plans are closed and no new earnings are made. The pension liabilities for these amount to kSEK 85,066 (kSEK 89,155). For the actuarial calculations, a discount rate of 0.7% (1.2%) and an inflation of 1.5% (1.8%) have been applied. The duration of the commitment is approximately 11 years.

The Group has defined benefit obligations in Switzerland, which are secured through collective pension foundations. The commitment depends on salary, age and period of service. The difference between the commitment and the value of the assets in the insurance is reported as a pension commitment. For the actuarial calculations, a discount rate of 0.1%, inflation of 1.0% and future wage increases of 1.5% have been applied. The duration of the commitment is estimated to 19.5 years. The table below shows the composition of the obligation per country:

	12/31/2020			12/31/2019		
	Sweden	Switzerland	Total	Sweden	Switzerland	Total
Defined benefit obligation	85,817	291,581	377,398	89,983	0	89,983
Fair value of assets	0	-177,421	-177,421	0	0	0
Provision for pensions	85,817	114,160	199,977	89,983	0	89,983
<i>Sensitivity analysis</i>				<i>Assumption</i>		<i>Change</i>
Discount rate				+0.5%		-25,853
Inflation				+0.5%		12,394
Life span				+1 year		8,941

## NOTE 26 DEFERRED TAX

<b>Deferred tax assets</b>	12/31/2020	12/31/2019
Opening carrying amount	125,566	74,334
Reported in income statement	-2,419	7,132
Recognized in other comprehensive income	4,250	41,062
Conversion differences	-2,976	1,898
Business acquisitions	38,377	1,140
	162,798	125,566

Deferred tax assets mainly consist of temporary differences between fiscal and carrying values of assets and liabilities.

<b>Deferred tax liabilities</b>	12/31/2020	12/31/2019
Opening carrying amount	-179,798	-170,738
Reported in income statement	9,356	27,174
Reported in other comprehensive income	-4,797	0
Conversion differences	9,903	-1,776
Business acquisitions	-46,743	-34,458
	-212,079	-179,798

Deferred tax liabilities consist of temporary differences between fiscal and carrying values of intangible assets, as well as untaxed reserves.

## NOTE 27 FINANCIAL LIABILITIES

	12/31/2020	12/31/2019
<b>Non-current borrowings</b>		
Bond loans	1,495,800	1,493,400
Lease liability	4,503,874	4,520,307
Other liabilities to credit institutions	514,071	214,134
	6,513,745	6,227,841
<b>Current borrowings</b>		
Overdraft facilities	639,871	1,241,378
Lease liability	571,903	559,699
Liabilities to credit institutions	712,983	894,729
	1,924,757	2,695,806

The fair value of the loans corresponds to the carrying value, as the discount effect is insignificant. All borrowings are at a variable interest rate.

The Group has a granted overdraft of kSEK 1,450,000 (kSEK 1,542,487), renegotiated on an annual of basis. Of the approved overdraft facility, kSEK 639,871 (kSEK 1,241,378) was utilized December 31, 2020.

## NOTE 28 OTHER LIABILITIES

	12/31/2020	12/31/2019
<b>Other non-current liabilities</b>		
Debt relating to sold cars with repurchase agreements	1,929,994	1,241,383
Other liabilities	256,668	240,822
	2,186,662	1,482,205
<b>Other current liabilities</b>		
VAT	65,161	24,885
Employee's withholding tax	36,104	34,033
Debt relating to sold cars with repurchase agreements	1,070,425	776,508
Other liabilities	308,443	405,217
	1,480,133	1,240,643

## NOTE 29 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2020	12/31/2019
Debt relating to employees	376,113	354,175
Interest expense	21,966	12,922
Prepaid income	38,418	83,693
Invoiced income not yet recognized	224,204	98,454
Other items	249,442	309,188
	910,143	858,432

## NOTE 30 PLEDGED ASSETS

	12/31/2020	12/31/2019
Property mortgages	0	33,200
Floating charges	1,469,115	1,458,278
Land and buildings	184,867	183,631
Inventories, Accounts receivables and Equipment	1,017,659	908,896
Securities	431,487	399,065
Accounts receivables	75,000	75,000
	3,178,128	3,058,070

## NOTE 31 CONTINGENT LIABILITIES

	12/31/2020	12/31/2019
Guarantee commitments FPG/PRI	1,260	1,320
Repurchase and residual value guarantees	45,897	76,124
Other guarantees	239,075	30,839
	286,232	108,283

