

Annual report

Hedin Group

2021

HEDIN GROUP

Table of content

Introduction and Key facts	4
A word from our CEO	6
Summary Hedin Group	8
Quarter highlights	9
Our business segments	10
Geographical presence	12
01. Mobility	15
02. Distribution	23
03. Retail	35
04. IT	53
05. Construction and real estate	57
06. Investments	61
Company structure	64
Five year summary	66
Director's report	68
Income Statement - Group	72
Balance Sheet - Group	73
Group report on changes in equity capital	75
Cash flow Statement - Group	76
Notes	78
Income Statement - Parent Company	99
Notes	104
Signatures	110
Auditor's report	112

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

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

Our values



Credibility

We do things better than anyone else in our area of expertise

Availability

Customer and partner satisfaction is our top priority through employee excellence

Trustworthy

We do business relied on trust, fairness and long-term relationships



Key facts



125,081

Sold vehicles

21,462

Distributed Vehicles

103,619

Retailed

67,557 **36,062**

New

Used

34,486

Revenue (MSEK)

31

Car brands in portfolio

144

Dealerships

89,119

Service agreements

6

Countries

3,815

Employees

A word from our CEO

2021 – A record breaking year!

2021 was one of the most eventful years in the Group's history. The company continues to grow, innovate and build a corporate culture based on respect and transparency and at the same time we strive to be a transforming force in the European car industry.

In October, a new chapter in the Group's history began as we restructured the companies in the Hedin Group. We consolidated all vehicle-related operations to the company that since 1985 has gone by the name I.A. Hedin Bil AB – and which is now named **Hedin Mobility Group AB**. The new name better reflects the entire company's business and the direction in which the European car industry is developing, while at the same time marking the transition to a new phase in the Group's history.

In 2021, the Group's combined operations generated Net Sales of MSEK 34,486 and profit before tax was MSEK 1,167. In terms of both sales and profitability, this is the highest ever achieved in the company's history – a record!

There is a lot of work behind this great result that we deliver, and I want to thank everyone who contributed to this. We continue to focus and retain both earnings and liquidity to maintain our long-term focus.

MOBILITY

For **Car to Go Sweden**, 2021 was the best year ever in terms of sales, revenue, and earnings. Over 4,000 new cars were sold. The private leasing offer **Carplus** had the opportunity to partake in the launch of MG on the Swedish market, which was a strong contributing factor to Car to Go Sweden's success.

The year for **Unifleet** was also marked by strong growth in sales (+100%). Unifleet continues to be Sweden's fastest growing fleet company, gaining new market shares every month. At the end of the year, the company had competitive offers for all of the 20 most popular car models in the Swedish company car and commercial vehicle market.

The car rental business within **Mabi Mobility** remained difficult to plan due to the pandemic and limited vehicle deliveries, but demand increased during the year to pre-pandemic levels. With new major agreements signed and a new partnership to increase the company's visibility in international booking channels, the prospects for gaining market shares in the coming years looks good.

DISTRIBUTION

On January 4, we took over as distributor for new **Ford** vehicles in Sweden, a big milestone for our company. Throughout the year, our dedicated Ford retail subsidiary continued to grow their retail presence with Ford in Sweden while testing both new ownership models and various sales channels to achieve its goals.

Another milestone was the appointment to become sole distributor in Sweden for the re-launched all-electric car brand **MG**. It took only three months from signing of the distribution agreement to market and in less than seven months of operations in 2021 we managed to register a total 4,500 new MG vehicles. So far, this has been a very impressive, exciting and successful journey for our company.

KW Automotive, which imports Dodge and RAM into Europe and homologates the vehicles at its facility in Bremerhaven, has had a very positive year. However, sales have suffered from a shortage of cars at the end of the year due to the lack of semiconductors in the factories. As in all our vehicle operations, there was a record order backlog at the end of the year.

In the spring of 2022, we expanded our Distribution business as we took over the import and distribution of the **Renault**, **Dacia** and **Alpine** brands in Sweden and Denmark together with Salvador Caetano Group.

RETAIL

During the year, all markets were characterized by delivery problems, primarily due to the global semiconductor shortage. Apart from Norway – where the total market developed relatively strongly (+25%) – our sales exceeded the total market development in all countries in which we were active during the year. The shift towards plug-in electric vehicles is noticeable in all our markets and in Sweden there is also a shift to more and more cars being sold on private leasing, where now more than half of all cars sold to private customers are private leasing.

During the winter and spring 2022, we have greatly strengthened our position as one of the largest privately owned mobility providers in the European market:

- The acquisition of three dealerships in Belgium at the beginning of the year meant that we added the prestigious brands **Toyota** and **Lexus** to the portfolio for the first time in our history.
- Through the acquisition of **Stern Facilitair BV**, we have taken the step into the Netherlands with one of the country's largest retailers offering a variety of mobility solutions.

CONSTRUCTION AND REAL ESTATE

In 2021, we increased our ownership in **Tuve Bygg** to 97%. The company has refined its business plan during the year, based on the new market conditions. Four concrete focus areas have also been developed, with clear measurable sub-goals to drive the business forward.

2021 was a year when the order books were filled to the brim, with a total of MSEK 2,227. The total order backlog left to produce at the end of the year was MSEK 3,030. Continued pandemic-related challenges led to a tighter schedule than usual in many projects, something the clients have shown good understanding of.

The largest contract of the year was a housing project in Gothenburg for Magnolia amounting to approximately MSEK 500. Additional projects were contracted with, among others, Balder, the City of Gothenburg and Skandiafastigheter, providing a good customer mix.

INVESTMENTS

Consensus Asset Management's growth journey continued during the year and the business volume increased by 33% to approximately SEK 12 billion. Sales amounted to MSEK 204 and the company's profit of MSEK 100 was the second highest ever. Hedin Group's shareholding in Consensus amounts to 28%.

The hotel and restaurant operations within **Ripam Invest**, which is 50% owned by Hedin Group, consist of Marstrands Kurhotell and Societetshuset, both located on the island of Marstrand north of Gothenburg. The occupancy at Marstrands Kurhotell was good during the Swedish high summer of 2021 and during the year the renovation of the hotel's dining room, gym and sauna was also completed. Societetshuset had a challenging year due to the current pandemic with a limited number of events during the year. Expectations for 2022 are high and it is planned for cold bath houses, hostels and pavilions as well as renovation of Societetshuset.

During the year, we increased our ownership interest in **Pendragon PLC** to 26.19% from 13.34%. Pendragon is one of the UK's leading car retailers with more than 160 dealerships across the country. The holding is to be regarded as a financial investment.

In addition, we are a partner in **Lasingoo Sweden**, an industry-owned online portal for comparison and booking of services, mainly focused on passenger cars. More than 2,000 workshops are currently connected to the service. Hedin Group's holding in Lasingoo amounts to 24.48%.

Russia's invasion of Ukraine in February 2022 has created insecurity not only in Europe, but in the whole World. Beyond the humanitarian catastrophe, the war is hampering the already substantial challenges of electronic component shortages and disruptions in supply chains, while at the same time driving cost increases in not least raw materials and energy. This affects all our operations, but despite a challenging environment our employees do an excellent job of delivering the highest possible value to our customers.

The company encourages an entrepreneurial spirit where each business unit leader has independent operational and financial responsibility for the day-to-day operations. Local experienced leaders tend to make better qualified decisions concerning the local operation, and thus, we can be more responsive to our customers' needs.

Looking forward to another Record-Breaking Year!



Anders Hedin

Summary

Hedin Group

hedingroup.com

Hedin Group's history dates back to 1985 when Ingemar and Anders Hedin founded I.A. Hedin Bil in Borås, Sweden. To this day, the vehicle-related operations remain the largest part of the Group's business and since the end of 2021 it is consolidated in the subsidiary Hedin Mobility Group AB. Below is an overview of Hedin Group's operations, and on the following pages our business areas, companies, and development during the past year is further presented.

MOBILITY

The Group's portfolio includes mobility solutions with a wide range of passenger cars, vans, trucks and minibuses. Some of the services offered are private leasing via Car to Go Sweden, company leasing via Unifleet and short-term rental through Mabi Mobility.

DISTRIBUTION

The portfolio includes the general distribution of Ford in Sweden through Hedin HMC Motor Company; of MG in Sweden via Hedin MG Sweden; and Dodge and RAM in Europe through the subsidiary Klintberg & Way Automotive. At the beginning of 2022, the general distribution for Renault, Dacia and Alpine in Sweden and Denmark was added to the portfolio.

The subsidiary Klintberg & Way Parts is an authorized spare parts distributor for General Motors North American Vehicles and Mopar, GS Bildeler is Norway's largest independent supplier of spare parts for BMW and MINI and Inter Wheel Sweden is one of Sweden's largest wholesalers in the tire trade as well as an appointed distributor for Alutec rims, Kumho tires and Cooper's tire programs.

RETAIL

The Group is one of Europe's largest privately owned retailers of new and used vehicles and related automotive services. The product range includes over 30 brands within passenger cars, commercial vehicles, trucks and motorcycles. The business is conducted under the names Hedin Bil, Hedin Automotive, Hedin Performance Cars, Bavaria, Porsche Center, Car Store and KW Autohaus.

IT

Hedin IT supports the entire Hedin Group and develops and produces new, enhanced business systems to streamline and digitize the Group's processes.

CONSTRUCTION & REAL ESTATE

Hedin Group is the main owner of Tuve Holding, which is the parent company of the Tuve Bygg Group. Tuve Bygg constructs everything from residential properties and schools to public and commercial properties and offers complete solutions in contracting, project development, property maintenance and interior carpentry. Tuve Bygg is active in western Sweden and Stockholm.

INVESTMENTS

Hedin Group is also a shareholder in Consensus Asset Management, Ripam Invest, Pendragon PLC and Lasingoo. The Investments business area also includes the company A.H. Värdepapper that owns, manages, and trades in securities.



Q1

- 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 Pickup XL AB on February 23. The company sells accessories to vans.
- On February 26, an additional 22% was acquired in Tuve Holding AB and the ownership share now amounts to 97.03%.

Q2

- Hedin Group was appointed distributor of the Chinese electric vehicle brand MG. On April 24, the brand was launched at 18 Hedin facilities in Sweden. The launch went better than expected and by the end of June a total of 1,667 cars had been registered. The model ZS EV was the best-selling electric car in Sweden in June, and the second best-selling car overall.
- Hedin Stockholm Bil AB acquired a business in Segeltorp, Stockholm that was selling Subaru on May 3. The facility on Smista Allé has been rebuilt to sell MG. The Subaru sales activities have been transferred to an existing facility next door on Smista Allé.
- On May 20, an agreement was signed to acquire BilMånsson i Halland AB and BilMånsson BC AB. The companies include dealerships for Ford in Halmstad and Värnamo, as well as Jaguar and Land Rover in Halmstad. The acquisition was completed on July 1.
- The ownership in Porsche Center Son AS was increased on June 9, when an additional 40 percent of the shares in the company was acquired. The ownership following the transaction amounts to 91 percent.
- On June 18, an agreement was signed to acquire the body and paint workshop Carolack Galliker in Switzerland. The strategically important business will operate as a department within the dealership in Dielsdorf. The acquisition was completed on August 1.
- On June 22, an agreement was signed to acquire BilGruppen Enköping AB. The company is operating a Ford dealership based in Enköping. The acquisition included a property that was acquired by I.A. Hedin Fastighet AB.