## NOTE 32 SPECIFICATIONS TO CASH FLOW STATEMENT

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>Non-cash items</i>		
Depreciation	1,425,598	1,298,139
Unrealized exchange rate differences	-14,280	1,771
Gains/losses on sale of fixed assets	-28,207	-19,572
Share of profits in associated companies	-20,878	-371
Provisions/receivables relating to pensions	-3,516	2,893
Negative goodwill	-44,773	0
Other non-cash items	2,400	2,400
	1,316,344	1,285,260
<i>Financial liabilities</i>		
	12/31/2 020	12/31/2019
Opening carrying amount	10,405,852	4,554,057
Cash flow	-1,078,063	90,109
Business acquisitions	827,431	517,819
Leasing liability	734,026	5,180,782
Conversion differences	-264,082	63,085
	10,625,164	10,405,852
<i>Interest payments</i>		
	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Paid interests	-193,498	-198,816
Received interests	3,607	8,710

## NOTE 33 BUSINESS ACQUISITIONS

### Acquisitions in 2020

On January 16, Hedin Group expanded into Switzerland by entering an agreement to acquire SeeAll Group (Zürich). SeeAll Group's two car facilities became the first two Hedin facilities in Switzerland. SeeAll is a part of the wholly owned, newly established subsidiary Hedin Automotive Switzerland AB. The acquisition was completed May 20. In September, an agreement was signed with BMW Group Switzerland to acquire BMW Niederlassung Zürich-Dielsdorf. The acquisition was completed in October 30. All the dealerships are today operating as Hedin Automotive. The purchase price amounted to a total of kSEK 229,411, of which acquired customer relationships amounted to kSEK 38,468, reported as intangible fixed assets. Goodwill of SEK 122,826 is attributable to synergies with existing BMW operations.

On May 8, the minority share of 33 percent in Conlogo AS was acquired and the Group now owns 100 percent in the company. The purchase price was kSEK 2,235. The minority share of the equity was kSEK 1,037 and the residual of kSEK 1,198 is reported in equity.

On November 13, 60 percent of Koed A/S was acquired by Hedin Automotive AS. The company is a Danish wholesaler of spare parts for BMW. The purchase price was kSEK 16,225 including goodwill of kSEK 5,027 that is attributable to synergies with our Norwegian company GS Bildeler AS.

In September Hedin Group AB increased the ownership in Tuve Holding AB to 75 percent.

### Acquisitions in 2019

On February 12, Bavaria Haugesund AS acquired 51 percent of the shares at the price of NOK 1, in MPS Micro-paint Haugesund AS. The company is a service and repair shop for vehicles.

On February 18, Hedin Belgien Bil AB acquired a body and paint shop next to our dealership in Lier, Belgium. The company, Star repair bvba, has four employees. The purchase price was kSEK 4,058, including good-

will of kSEK 1,696 that is attributable to synergies with our present business around Antwerp.

GS Bildeler AS acquired 91 percent of the shares in EBC Brakes Norge AS on 26th of February. The purchase price was kSEK 2,150 in a new share issue. EBS Brakes is a wholesaler of automotive brakes and vehicle care products.

On August 14, Bavaria Norge AS acquired three BMW dealerships in Ålesund, Molde and Kristiansund. This was achieved through the acquisition of two companies, of which Molde was acquired at 83 percent. The purchase price amounted to kSEK 86,395. This includes acquired customer relations of kSEK 22,651, reported as intangible fixed assets. The amortization period is 7 years. Goodwill amounting to kSEK 48,733 is attributable to synergies with the present operations in Norway.

On August 21, Hedin Belgien Bil AB acquired two full-service facilities for Mercedes-Benz located between Ghent and Antwerp. The purchase price was kSEK 265,383. This includes acquired customer relations of kSEK 98,894, reported as intangible fixed assets. The amortization period is 7 years. Goodwill amounting to kSEK 177,003 is attributable to synergies with the present operations in Ghent and Antwerp.

On August 22, one dealership was acquired in Belgium with access on September 16. It is a full-service dealership for Mercedes-Benz located between Antwerp and Brussels. The purchase price was kSEK 67,043. This includes acquired customer relations of kSEK 19,005, reported as intangible fixed assets. The amortization period is 7 years. Goodwill amounting to kSEK 20,941 is attributable to synergies with the present operations in Belgium.

On December 2, Inter Wheel Sweden AB was acquired. The company is a wholesale company within tires and rims with focus on car retail customers in the Nordic countries. The purchase price was kSEK 525. The acquisition calculation was established during 2020 and a negative goodwill is reported of kSEK 44,773.

	Hedin Automotive Switzerland Group	Other acquisitions	Total 2020	2019
Intangible fixed assets	38,468	11	38,479	140,550
Tangible fixed assets	1,475,643	19,950	1,495,593	467,673
Financial fixed assets	29,169	213	29,382	7,869
Inventories	229,554	25,683	255,237	185,052
Operating receivables	59,005	9,313	68,318	80,521
Cash and cash equivalents	139,246	2,167	141,413	119,413
Operating liabilities	-590,391	-17,836	-608,227	-271,026
Acquired net assets	1,380,694	39,501	1,420,195	730,053
Goodwill	122,826	5,027	127,853	250,315
Liabilities	-993,841	-10,743	-1,004,584	-517,819
Lease liability	-101,899	-7,862	-109,761	
Non-controlling interests	0	11,762	11,762	-3,063
Provisions	-178,369	-625	-178,994	-34,458
Purchase price	229,411	37,060	266,471	425,029
Liquid funds in acquired businesses	-139,246	-2,167	-141,413	-119,413
Impact on the Group's cash and cash equivalents	90,165	34,893	125,058	305,615

In 2020, the acquired businesses contributed with approximately kSEK 823,973 in net sales and kSEK 17,206 in operating profit. If the acquired companies had been consolidated from January 1, 2020, the consolidated income statement would show net sales of kSEK 28,067,750 and operating profit of kSEK 813,554.

The Group recognizes the non-controlling interest in an acquired company either to fair value or the proportionate share of the acquired company's identifiable net assets. This choice of principle is made for each individual business acquisition. For non-controlling interest in acquisitions during the year, the Group has chosen to report non-controlling interest as the proportional share of the acquired identified net assets.

## NOTE 34 FINANCIAL INSTRUMENTS

The table below shows financial instruments per category.

<i>December 31, 2020</i>	Valued at fair value through income statement	Valued at fair value through other com- prehensive income	Measured at amortized cost	Total
<i>Assets</i>				
Long-term securities		302,968		302,968
Accounts receivable and other receivables			1,665,680	1,665,680
Short term investments	15,692			15,692
Cash and cash equivalents			373,592	373,592
<b>Total assets</b>	<b>15,692</b>	<b>302,968</b>	<b>2,039,272</b>	<b>2,357,932</b>
<i>Liabilities in the balance sheet</i>				
<i>December 31, 2020</i>				
			Measured at amortized cost	Total
<i>Liabilities in the balance sheet</i>				
Borrowings			3,362,725	3,362,725
Accounts payable			2,446,345	2,446,345
Financial lease liability			5,075,777	5,075,777
Accrued expenses			92,823	92,823
Other liabilities			273,268	273,268
<b>Total liabilities</b>			<b>11,250,938</b>	<b>11,250,938</b>
<i>December 31, 2019</i>				
			Measured at amortized cost	Total
<i>Assets</i>				
Long-term securities		308,082		308,082
Accounts receivable and other receivables			1,813,197	1,813,197
Short term investments	6,622			6,622
Cash and cash equivalents			285,150	285,150
<b>Total assets</b>	<b>6,622</b>	<b>308,082</b>	<b>2,098,347</b>	<b>2,413,051</b>
<i>Liabilities in the balance sheet</i>				
<i>December 31, 2019</i>				
			Measured at amortized cost	Total
<i>Liabilities in the balance sheet</i>				
Borrowings			3,843,641	3,843,641
Accounts payable			2,311,871	2,311,871
Financial lease liability			129,334	129,334
Accrued expenses			82,944	82,944
Other liabilities			330,440	330,440
<b>Total liabilities</b>			<b>6,698,230</b>	<b>6,698,230</b>

The interest rate on outstanding liabilities is variable, which means that the carrying amount corresponds to fair value.

## **NOTE 35 RELATED TRANSACTIONS**

The Group has loans from shareholders and related parties to shareholders of kSEK 102,631 (kSEK 121,768). The interest is replaced by the government borrowing rate plus 3 percentage points.

A large number of properties are rented from Fastighets AB Balder. Erik Selin, CEO of Balder, has been a board member of I.A. Hedin Bil AB since March 2017.