Q3

- On July 9, an agreement was signed to acquire 100 percent of the shares in AutoFlorio AB which operates Porsche Center Umeå. The acquisition was completed on September 1.
- On July 13, an agreement was reached to acquire three dealerships with sales of Renault and Dacia in North Stockholm and Uppsala, as well as Ford After-market in Stockholm and Uppsala.
- On September 7, Norrlands Custom AB was acquired by KW Parts AB. Norrlands Custom imports and distributes spare parts and accessories for classic American cars.

Q4

- On October 27, an Extraordinary General Meeting of Hedin Mobility Group AB resolved on a directed share issue of MSEK 3,570 in which Erik Selin, through a company indirectly wholly owned by him, became the owner of 25 percent of the shares in the company. The general meeting further resolved on a new Group structure where all automotive related companies in the Hedin Group was consolidated under Hedin Mobility Group AB. A directed share issue to Hedin Group AB was resolved to set off the payment of the purchase price for these companies. The holdings in Pendragon PLC and Lasingoo Sverige AB have also transferred to Hedin Mobility Group AB. Hedin Group AB's holding in Hedin Mobility Group AB amounts to 71.5% after the transactions.
- To reflect all the Group's business areas, and its expansion in Europe, I.A. Hedin Bil AB changed its name to Hedin Mobility Group AB, which was registered on November 16.
- On December 7, an agreement was signed to acquire one of the largest full-service truck facilities in Småland, by a business transfer with Tecto trucks in Markaryd. Closing took place on February 1, 2022.
- On December 29, an agreement was signed to acquire Toyota de Laat in Sint-Pieters-Leeuw, Belgium. This means that we welcome Toyota as a new brand in the Group, which complements the sales we currently have in Belgium with Mercedes-Benz.

Our business segments

- 01** Mobility
- 02** Distribution
- 03** Retail
- 04** IT
- 05** Construction and real estate
- 06** Investments





Our business segments

Sweden

Mobility
Distribution
Retail
IT
Construction and real estate
Investments

Norway

Mobility
Retail
IT
Construction

Denmark

Mobility
Retail
IT
Construction and real estate

Switzerland

Mobility
Distribution
Retail
IT
Construction and real estate

Belgium

Mobility
Retail
IT
Construction and real estate

Germany

Distribution
Retail
IT
Construction and real estate

EU

Distribution

UK

Investments



”

New ownership models and sales channels are transforming automotive retail industry very fast, and in order to keep up with this transformation, we have to keep an open mindset – in the end, what you believe in, you can achieve!

Anders Hedin, CEO and owner Hedin Group AB







01

Mobility

Car to Go Sweden AB

Unifleet AB

Mabi Mobility AB

SWEDEN

Car to Go Sweden AB

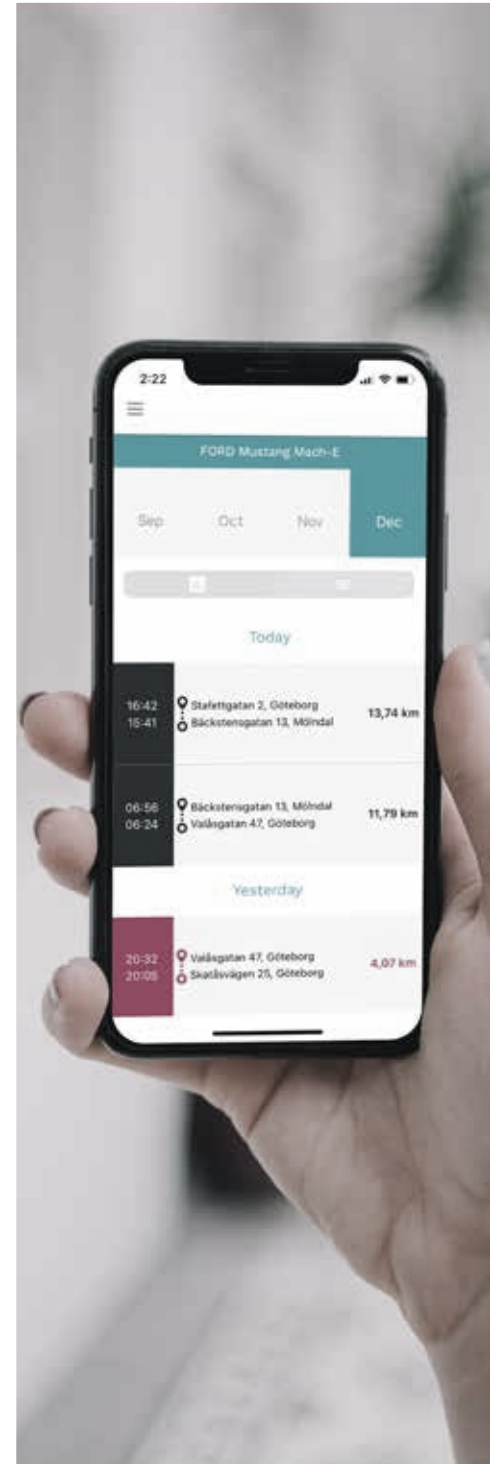
carplus.se

”

Summarizing 2021, it was the best year in the company history in terms of sales, revenue, and earnings. We sold more than 4,000 new cars and built the largest ever order backlog due to the ongoing delivery issues in the industry.

Jakob Werner - COO, Car to Go Sweden AB

Carplus



During the year, we sold more of our own services and products under our new private leasing scheme than before. In mid-April, Carplus had the opportunity to partake in the launch of MG on the Swedish market, and in just one month received over 100 orders. As a result, MG ended up being the most successful launch in the history of the company. The MG brand was thereby a strong contributing factor to Car to Go exceeding all its company targets.

In Örebro, an event space was opened. This improved the company's cooperation with Hedin Örebro substantially, resulting in increased market shares in the region.

In September, the showroom in Täby Centrum was converted into a MG and Ford showroom and the operation was handed over to Hedin Stockholm Bil AB and Hedin Mölndal Bil AB. This resulted in an improvement in the company's results during the second half of the year.

The lease for the Väla Centrum showroom was terminated and is scheduled for expiration in 2022.

The company will continue to invest in physical outlets also in the future. This will predominantly be carried out in close collaboration with our existing dealer network within Hedin Mobility Group.

As a result of an increase in online marketing and a continuous focus on website development, Carplus has improved the online competitiveness substantially. Online conversion increased by 60 percent and web traffic by as much as 39 percent in 2021.

19

Revenue (MSEK)

10,200

Leasing vehicles

22

Brands

8

Employees

SWEDEN | BELGIUM

Unifleet AB

unifleet.se

Unifleet's turnover increased by 100 percent, improving the company's earnings gradually despite heavy investments in its proprietary IT system throughout the year. The company is expected to deliver positive results already next year.

During the year, we increased our focus on ecommerce and online offering. By the end of the year, we had competitive offers on all "top 20" car models in the Swedish company & transport car market.

We increased traffic to Unifleet.se by 60 percent and online conversions by 2 percent. At the end of the year, we also started to scale up online marketing, which had been almost non-existent in the past.

A partnership with Ford Sweden was initiated towards the end of the year, offering Unifleet's services to all Ford dealers in Sweden. The cooperation is expected to have a positive effect on sales in 2022.

UNIFLEET

”

“With a year characterized by strong growth in turnover, new customers and a new organization, Unifleet continues to be Sweden's fastest growing fleet company gaining new market shares every month.

Jakob Werner, COO Unifleet AB





33

Revenue (MSEK)

3,000

Leasing vehicles

30

Brands

13

Employees

SWEDEN | BELGIUM

Mabi Mobility AB

mabi.se

The year 2021 has been difficult to plan due to both coronary restrictions and component shortages by car manufacturers. After an uncertain 2020, demand for our services has increased during the year to pre-pandemic levels. One effect we are seeing is that client groups have shifted from business to private rentals. The demand for longer rentals also increased.

A number of projects have been launched during the year to drive the development of various platforms for payment solutions and keyless mobility. We will continue this work in the coming years in order to remain an innovative challenger in the industry and to find new smart solutions that evolve according to our customers' needs.

We have implemented a customer satisfaction platform where we measure our customer satisfaction. This gives our customers the opportunity to easily give us feedback after completing their rental. The platform gives our letting agents an overview of what they are doing well and allows them to capture opportunities for improvement and provide the customer with answers directly in the platform.

The challenges for 2022 will be to plan for the uncertain supply of cars and continued restrictions in society which may change demand at short notice. But with new major agreements signed and a new partnership to increase our visibility in international booking channels, our prospects look good to continue on the same path to be able to gain market share in the coming years.

258

Revenue (MSEK)

4,300

Available vehicles

31

Brands

173

Stations

42

Employees

”

2021 can be summed up as an unpredictable year with a great increase in demand for our services. After a very strong Q4, which can be placed as the best quarter ever, both revenue and earnings surpass previous years.

André Schleeman, CEO of Mabi Mobility AB

01. Mobility





02

Distribution

Hedin MG Sweden AB

Hedin HMC Motor Company AB

Klintberg & Way Automotive

Klintberg & Way Parts

GS Bildeler AS

Inter Wheel Sweden AB

SWEDEN

Hedin MG Sweden AB

mg.se

Negotiations with MG Motor Europe started in early 2021 and on March 17, MG Motor Europe announced Hedin Mobility Group as the distributor for MG's products in Sweden. Within only five weeks, 16 MG facilities opened under Hedin Bil, and the customer interest was immediate. The MG ZS was launched and quickly became a favorite in the Swedish market. This was partly due to competitive private leasing offering making the all-electric vehicle accessible to all. In June alone, 1,665 MG ZS were delivered to customers, making it the best-selling electric car model in Sweden with approximately 20 percent market share.

During the autumn, several new dealer agreements were signed and by 31 December 2021 there were 43 MG sites and 39 authorized MG workshops across Sweden. In 2022, the expansion will continue with several new facilities in the north. The goal is to exceed 50 MG locations before the end of the year.

MG received several positive press reviews from journalists after testing the cars. This culminated at the end of 2021 when the MG ZS received the "Stora Bilpriset 2022" award from Teknikerns Värld. Teknikerns Värld is one of the most influential car magazines in Sweden and they praised the MG ZS for the new updates and the outstanding results in their brake test.

In total during the year, more than 4,500 MG vehicles were delivered, and with an order backlog of 3,800 cars, it amounts to 8,000 signatures on orders for the car.

Sweden is moving more and more towards an electrified car industry and in just 3 years the number of clean electric cars has increased from a market share of 2 percent up to 20 percent, a trend that is predicted to continue in the coming years. In 2022, the world's first 100 percent electric station wagon MG5 will be launched. The model has already received a lot of attention and is expected to be a bestseller for the brand.