## **NOTE 36 EVENTS AFTER THE END OF THE FINANCIAL YEAR**

On January 4, the company Ford Motor Company AB was acquired. The company is the importer and the wholesaler of Ford in Sweden. The company has changed the name to Hedin HMC Motor Company AB.

Modins Bil AB was acquired on February 5. The company is a Ford dealer in Uppsala.

KW Parts acquired the Swedish e-commerce company PickupXL AB on February 23. The company sells accessories to vans.

On March 26, Hedin Group AB acquired 22 percent of Tuve Holding AB, and now holds 97,03 percent of the shares.

From April 2021, Hedin Group is a distributor in Sweden of the Chinese electric car brand MG. Sales will take place through the dealer network within I.A. Hedin Bil Group.

Regarding the Group's impact in connection with the outbreak of Covid-19, we refer to the section "Expected future development" in the Board of Directors' report.

## INCOME STATEMENT - PARENT COMPANY

<i>Amounts in kSEK</i>	Note	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<b>Operating income</b>			
Net Sales	1	48,783	37,600
Other operating income	2	145	0
		48,928	37,600
<b>Operating expenses</b>			
Other external expenses	3,4	-53,045	-49,424
Employee benefit expenses	5	-23,333	-22,546
Depreciation and amortization of tangible and intangible fixed assets		-257	-243
<b>Operating profit/loss</b>		<b>-27,707</b>	<b>-34,613</b>
<b>Profit (loss) from financial items</b>			
Profit from participations in group companies		0	2,320
Profit and loss from other securities	6	1,648	-156,019
Interest income and similar income items	7	5,416	5,933
Interest expenses and similar charges	8	-28,876	-21,932
<b>Profit/loss after financial items</b>		<b>-49,519</b>	<b>-204,311</b>
Appropriations	9	111,400	21,130
<b>Profit/loss before tax</b>		<b>61,881</b>	<b>-183,181</b>
Income tax	10	-14,772	33,941
<b>Net profit/loss for the period</b>		<b>47,109</b>	<b>-149,240</b>

In the parent company, there is no other comprehensive income.



## BALANCE SHEET - PARENT COMPANY

<i>Amounts in kSEK</i>	<i>Note</i>	<i>12/31/2020</i>	<i>12/31/2019</i>
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Concessions, patents, licenses and similar rights	11	350	575
		350	575
<i>Tangible assets</i>			
Equipment, tools and installations	12	36	46
		36	46
<i>Financial assets</i>			
Shares in Group companies	13	502,185	365,633
Shares in associated companies	14	11,610	11,610
Receivables from Group companies	15	416,724	413,506
Deferred tax assets	16	32,921	33,951
Other long-term securities	17	416,899	407,292
		1,380,339	1,231,992
<b>Total fixed assets</b>		<b>1,380,725</b>	<b>1,232,613</b>
<i>Current assets</i>			
<i>Current receivables</i>			
Receivables from Group companies		432,078	435,796
Receivables from associated companies		14,516	11,266
Tax assets		0	269
Other receivables		0	1,161
Prepaid expenses and accrued income		12,553	18,889
		459,147	467,381
<i>Cash and cash equivalents</i>		4,064	22,986
<b>Total current assets</b>		<b>463,211</b>	<b>490,367</b>
<b>TOTAL ASSETS</b>		<b>1,843,936</b>	<b>1,722,980</b>

## BALANCE SHEET - PARENT COMPANY

<i>Amounts in kSEK</i>	<i>Note</i>	<i>12/31/2020</i>	<i>12/31/2019</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital, 1,000 shares		100	100
		100	100
<i>Non-restricted equity</i>			
Profit and loss brought forward		990,314	1,139,554
Profit/loss for the year		47,109	-149,240
<b>Total Equity</b>		<b>1,037,423</b>	<b>990,314</b>
<b>Untaxed reserves</b>			
Tax allocation reserve	18	40,200	21,600
<b>Total untaxed reserves</b>		<b>40,200</b>	<b>21,600</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	19	170,638	208,672
<b>Total non-current liabilities</b>		<b>170,638</b>	<b>208,672</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	20	298,807	298,807
Accounts payable		1,280	2,677
Liabilities to Group companies		95,038	49,235
Tax liability		13,015	0
Other liabilities		158,121	124,752
Accrued expenses and prepaid income	21	29,314	26,823
<b>Total current liabilities</b>		<b>595,575</b>	<b>502,294</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,843,936</b>	<b>1,722,980</b>

## REPORT ON CHANGES IN EQUITY - PARENT COMPANY

Amounts in kSEK	Share capital	Unrestricted equity	Total
<b>Opening balance at 01/01/2019</b>	<b>100</b>	<b>1,169,554</b>	<b>1,169,654</b>
Loss for the year		-149,240	-149,240
Dividends to shareholders		-30,000	-30,000
<b>Closing balance at 12/31/2019</b>	<b>100</b>	<b>990,314</b>	<b>990,414</b>
Profit for the year		47,109	47,109
<b>Closing balance at 12/31/2020</b>	<b>100</b>	<b>1,037,423</b>	<b>1,037,523</b>

## CASH FLOW STATEMENT - PARENT COMPANY

Amounts in kSEK	Note	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<b>Operating activities</b>			
Profit after financial items		-49,519	-204,311
Adjustments for non-cash items	23	-1,147	168,103
Income tax paid		-459	-182
<b>Cash flow from operating activities before changes in working capital</b>		<b>-51,125</b>	<b>-36,390</b>
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in operating receivables		7,965	45,347
Increase(+)/Decrease(-) in operating liabilities		92,366	-6,109
<b>Cash flow from operating activities</b>		<b>49,206</b>	<b>2,848</b>
<b>Investing activities</b>			
Acquisition of subsidiaries		-18,651	-20,000
Divestment of subsidiaries		0	52,721
Borrowing to group companies		-3,218	6,494
Purchase of intangible and tangible fixed assets		-22	-48
Acquisition of financial assets		-8,203	-338,892
Divestment of financial assets		0	52,942
<b>Cash flow from investing activities</b>		<b>-30,094</b>	<b>-246,783</b>
<b>Financing activities</b>			
Repayment of debt		-38,034	-2,533
Borrowings		0	298,807
Dividend paid		0	-30,000
<b>Cash flow from financing activities</b>		<b>-38,034</b>	<b>266,274</b>
<b>Cash flow for the year</b>		<b>-18,922</b>	<b>22,339</b>
Cash and cash equivalents at the beginning of the year		22,986	647
<b>Cash and cash equivalents at the end of the year</b>		<b>4,064</b>	<b>22,986</b>

# NOTES

Amounts in thousands SEK (kSEK) unless stated otherwise.

## NOTE 1 NET SALES

Net sales mainly relates to charging of group-wide services.

## NOTE 2 OTHER OPERATING INCOME

Other operating income of kSEK 145 (kSEK 0) consists of government support relates to Covid-19, which are support for furloughing and sick pay costs. There are no unfulfilled conditions or contingent liabilities associated with the support.

## NOTE 3 REMUNERATION TO AUDITORS

Audit fees for the Parent Company amount to kSEK 440 (kSEK 0) and tax consulting amount to kSEK 0 (kSEK 16) paid to PwC AB. Last year, the audit fee was charged to the subsidiary I.A. Hedin Bil AB.

## NOTE 4 OPERATIONAL LEASING

Operating leases for the year amounted to kSEK 23,762 (kSEK 22,034).

<b>Future minimum lease payments at the closing date amounted to:</b>	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Within one year	18,898	21,501
Between one and five years	23,622	48,377
After five years	0	0
	42,520	69,878

## NOTE 5 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

<b>Average number of employees</b>	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Sweden		
Men	8	10
Women	3	3
Total	11	13

The Board of Directors consists of 4 (4) persons, of which 1 (1) woman.

<b>Salaries, other remuneration and social security costs</b>	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Board of Directors, CEO and other senior executives	9,099	8,434
Other employees	5,406	5,247
Total Salaries and other remuneration	14,505	13,681
Social security costs	5,038	5,205
Pension costs	3,493	3,145
Total	23,036	22,031

## NOTE 6 PROFIT AND LOSS FROM OTHER SECURITIES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Unrealized value changes in securities	1,404	-143,783
Profit on sale of securities	49	-26,397
Dividends	195	14,161
Total	1,648	-156,019

## NOTE 7 INTEREST INCOME AND SIMILAR INCOME

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Interest income, group companies	5,416	5,933
Total	5,416	5,933

## NOTE 8 INTEREST EXPENSES AND SIMILAR CHARGES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Interest expenses, external	-28,876	-21,932
Total	-28,876	-21,932