”

2021 marked an incredible start with the launch of MG, a completely new electric vehicle brand in Sweden. For 2022, our ambitions are even higher. We will make MG one of the leading electric car brands in Sweden.

Tomas Ernberg, CEO MG Sweden





1,330

Revenue (MSEK)

4,508

Retailed vehicles

3

Dealers

43

Sales points

39

Workshops

12

Employees

SWEDEN

Hedin HMC Motor Company AB

ford.se | ford2go.se | fordbusiness.se

On January 4, Hedin Mobility Group acquired 100 percent of the shares in Ford Motor Company AB, and through its subsidiary Hedin HMC Motor Company AB, became responsible for the import and distribution of passenger cars and light commercial vehicles, as well as the sale of accessories and spare parts for the Swedish market.

Despite challenging conditions during the first year of operation under new management and with major shortages in vehicle supply due to the global semiconductor shortage, the decade-long negative sales trend of Ford passenger cars in Sweden was broken. A total of 10,074 passenger cars were sold and registrations increased by +62 percent. Market share increased by +57 percent to 3.18 percent (+1.16 percent vs 2020) and 9,565 (+3,666 vs 2020) registered cars for the full year 2021. A strong launch of the all-new Mustang Mach-E electric vehicle together with good growth of the Kuga PHEV & Focus models accounted for the bulk of the volume growth on the passenger car side.

Light commercial vehicles continued to develop positively and a total of 9,675 light commercial vehicles were signed. Registrations number increased by 22 percent, which sums up to a market share of 17.72 percent (+0.79 percent vs 2020) and 6,421 (+1,170 vs 2020) registered vehicles. During the second half of 2021, Ford took the position as market leader in light transport vehicles.

Overall, 19,749 vehicles were signed in total, which increased market shares by 43 percent to a total market share of 4.74 percent (+1.29 percent vs 2020) and 15,986 (+4,836 vs 2020) registered vehicles.

In addition to setting up the business under new management, focus has been put on simplifying the business and strengthening the offering in the market. Among other things, a new business system has been developed and put into operation during the year and a considerable simplification of model range and business conditions has been implemented in combination with a strong focus on volume

growth. On the same subject, the conceptualization of builds in the transport vehicle segment has been launched with good results. For example, volume van sales increased by as much as +187 percent following the launch. On the distribution side, consolidation of the network has started with the aim of creating an efficient distribution.

The Go Electric marketing campaign, developed specifically for the Swedish market starring the well-known magician Joe Labero, generated very good traffic and increased the sales rate in the second half of the year.

The first projects of the planned digital development were launched with the introduction of Ford2Go offering online sales of private leasing, and Ford4Business offering operational leasing.

Overall, the year sums up as a major step towards our goal of cost-effectively growing the business in line with our objectives, achieving a 6 percent market share for passenger cars and a leading position in light commercial vehicles with >25 percent market share.



5,019

Revenue (MSEK)

15,475

Retailed vehicles

28

Dealers

80

Sales points

96

Workshops

43

Employees

EUROPE

Klintberg & Way Automotive

kwauto.com

Klintberg & Way Automotive ("KWA") is an official importer of Stellantis (former Fiat Chrysler Automotive). The company also imports and distributes American made vehicles and pickup trucks to European Authorized dealers under the RAM brand, and muscle cars and SUV:s under the Dodge brand. In its own premises, with a 500 vehicles per month capacity, BHC performs homologation of Dodge and RAM for the European market through its subsidiary KW Homologering AB.

KWA started its business in late 2017 and faced some startup difficulties. A restructuring of the business began in late 2019 and after completion one year later, KWA has shown a drastic turnaround. In 2021, the company delivered significant profits to the group despite severe semiconductor shortages and pandemic-related issues.

The outlook for 2022 is promising as the pandemic effects look to ease towards the middle of the year. There are still challenges ahead, the weakening euro and the war in Ukraine to name a few. Nevertheless, with a full order book, management is confident of over achieving the performance of 2022.





825

Revenue (MSEK)

1,479

Retailed vehicles

144

Dealers

147

Sales points

200

Workshops

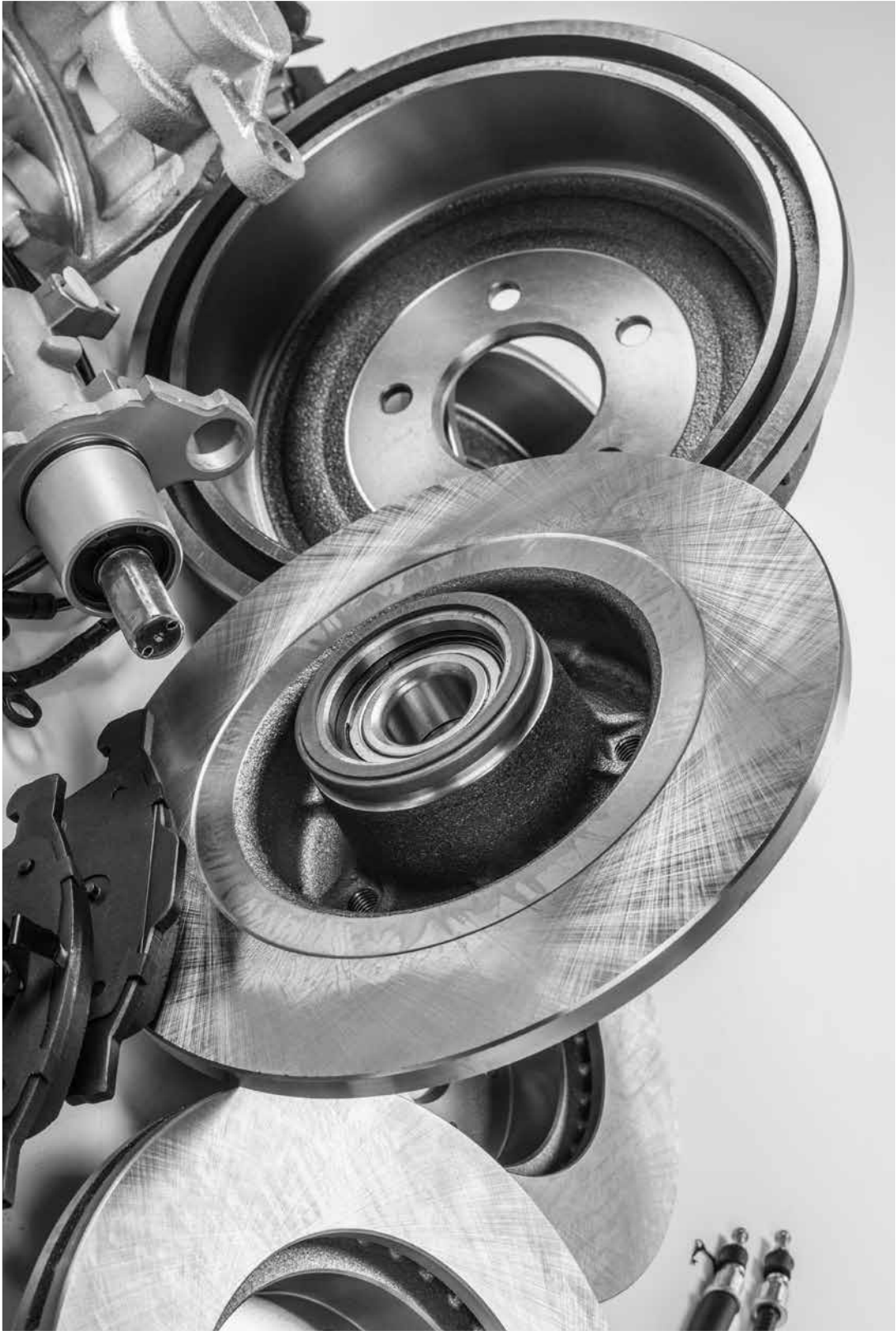
45

Employees

”

2021 was a challenging year from many different aspects, mostly the production constraints from the manufacturer. Despite this KWA retailed almost 1,500 cars and from a profit point of view kept on the positive development initiated already in 2020. KW Autohaus, our own Dodge/Ram dealership in Bremerhaven was launched and we managed to sell a number of Dodge/Ram to happy customers around Bremerhaven. Our homologation service for external customers was launched with quite a number of homologated cars during 2021.

Marcus Larsson, Chief Operating Officer



307

Revenue (MSEK)

65

Employees

EUROPE

Klintberg & Way Parts

kwparts.com

Klintberg & Way Parts continued to deliver spare parts for American-made vehicles, delivering stronger results than ever before in very challenging pandemic-related circumstances. The past year presented significant issues due to material manufacturing challenges and supply constraints. Declining segments have been rapidly replaced by new business opportunities, and the General Motors segment is stable despite a decline in the European fleet. The Mopar/Stellantis segment of the business is growing strongly and by the end of 2021 it was the largest business segment of spare parts for the parts Group.

The new warehouse in Sweden has continued to drive the company forward following the closure of the German warehouse in late 2021.

During the year, two acquisitions were carried out. In February, PickupXL AB was acquired. PickupXL is targeting the pickup truck enthusiast, delivering accessories and spare parts for pickup trucks with an aim to be Europe's market leader in the segment in a few years.

Norrlands Custom AB was acquired in September of 2021, supplying spare parts and accessories for classic American cars. Norrlands Custom has built a strong brand and presence in the Swedish market since its inception in the 1970s. The Klintberg & Way Parts Group with its new consumer brand, The DriveZone, now has the widest and most complete offering for American cars in Europe.

These initiatives, along with several more to come, make the outlook for 2022 very exciting.

SWEDEN

Inter Wheel Sweden AB

interwheel.se | dawero.se

Inter Wheel Sweden is a consortium of companies consisting of Inter Wheel Sweden AB, Dawa Däck AB, KW Wheels AB, Pro-Imp AB and Wheelspot AB.

The year 2021 was challenging for the Inter Wheel Sweden group. Component shortages related to the pandemic impacted new car sales heavily, which in turn affected wheel sales. In addition, a ransomware attack significantly damaged sales during the spring peak season, hitting both wheel and tire sales. This made for a tough start for the group.

The turnaround came in August and during the autumn it was noted that monthly sales figures exceeded the corresponding month in 2020 in all months from August onwards.

In February 2022, the newly installed wheel automation system passed its acceptance test and was put into operation.

These factors together with the expected easing of pandemic-related supply chain issues provide a good outlook for 2022 where sales are expected to increase again after two consecutive years of decline.

570

Revenue (MSEK)

145,454

Produced and sold wheels

65

Employees



GS Bildeler AS

gsbildeler.no | conlogo.no | brakes.no | koedbmw.com

GS Bildeler is Scandinavia's largest independent supplier and parts and accessories for BMW and MINI and offer world class logistics and distribution. With its 100 employees in eight locations in Norway and Demark, GS Bildeler operates physical outlets and a highly successful B2B and B2C web shop with next day delivery. Collaboration with more than 200 partner workshops ensures close follow-up and superior technical support in Norway and Denmark.

Despite a challenging period of reorganization and centralization in 2021, GS Bildeler total revenue increased 8,4 percent to MNOK 435 from MNOK 400 the previous year. GS Bildeler experienced a shift in the market in 2021 with a decline in the consumer segment by 11 percent which was evened out by an increase in B2B.