## NOTE 9 APPROPRIATIONS

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Group contribution received	130,000	830
Provision to tax allocation reserve	-18,600	20,300
Total	111,400	21,130

## NOTE 10 TAX ON PROFIT FOR THE YEAR

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Current tax on profit for the year	-12,014	-10
Tax attributable to previous years	-1,728	0
Deferred tax	-1,030	33,951
	-14,772	33,941
Reconciliation of effective tax rate; <i>Profit before tax</i>	61,881	-183,181
Tax according to the applicable tax rate for the parent company (21,4%)	-13,243	39,201
Tax attributable to previous years	-1,728	0
Non-deductible costs	-79	-5,709
Non-taxable income	300	497
Standard tax rate on allocation reserves	-22	-48
	-14,772	33,941

## NOTE 11 CONCESSIONS, PATENTS, LICENSES AND SIMILAR RIGHTS

	12/31/2020	12/31/2019
<i>Acquisition costs</i>		
Opening balance	1,207	1,207
Purchase	22	0
Closing balance	1,229	1,207
<i>Accumulated depreciation</i>		
Opening balance	-632	-391
Depreciation for the year	-247	-241
Closing balance	-879	-632
<b>Carrying amount</b>	<b>350</b>	<b>575</b>

## NOTE 12 EQUIPMENT, TOOLS AND INSTALLATIONS

	12/31/2020	12/31/2019
<i>Acquisition costs</i>		
Opening balance	99	51
Purchase	0	48
Closing balance	99	99
<i>Accumulated depreciation</i>		
Opening balance	-53	-51
Depreciation for the year	-10	-2
Closing balance	-63	-53
<b>Carrying amount</b>	<b>36</b>	<b>46</b>

## NOTE 13 SHARES IN GROUP COMPANIES

	12/31/2020	12/31/2019
<i>Accumulated acquisition cost:</i>		
At the beginning of the year	365,633	396,035
Purchase	18,652	0
New shares issue / Shareholder contribution	117,900	20,000
Disposals	0	-50,402
<b>Carrying amount</b>	<b>502,185</b>	<b>365,633</b>

### Specification of the parent company's participations in Group companies

The ownership share of the capital also corresponds to the percentage of votes for the total number of shares.

Company/ Corp. ID No./ Domicile	in %	Carrying value
I.A. Hedin Bil AB, 556065-4070, Mölndal	91	285,400
- Hedin Göteborg Bil AB, 556061-3456, Mölndal		
- Hedin Helsingborg Bil AB, 556134-5710, Mölndal		
- Hedin Stockholm Bil AB, 556944-7492, Mölndal		
- Hedin Örebro Bil AB, 556041-2180, Mölndal		
- Hedin Mölndal Bil AB, 556281-3617, Mölndal		
- Hedin Performance Cars AB, 556604-9234, Mölndal		
- Car Store Sweden AB, 556835-7585, Mölndal		
- Hedin Automotive Belgium AB, 559074-6466, Mölndal		
- Hedin Automotive AS, 989 690 728, Stavanger, Norge		
Klintberg & Way Group AB, 559124-2945, Stockholm	100	20,050
- Klintberg & Way Parts AB, 556563-6932, Stockholm		
- Klintberg & Way Norge AS, 977515998, Oslo-Asker, Norge		
- KW Parts GmbH, HRB 144881, Hamburg, Tyskland		
- KW Parts NV, 453881311, Kortrijk, Belgien		
- KW Wheels AB, 556969-3624, Stockholm		
- Dawa Däck AB, 556437-9344, Göteborg		
- Pro-imp AB, 556478-3412, Borås		
- Wheelspot AB, 556576-1797, Borås		
- Inter Wheel Sweden AB, 556367-8977, Karlstad		
- Klintberg & Way Automotive AB, 559124-2937, Stockholm		
- Klintberg & Way Automotive SA, 287970539, Lugano, Schweiz		
- KW Cars AB, 559009-9429, Stockholm		
- KW Homologering AB, 556720-8300, Mölndal		
- KW Däckdepå AB, 559164-2649, Kista		
Mabi Mobility AB, 556675-9394, Stockholm	100	38,713
- Mabi Sverige AB, 556334-4901, Stockholm		
- Mabi Deutschland GmbH, 283468037, Berlin, Tyskland		
- Flexilease AB, 559061-2726, Stockholm		
Tuve Holding AB, 559010-4419, Mölndal	75	138,818
A.H. Värdepapper AB, 556707-7440, Mölndal	100	100
Car to Go Sweden AB, 556787-8052, Mölndal	100	3,579
Hedin IT AB, 556954-4017, Mölndal	100	11,105
Unifleet AB, 556254-5193, Mölndal	100	4,320
Hedin Automotive Switzerland AB, 559097-7764, Mölndal	100	50
I.A. Hedin Fastighet AB, 559015-6708, Mölndal	100	50
<b>Total</b>		<b>502,185</b>

## NOTE 14 SHARES IN ASSOCIATED COMPANIES

Company / Corporate ID no. / Domicile	Capital share	Voting share	Carrying amount	
			12/31/2020	12/31/2019
Consensus Asset Management, 556474-6518, Mölndal	22%	28%	11,580	11,580
Ripam Invest AB, 556870-7540, Mölndal	50%	50%	30	30
			11,610	11,610
<i>Accumulated acquisition cost:</i>				
Opening carrying amount			11,610	9,570
Purchase			0	2,040
<b>Closing carrying amount</b>			11,610	11,610

## NOTE 15 RECEIVABLES FROM GROUP COMPANIES

	12/31/2020	12/31/2019
Opening carrying amount	413,506	420,000
Reclassification	15,000	0
Repayment of debt	-11,782	-6,494
<b>Closing carrying amount</b>	416,724	413,506

## NOTE 16 DEFERRED TAX ASSETS

	12/31/2020	12/31/2019
Opening carrying amount	33,951	0
Reported in the income statement	-1,030	33,951
	32,921	33,951

## NOTE 17 OTHER LONG-TERM SECURITIES

	12/31/2020	12/31/2019
Listed shares	408,987	399,605
Unlisted shares	7,912	7,687
	416,899	407,292
<i>Accumulated acquisition cost:</i>		
Opening carrying amount	407,292	293,562
Purchase	8,204	336,852
Write-down	0	-143,783
Reversed write-down	1,403	0
Sales of the year	0	-79,339
<b>Closing carrying amount</b>	416,899	407,292

## NOTE 18 UNTAXED RESERVES

	12/31/2020	12/31/2019
Tax allocation reserve fiscal year 2016	21,600	21,600
Tax allocation reserve fiscal year 2020	18,600	0
	40,200	21,600



## NOTE 19 OTHER NON-CURRENT LIABILITIES

	12/31/2020	12/31/2019
Opening carrying amount	208,672	0
Borrowings	0	208,672
Repayment of debt	-38,034	0
<b>Closing carrying amount</b>	<b>170,638</b>	<b>208,672</b>

## NOTE 20 FINANCIAL LIABILITIES

	12/31/2020	12/31/2019
<b>Current borrowings</b>		
Liabilities to credit institutions	298,807	298,807
	<b>298,807</b>	<b>298,807</b>

The fair value of the borrowing corresponds to the carrying amount, since the discount effect is not significant. The total borrowings run at variable margins of approx. 6.0%. The loan matures in 2021.

## NOTE 21 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2020	12/31/2019
Personnel costs	5,334	3,999
Adjustment of purchase price upon sale of subsidiaries	19,722	19,722
Accrued interest expenses	2,860	1,000
Other	1,398	2,102
	<b>29,314</b>	<b>26,823</b>

## NOTE 22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	12/31/2020	12/31/2019
<i>Pledged assets</i>		
Shares in subsidiaries	0	38,713
Securities	408,987	399,065
<i>Contingent liabilities</i>		
Guarantee for subsidiaries	751,975	557,579
Guarantee for associated companies	230,000	22,500

## NOTE 23 CASH FLOW

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>Non-cash items</i>		
Depreciation	257	243
Profit from share in Group companies	0	-2,320
Write-down on securities	-1,404	143,783
Gains/losses in sales of fixed assets	0	26,397
	-1,147	168,103
<i>Financial liabilities</i>	12/31/2020	12/31/2019
Opening carrying amount	507,479	2,533
Cash flow	11,966	296,274
Business acquisitions	0	208,672
	519,445	507,479
	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>Interest payments</i>		
Paid interests	-27,015	-21,932
Received interests	5,416	5,933

## NOTE 24 GROUP INFORMATION

Of the Parent Company's total purchases and sales measured in SEK are 0% (0%) of the purchases and 100% (100%) of the sales attributable to intra-group transactions