The company operates a robotized warehouse in Oslo which was rolled out to most Bavaria dealerships, centralizing the handling of spare parts and accessories for the group. The rollout will be completed in 2022.

GS Parts is continuously seeking new ways of improving its competitiveness, and works closely with its sister companies Conlogo, a wholesaler and importer of premium car detailing products, Brakes Norway, a supplier of quality products for cars and motorcycles, and Koed, the Danish BMW and MINI parts specialist with presence in both Norway and Denmark.

Hedin Mobility Groups share in Koed amounts to 59.98 percent.

460

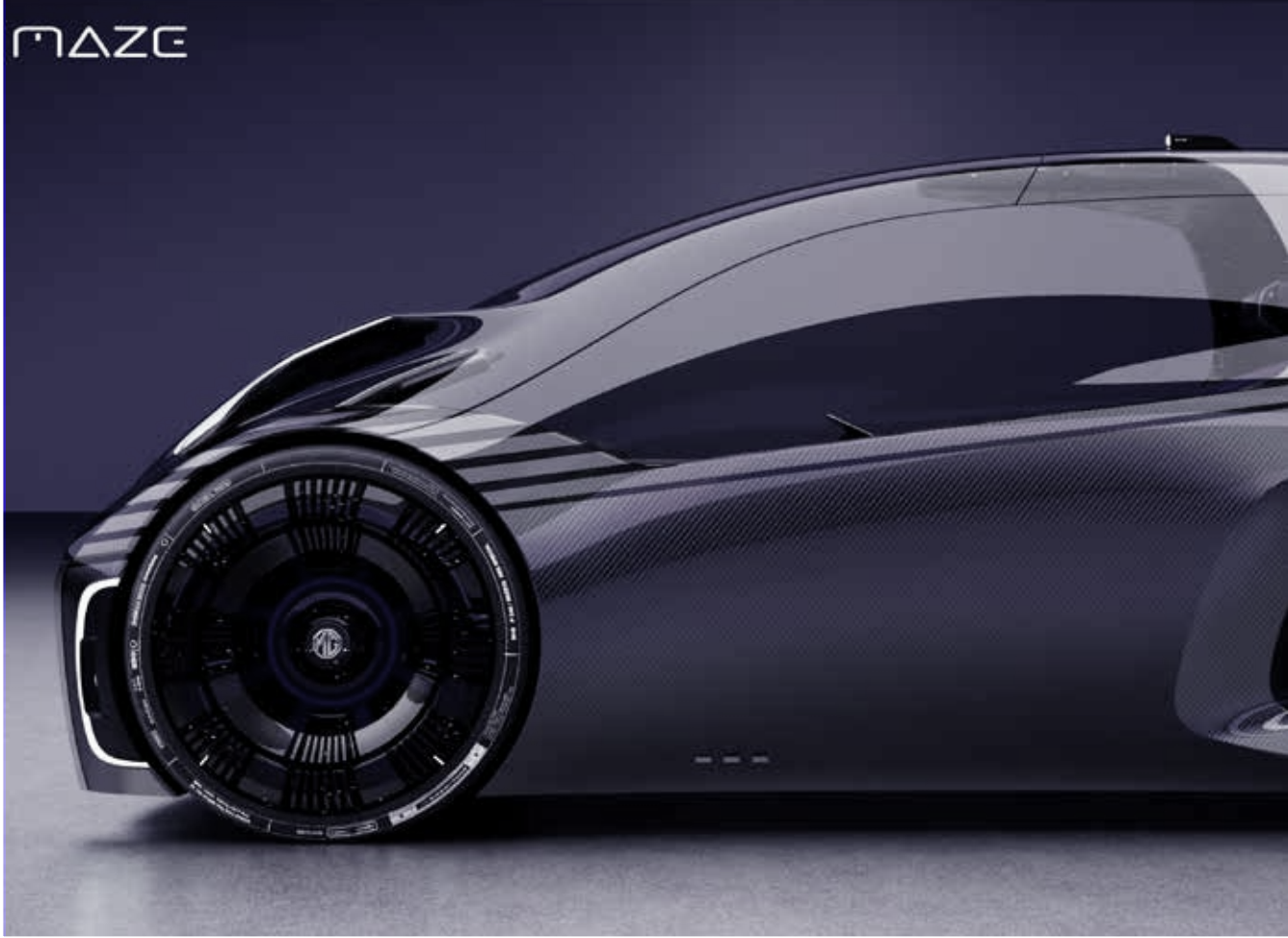
Revenue (MSEK)

108

Employees



MAZE





03

Retail

Summary

Sweden

Norway

Belgium

Switzerland

Germany

Used vehicles, all countries

Brands

31

Total Brands

 **Hedin Bil**



 **KC MOTORS**



  **HEDIN PERFORMANCE CARS**



  **Bavaria**



 **HEDIN AUTOMOTIVE**



 **HEDIN AUTOMOTIVE**



 **KWAUTOHAUS**



Subsidiaries

Sweden

- Hedin Göteborg Bil AB
- Hedin Helsingborg Bil AB
- Hedin Stockholm Bil AB
- Hedin Örebro Bil AB
- Hedin Mölndal Bil AB
- KC Motors AB
- Hedin Performance Cars AB
- Hedin British Car AB
- Bavaria Sverige Bil AB
- Car store Sweden AB

Norway

- Hedin Automotive Norge AS

Belgium

- Hedin Automotive Belgium AB

Switzerland

- Hedin Automotive Switzerland AB

Germany

- KW Autohaus GmbH

Dealerships

104

Sweden

17

Norway

18

Belgium

4

Switzerland

1

Germany

144

Total



Sweden

hedinbil.se | bavariabil.se | porsche.com*

The group offers a full-service concept in Sweden with new and used passenger cars, commercial vehicles and trucks, financing, service agreements and insurance for private and corporate customers alike. The vehicles are sold through both multi-brand dealerships as well as dedicated single-brand dealerships and pop-ups. Operations in Sweden are conducted under the well-known brands Hedin Bil, Bavaria, Hedin Performance Cars and KC Motors.

The year has been challenging due to the ongoing pandemic, and the business has on several occasions had to adjust the operation in accordance with the recommendations of the Swedish Public Health Agency. The global semiconductor shortage has led to long delivery times for new cars and spare parts. During the fourth quarter most brands suffered from these delivery issues. The lead time in the workshops has been longer due to a shortage of spare parts. The supply of cars and spare parts remains a question mark at the start of 2022 and supply is forecasted to be limited in the first half of the year before stabilizing. The delivery challenges have led dealers to carry a record high order backlog into 2022.

The new conditions in the market have led to a change in customer behaviour, and customers today visit the showrooms at an earlier stage in the process. From customers visiting the dealerships, a larger proportion complete their purchase. The total market declined in the autumn but after a strong spring, the Group's passenger car sales ended up +10 percent in Sweden, while the total market in only increased by +3.1 percent for the full year.

Some of the changes we see in the Swedish market are that more than half of all cars sold to private customers are now sold via private leasing and that as many as 45 percent of cars are chargeable cars, compared to 32 percent last year. One of the Group's success factors was the rapidly growing demand for MG (ZS/EHS) cars, which are now sold at 30 of our locations in Sweden. This, together with strong product portfolios from our other brands, positions us as one of the leading dealers in the fast-growing electric car segment.

With the ambition to be the "Employer of the Future" with the best, happiest, most loyal and committed employees in the industry, a range of activities will be offered throughout the year. For example, a leadership development program will be offered, and several employee benefits have been updated. Hedin Performance Cars and Bavaria were awarded the Great Place to Work certificate, proving that that the companies are perceived as a great place to work by its employees.

Please find your facility via Porsche's central website, [porsche.com](https://www.porsche.com)





Summary per company

Hedin Göteborg Bil AB achieved a record result, with a +10% increase in sales for the year. The workshops increased both their efficiency and upselling, and the year also ended strongly for the order book in the Vans segment. A brand new showroom was opened on Avenyn in central Gothenburg to showcase the new brand, MG.

Hedin Helsingborg Bil AB improved the result in both sales and service and ended year with the largest order backlog ever. Two new MG single brand facilities were opened in Helsingborg and Löddeköping during the year.

Hedin Örebro Bil AB increased sales by +21 percent during the year; an effect of better sales performance and the addition of the new MG brand.

Hedin Stockholm Bil AB grew from nine car dealerships at the beginning of 2021 to 19 dealerships in December 2021. Sales and deliveries increased by + 20%, which is well above the industry average for both new and used cars.

Hedin Mölndal Bil AB experienced intensive growth during the year and the operations in Stockholm were expanded with dealerships in Akalla and Danderyd. Three additional dealerships were acquired in Enköping, Halmstad and Värnamo. Despite large investments and costs, the company has generated an expected positive result and the number of cars delivered in the last year has increased to approximately 10,000 compared to 4,500 cars in the previous year. The workshops are also showing strong growth with an increase of 23 percent.

KC Motors AB increased the number of cars sold and delivered by + 13 percent in 2021 year-on-year. Unlike the other companies in the Group, the pandemic has not had any significant impact on KC Motors other than the noticeable change in the customer behavior, where customers today visit the showrooms at an earlier stage in the process.