## NOTE 25 PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

At the disposal of the Annual General Meeting of the parent company are:

Balanced earnings	990,314 kSEK
Profit for the year	47,109 kSEK
Total	1,037,423 kSEK

The Board of Directors proposes that unappropriated earnings will be distributed as follows:

Balance carried forward	1,037,423 kSEK
Total	1,037,423 kSEK

The Board of Directors and the CEO certify that the annual report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual report and consolidated accounts give a true and fair view of the position and profit or loss of the Company and the Group, and that the director's report for the Company and for the Group gives a fair review of the development and performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

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# SIGNATURES

Möndal 05/20/2021



Anders Hedin  
Chairman of the Board and Managing Director



Helena Hedin  
Board member



Hampus Hedin  
Board member



Jan Litborn  
Board member

My audit report has been submitted 20th of May 2021

Öhrlings PricewaterhouseCoopers AB



Johan Palmgren,  
Authorized accountant

# Auditor's report

Unofficial translation

To the general meeting of the shareholders of Hedin Group AB,  
corporate identity number 556702-0655

## Report on the annual accounts and consolidated accounts

### Opinions

I have audited the annual accounts and consolidated accounts of Hedin Group AB for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 58-97 in this document.

In my 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 parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### Basis for Opinions

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-57. The Board of Directors and the Managing Director are responsible for this other information.

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

In connection with my audit of the annual accounts and consolidated accounts, my 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 I also take into account my knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

### Responsibilities of the Board of Director's and the Managing Director

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

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

### Auditor's responsibility

My 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 my 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 my responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

### Opinions

In addition to my audit of the annual accounts and consolidated accounts, I have also audited the administration of the Board of Director's and the Managing Director of Hedin Group AB for the year 2020 and the proposed appropriations of the company's profit or loss.

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

### Basis for Opinions

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

### Responsibilities of the Board of Director's 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

My objective concerning the audit of the administration, and thereby my 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.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my 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 my responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Göteborg 2021-05-20



Johan Palmgren  
Authorized Public Accountant

# Board of directors

## ANDERS HEDIN

Born: 1962  
Chairman of the Board

## HAMPUS HEDIN

Born: 1990  
Board member

## HELENA HEDIN

Born: 1961  
Board member

## JAN LITBORN

Born: 1951  
Board member

# Group management

## HEDIN GROUP

Anders Hedin, President and CEO  
Hampus Hedin, Deputy CEO  
Per Mårtensson, CFO  
Victor Bernander, Finance Manager  
Andréas Joersjö, General Counsel  
Charlotte Martinsson, HR Manager  
Jørn Heiersjø, Real Estate Manager  
Anna-Karin Höijer, Procurement Manager

## HEDIN IT

Patrick Olsson, CEO Hedin IT

## HEDIN BIL

Tomas Ernberg, COO I.A. Hedin Bil AB  
Jörgen Loikas, COO Hedin Göteborg Bil AB and Hedin Helsingborg Bil AB  
Morten Westby, CEO Hedin Stockholm Bil AB and KC Motors AB  
Anderz Larqvist, CEO Hedin Mölndal Bil AB  
Rickard Magnusson, CEO Hedin Performance Cars AB  
Pär Björkholm, CEO Hedin Örebro Bil AB  
Marcus Larsson, CEO Hedin Automotive Norge AS  
Henrik Lessèl, CEO Hedin Automotive Belgium AB  
Johan Frisk, CEO Bavaria Sverige AB  
Hallvard Vikeså, CEO Bavaria Norge AS

## GS BILDELER

Sven Skogheim, Daily leads GS Bildeler

## HEDIN HMC MOTOR COMPANY

Jonas Angerdal, CEO Hedin HMC Motor Company AB

## KLINTBERG & WAY

Anders Molander, CEO Klintberg & Way Group AB

## MABI MOBILTY

André Schleemann, CEO Mabi Mobility AS

## CAR TO GO & UNIFLEET

Jakob Werner, COO Car to Go Sweden AB

## TUVE BYGG

Robert Bengtsson, CEO Tuve Bygg AB

**HEAD OFFICE (SEAT)**

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During the year, the Group changed its name. In 1985, the parent company that would eventually become known as Anders Hedin Invest AB was founded. During the year the time came to let a new era take hold and Anders Hedin Invest AB changed its name to Hedin Group AB