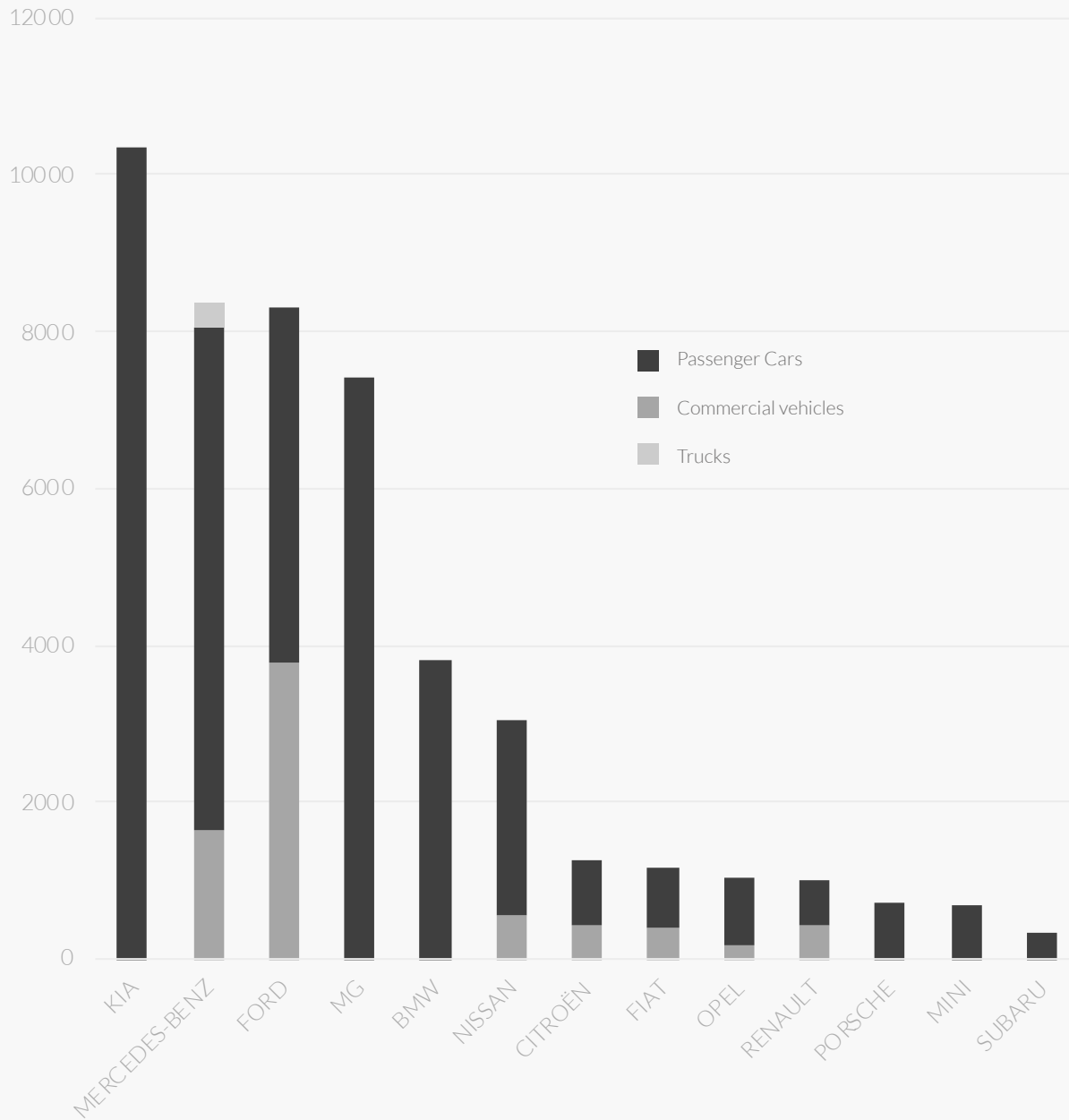
Bavaria Sverige Bil AB had an incredibly strong performance in the Norrland region where sales increased by as much as 58 percent. Bavaria had its strongest year to date with a profitability of 125.8 MSEK and 3.8 percent in operating margin. The new dealers in Stockholm, Kista, Solna United and MINI Danderyd, have also developed well during the year and are performing according to plan.

Hedin Performance Cars AB has suffered from disruptions in production due to the semiconductor shortage and the number of new cars sold and delivered decreased to 645 cars from 660 cars in 2020. For the used car market, it was a good year with an increase to 821 cars from 721 in the year before. AutoFlorio AB, which operates Porsche Center Umeå was acquired during the year becoming the 7th facility in Sweden.

Hedin British Car AB In connection with the purchase of BilMånsson in Halmstad at the turn of the year 2021, Hedin British Car AB was formed. The business, which includes the Jaguar and Land Rover brands, operated today at 4 facilities. Except in Halmstad is located in Gothenburg, Örebro and Linköping. During Q2 2022, a new, modern full-service facility for Jaguar / Land Rover to open in Linköping.

Sweden

Retailed, new vehicles



40,774

Retailed, new passenger Cars

7,651

Retailed, new vans

300

Retailed, new trucks

16,635

Revenue (MSEK)

104

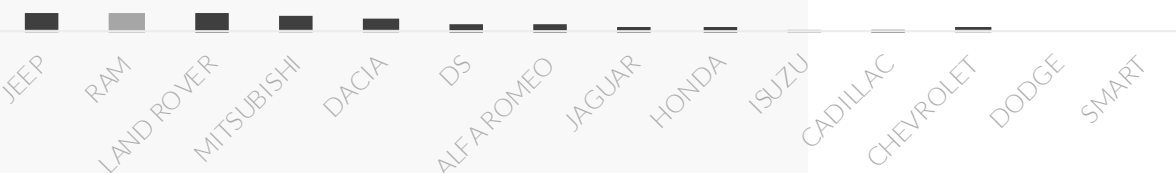
Dealerships

30

Brands

2,118

Employees



Norway

4,806

Revenue (MSEK)

8,063

Retailed, new vehicles

17

Dealerships

4

Brands

410

Employees



bavaria.no | porsche.com*

The market in Norway ended at +25% for the full year, while our sales increased by +17 percent. Chargeable vehicles increased further and accounted for 85 percent of sales, of which 65 percent were 100 percent electric.

Bavaria had a good year in 2021 with all-time-high turnover and a +14 percent in delivered new cars and an +8 percent increase in used cars. A new record was also set in incoming orders with an increase of +64 percent compared to last year. The BMW i4 became the best-selling car model with 1,664 contracts, closely followed by the BMW IX with 1,337 contracts. The order backlog when closing the year was at a record level with 3,577 cars.

It has been something of a challenging year in the workshops due to Covid and a lower level of activity, and the company has been working hard to fill the dealers' workshops. The hard work resulted in a +10 percent increase in workshops and a +11 percent increase in spare parts.

During the year, a successful implementation of Bavaria's robotised central warehouse and logistics hub was carried out. Bavaria Kristiansand moved into a new bodyshop and expanded its mechanical workshop.

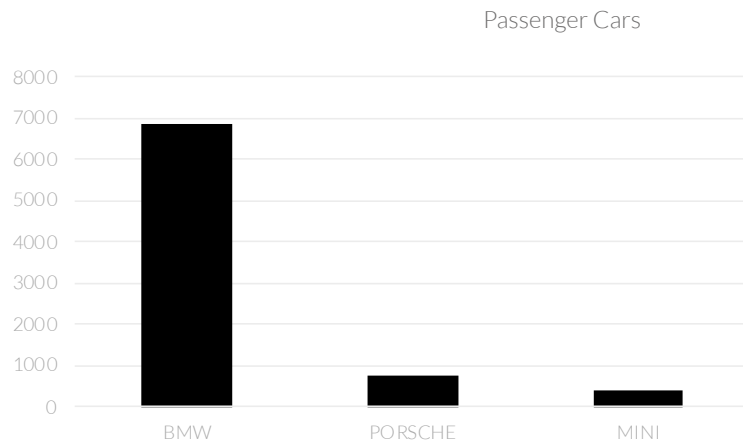
Porsche Center has suffered from production disruptions related to semi-conductor shortages and the ongoing pandemic but managed to deliver 477 new cars which is an increase from 435 cars in 2021. 52 percent of the total deliveries of new cars were electric cars. Several new car models were launched during the year; the all-electric crossover Porsche Taycan Cross Turismo, the 911 GT3 and 911 GT3 Touring, 911 GTS and Cayenne GT Coupe.

Sales and deliveries of used cars fell slightly to 448 cars from 454 cars in 2020, but workshops performed very well, showing an increase of +43 percent.

In the coming year, several projects will be launched to centralise operations in Norway, including opportunities for management development through leadership training.



New retailed vehicles



*Please find your dealership through Porsche's central website, porsche.com

Belgium

hedinautomotive.be

In Belgium, the market decreased by -11 percent, while we increased by +15 percent.

Covid-19 and the shortage of semiconductors have had a severe negative impact on our ability to deliver customer sold vehicles. We started the year with a high and diversified stock of vehicles, but ended the year without a significant inventory. In the early stages of the Covid-19 restrictions, Hedin Automotive ordered and planned a sales campaign of the Camper Van, Mercedes-Benz V-class Marco Polo. With more than 100 Marco Polo's sold, Hedin Automotive has managed to become the number 1 retailer of Marco Polo's in the BeNeLux.

Hedin Automotive in Belgium started 2021 with the digital Brussels Motor Show. The traditional vehicle exhibition was replaced with a strong digital media presence, combined with local dealer activities. The customers have responded well to the digital transformation and all business units reported strong sales.

Recent changes in company car taxation has increased the demand of PHEV and BEV vehicles. Throughout the year, we have focused on adjustments to meet new customer requirements. To meet the changing demand and to spearhead the transformation towards selling environmentally friendly vehicles, Hedin Automotive has pioneered an EQ experience center in Gent. Over a 5-month period, internal staff, fleet and VIP customers had the opportunity to learn about the BEV technology and product line-up of Mercedes-Benz and Smart. This was then followed up with staff training and subsequent certification.

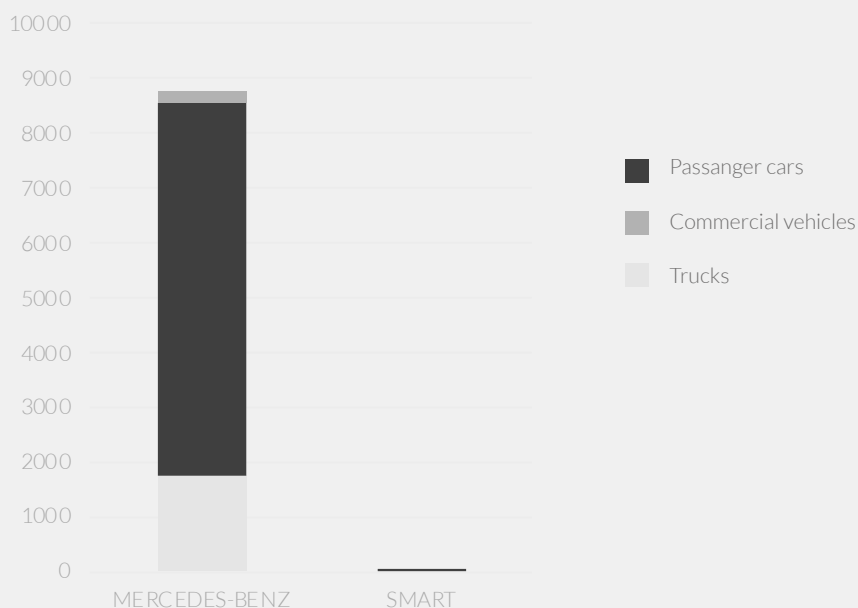
In late autumn, Hedin Automotive held a large and successful test drive event for electric vehicles.

At the end of 2021, Hedin Automotive took the first step, into the multi-brand strategy, by acquiring the first Toyota and Lexus dealership.

Just before 2021 ended, we launched our own car leasing company, Unifleet.

At the beginning of 2022, the future looks brighter than in recent years.

New retailed vehicles



6,836

Retailed new passenger cars

1,765

Retailed, new vans

191

Retailed, new trucks

4,444

Revenue (MSEK)

20

Dealerships

4

Brands

545

Employees

”

We have learned an important lesson in 2021; Selling is one thing, but delivering is something else entirely.

Henrik Lessel, CEO Hedin Automotive Belgien

Switzerland

1,823

Revenue (MSEK)

1,986

Retailed, new vehicles

4

Dealerships

3

Brands

230

Employees





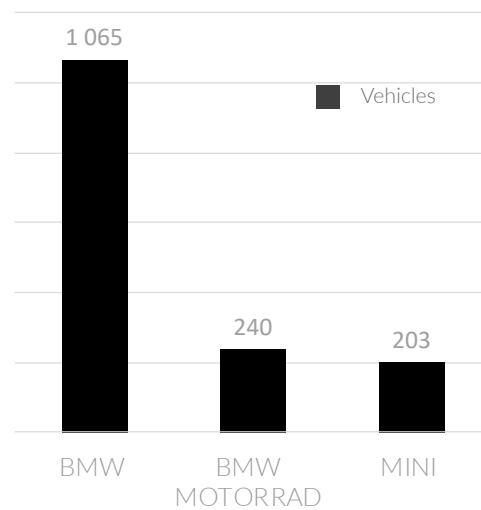
In 2020, Hedin Automotive expanded to Switzerland through the acquisition of three BMW and MINI dealerships in the greater Zurich-area; an important milestone in the strategic vision to strengthen the Hedin’s position in Europe, leveraging on the existing, strong alliance with BMW. The company since announced a name change to Hedin Automotive AG reflecting the Swedish ownership, corporate culture, and vision for the future. With annual sales of around CHF 200 million, 230 employees and around 2,000 new vehicles sold per year, Hedin Automotive AG runs one of the larger workshop operations in Switzerland.

Hedin Automotive AG is part of Hedin’s Scandinavian BMW division, Hedin Automotive headquartered in Norway. The Company also owns and operates Bavaria, one of the largest dealer groups of BMW and MINI in the Nordics. Hedin Automotive today is one of the largest partners for BMW and MINI in Europe.

Hedin Automotive AG grew further in June, as it welcomed the strategically important bodyshop and paint supplier CaroLack Galliker to the group.

The year 2021 was a year of transformation for Hedin Automotive AG. Through a program designed to harmonize and simplify processes and working methods, Hedin Automotive AG ensured significant synergies and a foundation for profitable growth. In October, Hedin Automotive launched its strategic program “Next Level”, setting the strategic priorities and activities. Next Level will ensure the right competence, capabilities, focus and organizational culture to be able to deliver on the DNA “Surprisingly different, noticeably better”. The priorities for 2022 include learning and competence development, leadership and succession, paving the way for long-term growth in Switzerland.

New retailed vehicles



Germany

kwautohaus.de

In June 2021, KW Autohaus GmbH, a retailer of new and used Dodge and RAM, opened up for online sales as well as a temporary showroom at KW Technology Center in Bremerhaven, Germany. New facilities are being evaluated and the goal is to move to a new property with an area of at over 200 square meters, during the first half of 2022.

The ambition is to create a 360° american automotive hub in Bremerhaven, the flagship of KW Group, offering to final customer all the product and services Klintberg and Way group can provide, from homologation and new vehicles to accessories, spare parts and technical service. Private financing and leasing programs will soon be added to the portfolio.

7

Revenue (MSEK)

11

Retailed, new vehicles

1

Dealership

1

Employees

2

Brands





Used Cars

SWEDEN | NORWAY | SWITZERLAND | BELGIUM

carstore.se | hedincertified.se | hedinauction.se

Car Store Sweden AB is a wholly owned subsidiary of Hedin Mobility Group. The company aims to be the natural choice for buying, exchanging, or selling used cars in physical stores or online. Car Store is situated in several locations in Sweden; Täby in Stockholm, Kungens Kurva in Stockholm, Malmö, Mölndal in Gothenburg, as well as in Stavanger in Norway. Sales during the year amounted to 1,194 compared to 719 cars in 2020, an increase of 66 percent or 475 cars.

The ongoing pandemic has affected the company in many ways, and we saw a certain decline in sales towards the end of the year. The general advice communicated by the government and the Public Health Agency led to a decrease in the number of visitors to the car dealerships in the last quarter of 2021, while the traffic on the website increased significantly.

Uncertainty about the pandemic is still high and sales are expected to continue to decline in early 2022. The past year has also seen a significant used car shortage across Europe due to the problematic semiconductor shortage. However, the group's well-stocked order books for new cars predict a better inflow of used cars for the year.

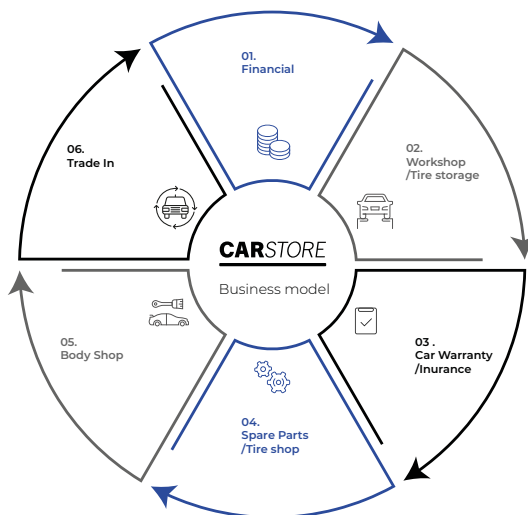
Many new establishments in Sweden and Norway are planned for the year and collaborations will be initiated in Belgium, Switzerland and the Netherlands. This will create good and necessary growth in the company.

The long-awaited Europe Auction for the sale of used cars will be launched during the year. To meet the demand from the Auction and to secure a natural and stable flow of used cars at our dealerships around Europe, the number of employees in the central purchasing team will be doubled.

The general feeling is very good, and the company's expectations for the financial year are high. 2022 is expected to be Car Store's breakthrough year!

Hedin Certified sells used cars and is located as a separate department integrated in our new car dealerships.

At Hedin Auction, cars are sold at online auctions and the company currently has around 1,000 car dealers as customers.

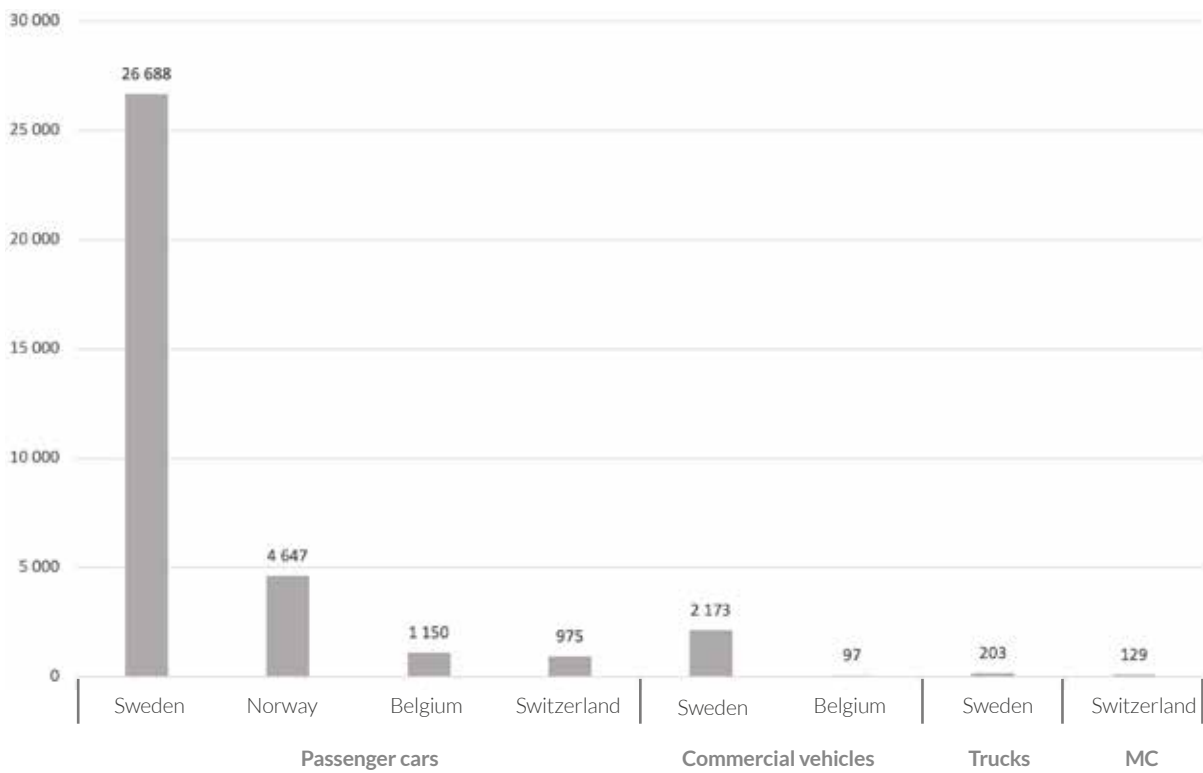


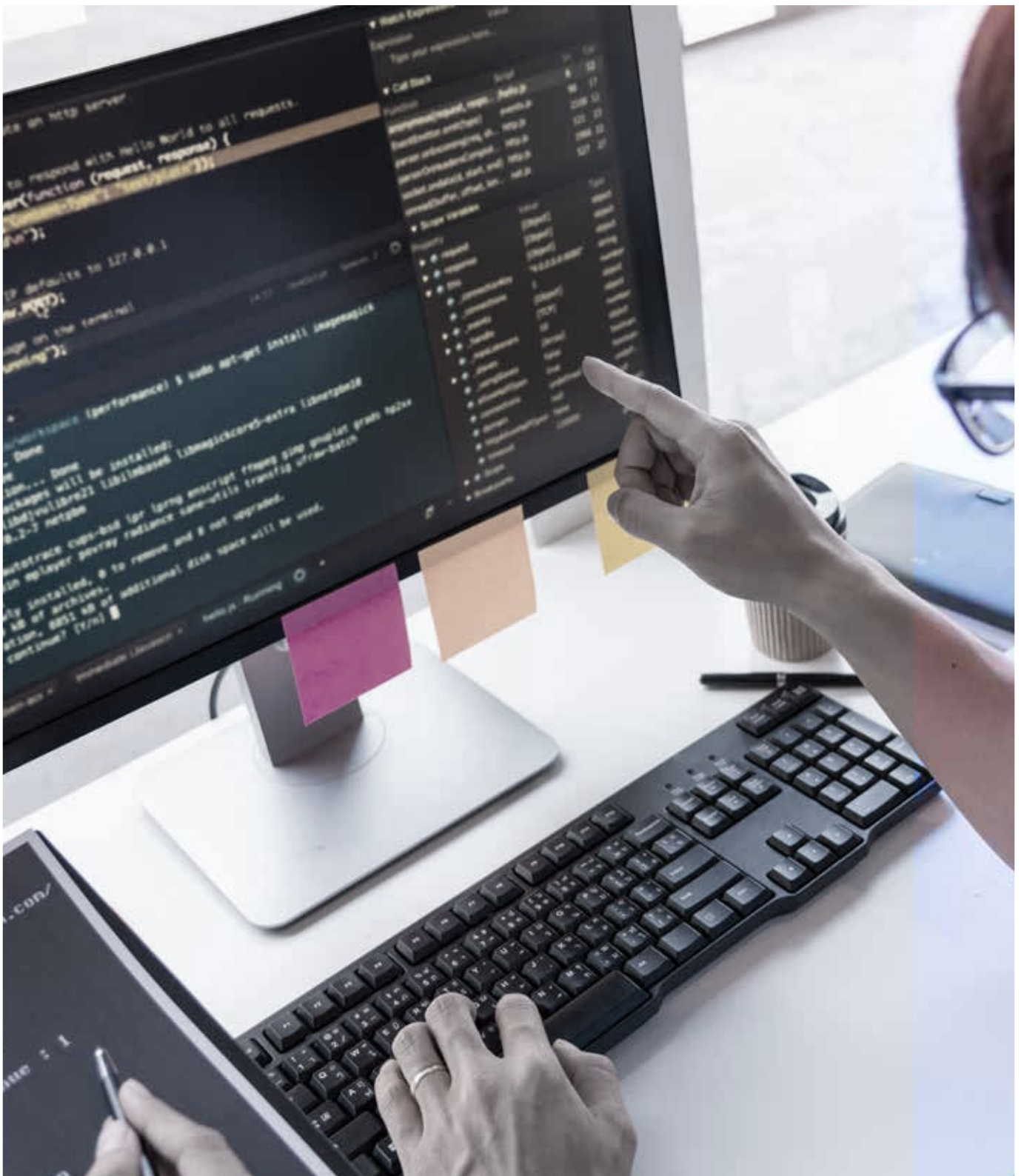
36,092

Retailed used vehicles



Retailed, used vehicles





04

IT

Hedin IT AB

Hedin IT AB

hedinit.se

2021 was an exciting year with focus on strengthening all groups with more talented employees enabling Hedin IT to take on future challenges, while maintaining the service level for existing operations at the same time.

During the year, Hedin IT handled just over 25,000 cases and answered more than 15,000 telephone calls. A comprehensive approach has been taken on the telephony side with in-house administration of the switchboard and a new service manager.

Retail

Within Business Intelligence, we have worked on further developing our service market, which now enables the follow-up in several new areas such as service agreements and best practice reports.

At the end of the year, an agreement was signed with Incadea for the implementation of Incadea DMS in the Norwegian operations during 2022.

Distribution and import

We started the year with the configuration and deployment of Pinewood IMS for Hedin Motor Company and all integrations around spare parts, price files, banks, the Swedish Transport Agency, service agreements and so on. In parallel, we launched our new DealerPortal, which has grown into a powerful tool for all dealerships in 2021. We continue to focus on building smart tools with new features and solutions for our dealers.

Strong collaboration within the BI team has resulted in creating visibility for the various flows within the operation. The businesses can now track all their production through sales analysis, spare parts reporting, and market analysis. The companies' benchmark data is managed via Vroom and Industry Data.

In 2021, we expanded the focus on our proprietary IMS substantially; a Core product built on Microsoft Business Central with in-house developed support features.

Digital and Online

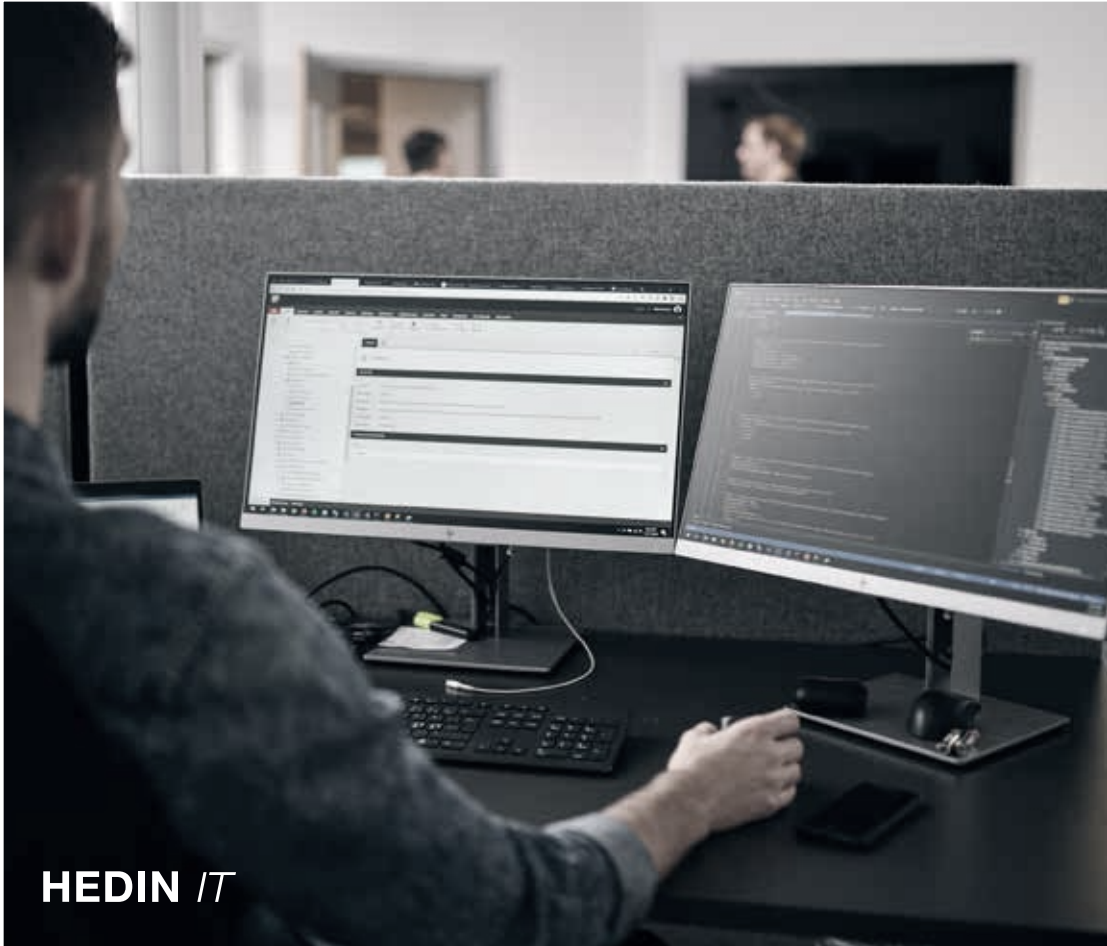
Many new sites were launched during the year, including:

- shop.hedinbil.se - The group's new e-commerce platform, the first to launch being tires and rims.
- hedingroup.com - New modern website for the group
- kwautohaus.de - Sale of Dodge and Ram on the German market
- ford2go.se - Private leasing offering with fully automated checkout with BankID

We raise our gaze

We are rolling out our new service desk system across the group, including integrated order management and automatic user account generation. As part of this project, we will also review all of our commitments to the business, so that we can deliver the best service when the business needs it. On the infrastructure side, we are bringing a new SQL cluster into production, and we are also completing our new data centre in Zurich to be ready for possible expansion in Europe.

The migration of the Norwegian operations is now being planned in detail and will be deployed in the first half of 2022.



HEDIN *IT*

99

Revenue (MSEK)

37

Employees





05

Construction and real estate

Tuve Holding AB

SWEDEN

Tuve Bygg AB

tuvebygg.se

The right way forward with a strong identity

The year 2021 was a year when the order books were filled up considerably with a total of SEK 2,227 million. The total order backlog left to produce at the end of the year was SEK 3,030 million. The continued Corona pandemic meant a lot of delayed deliveries and a higher absence due to illness, which meant a more tight schedule than usual in many projects. The customers have shown a good understanding of this.

The market fluctuated really fast compared to the year before, many property developers chose to start their projects, despite some uncertainty associated with the Corona pandemic.

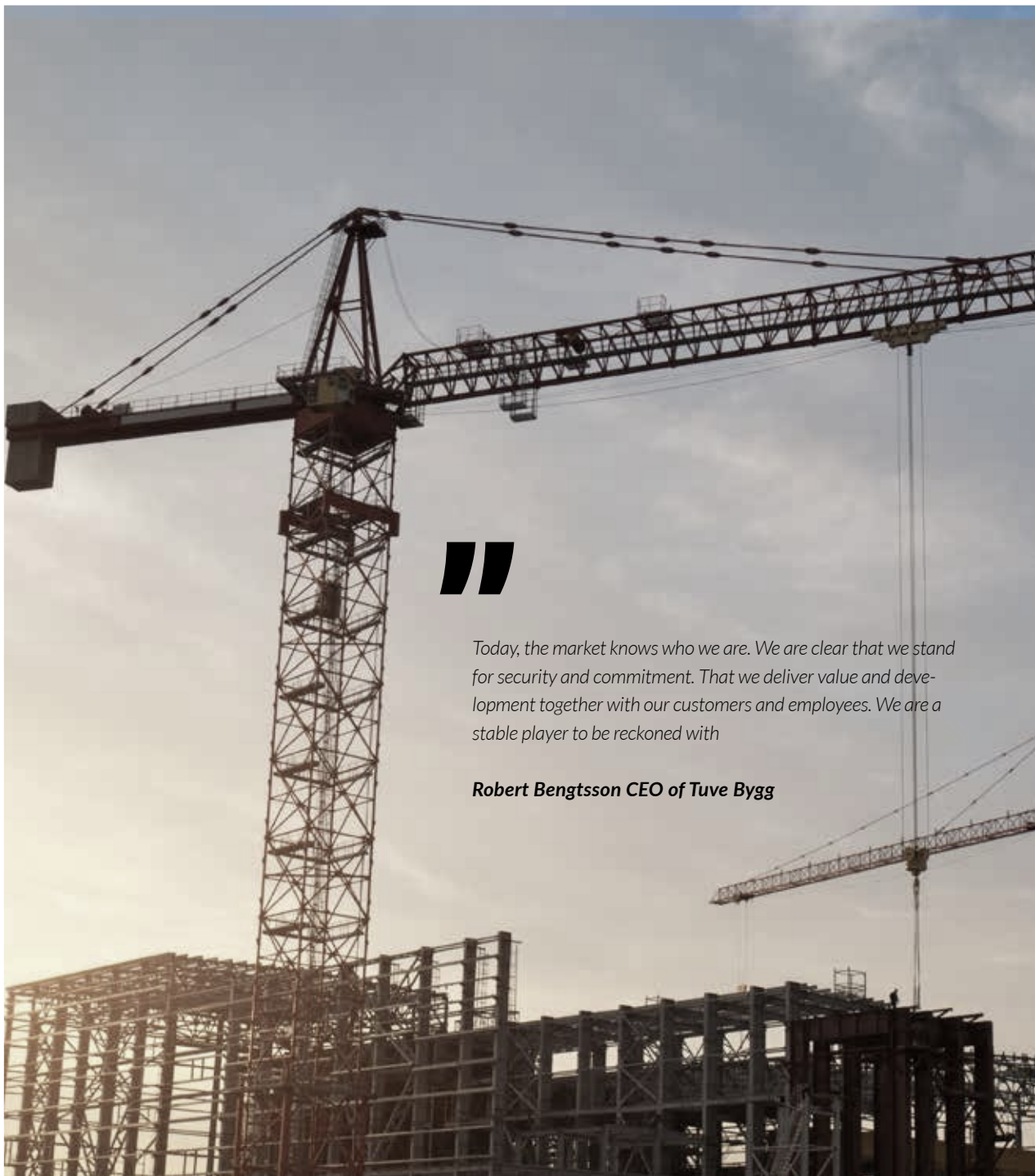
This year's largest contract is a housing project for Magnolia in Gothenburg with a contract value of approximately SEK 500 million. Additional projects were contracted with among others, Balder, the City of Gothenburg and Skandiafastigheter, which makes the mix of customers is really good. During the year, 45% of sales were work for public clients and the rest for private companies.

The order books was also filled-up with in-house developed projects, including an industrial premise in Skövde, acquisition of land in Lindome for a JV (joint venture) with Infrahubs as well as the acquisition of a site in Varberg that will be used for development within the Hedin Group. On the positive side, some projects went better than planned, but postponed projects in combination with large write-downs in some projects meant that the year's overall results were lower than expected.

The companies Tuve Snickeri and Tuve Byggservice delivered according to plan and Tuve Byggservice added a number of new customers, including insurance companies and Stena Fastigheter.

In 2021, we refined our business plan based on the new market conditions and at the same time worked out four concrete focus areas with clear measurable sub-goals, so that we never lose sight of the way forward. Our values remains as a foundation in everything we do and we have also supplemented with an employee promise that creates further clarity about what it is like to work at Tuve Bygg.

In 2021, Hedin Group strengthened its ownership in Tuve Holding AB to 97%. The increase is seen as positive and sends strong signals to the market that our owners believe in the business.



”

Today, the market knows who we are. We are clear that we stand for security and commitment. That we deliver value and development together with our customers and employees. We are a stable player to be reckoned with

Robert Bengtsson CEO of Tuve Bygg



06

Investments

Consensus Asset Management AB

Lasingoo Sverige AB

Ripam Invest AB

Pendragon PLC

Consensus Asset Management AB

consensus.se

In 2021, the company reached a revenue of SEK 204 million and a profit of SEK 100 million, which is the company's second best result ever. The business volume increased by just over SEK 3 billion (33%) to approximately SEK 12 billion, which is in line with our set goals and also a central measurement of value for our continued growth journey.

The fund assets for the company's four funds amounted to SEK 2.8 billion (2.4) at the end of the year, of which SEK 2.1 billion is Consensus Småbolag. Consensus Småbolag is the company's flag ship fund, investing in the Nordic countries. It is a five star rated Morningstar fund with an average annual return of 30% per year since interception (2016).

Our organic growth has continued and during the autumn we established an office in Eskilstuna which in a short time has made an impression in the local market with a good influx of customers. Consensus' head office is located in Mölndal, Gothenburg and the other offices are located in Borås, Värnamo, Jönköping, Halmstad, Malmö and Eskilstuna.

Hedin Group's shares in Consensus amounts to 28 percent.

Lasingoo Sverige AB

lasingoo.se

Lasingoo is an industry-owned online portal for comparison and booking of services, mainly focused on passenger cars.

Lasingoo is jointly owned and operated by AD Bildelar, Autoexperter, Bosch Car Service, Hedin Bil, OKQ8 and Mekonomen Group. This is a completely unique investment from the largest workshop players in Sweden and today just over 2,000 workshops are connected to the service.

The portal offers the costumers control over all costs associated with car ownership and streamlines the workshops' booking processes. The platform has been in operation in Germany since 2012 and was launched in Sweden in the spring of 2015.

Hedin Group's share in Lasingoo amounts to 24.48 %.

Ripam Invest AB

marstrandskurhotell.com | societetshuset.se

Societetshuset and Marstrands Kurhotell are located 45 km north of Gothenburg on the island of Marstrand. The business is active in the hotel and restaurant segment and is operated by the company Ripam Invest AB, where Hedin Group is one of the main owners with a 50 percent share.

The retreat hotel Marstrands Kurhotell premiered in the summer of 2020 and is beautifully located with water in all directions, quiet sunsets and focus on peace and quiet. The hotel has 40 rooms, all of which had good occupancy during the Swedish high summer of 2021. The renovation of the hotels dining room, gym and sauna was also completed during the year.

From June 1 to August 31, the previous winner of "Årets kock" (chef of the year) Gustav Trägårdh and his team visited Marstrand to compose and cook the food during the reopening of the restaurant Övre verandan. The visit turned out very successful and was appreciated among the restaurant's guests.

Societetshuset is known for its grand parties and arranges most types of events, such as weddings, corporate events and larger parties. The year 2021 offered unique conditions, to say the least, due to the prevailing pandemic and subsequent recommendations. The number of events was therefore very limited during the year and conferences among other events had to be postponed to the future.

Expectations are high for the year 2022 and about 40 events are already booked for the season May to September. The agenda includes weddings, conferences and larger parties.

During the year, the work with the plan changes for a cold bath house, a hostel and pavilions as well as renovation of Societetshuset will continue.

Hedin Group's share in Ripam Invest AB amounts to 50 percent.

Pendragon PLC

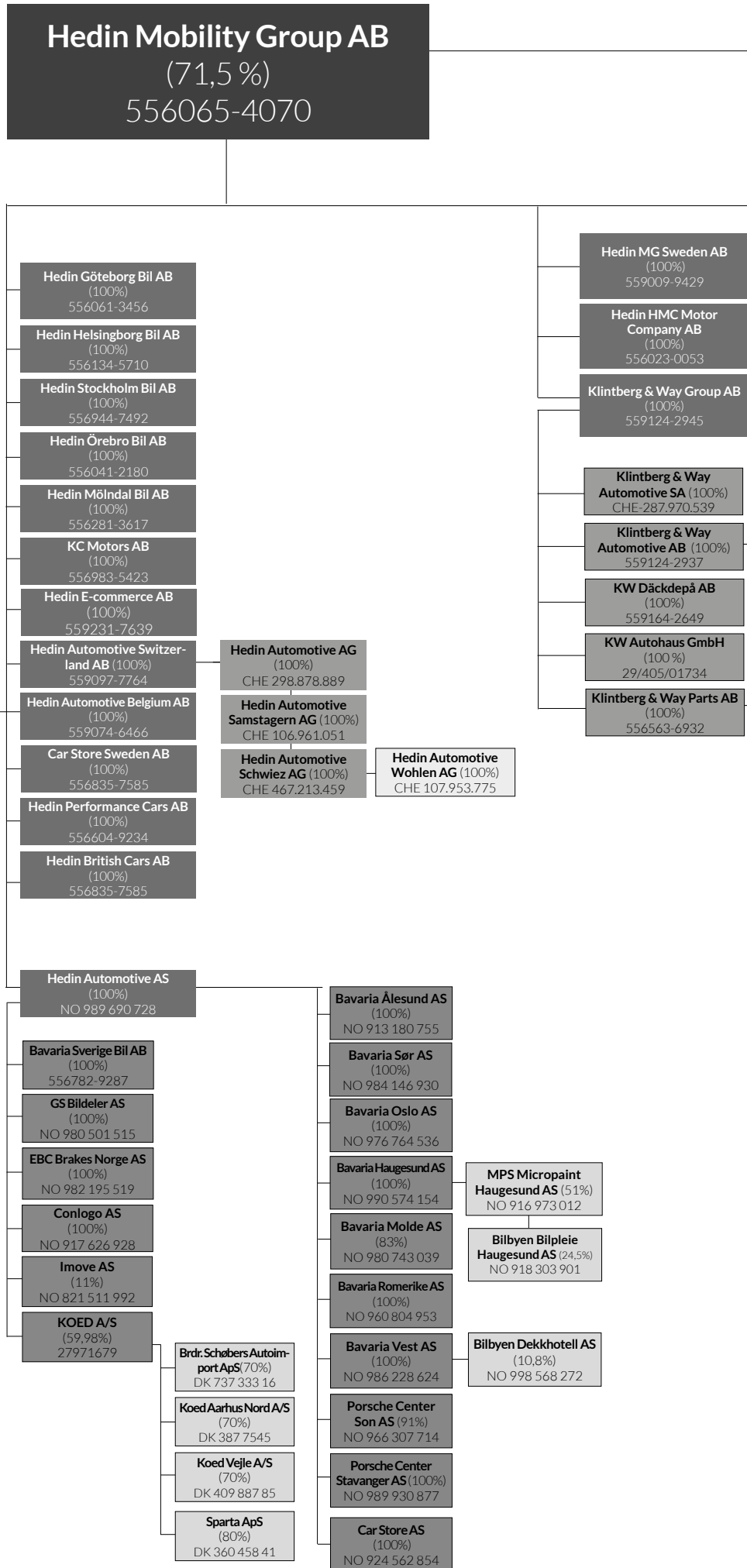
pendragonplc.com

Pendragon PLC is one of the UK's leading automotive retailers, operating over 160 locations nationwide. The retail divisions operate under the brands of Evans Halshaw, Stratstone and Car Store, whilst the other businesses include Pendragon Vehicle Management, providing B2B fleet and leasing solutions, Quickco, the UK's largest genuine parts distributor, and Pinewood, the innovative software provider.

Pendragon is the retailer of Citroën, Dacia, DS, Ford, Hyundai, Kia, Nissan, Peugeot, Renault, SEAT, Vauxhall, Aston Martin, BMW, MINI, Ferrari, Jaguar, Land Rover, Mercedes-Benz, smart, Porsche and Harley-Davidson.

Hedin Group's shares in Pendragon amounts to 26,19 percent.

Organization structure Hedin Group



Hedin Group AB

556702-0655

Car to Go Sweden AB
(100%)
556787-8052

Unifleet AB
(100%)
556254-5193

MABI Mobility AB
(100%)
556675-9394

Mabi Sverige AB
(100%)
556334-4901

Flexilease AB
(100%)
559061-2726

Lasingoo Sverige AB
(24,48%)
556973-1630

Pendragon Plc.
(26%)
02304195

Hedin IT AB
(100%)
556954-4017

I.A. Hedin Fastighet AB
(100%)
559015-6708

A.H. Värdepapper AB
(100%)
556707-7440

Consensus Asset Management AB
(28%)
556474-6518

Tuve Holding AB
(97%)
559010-4419

Ripam Invest AB
(50%)
556870-7540

KW Homologering AB
(80%)
556720-8300

BHC GmbH
HRB.30976

KW Parts NV
(100%)
BE 0453.881.311

Klintberg & Way AS
(100%)
977515998

KW Parts GmbH
(100%)
HRB.144881

Dawa Däck AB
(100%)
556437-9344

Pro-Imp AB
(100%)
556478-3412

KW Wheels AB
(100%)
556969-3624

Inter Wheel Sweden AB
(100%)
556367-8977

Pickup XL AB
(100%)
559299-5376

Norrlands Custom AB
(100%)
556785-7577

FINANCE - FIVE-YEAR SUMMARY

MSEK	2021	2020	2019	2018	2017
Net sales	34,486	27,526	25,971	24,184	14,552
Operating profit	1,444	806	337	223	212
Financial income and expense	-277	-245	-255	-203	-155
Profit before tax	1,167	561	82	19	57
Tax	-251	-114	-32	-3	-41
Profit for the year	916	447	50	16	16
Intangible fixed assets	2,193	2,061	2,110	1,758	1,427
Tangible fixed assets	12,924	9,339	7,989	2,419	1,725
Financial fixed assets	1,163	534	491	272	300
Inventories	4,363	3,623	3,715	3,845	3,439
Accounts receivables	1,766	1,337	1,446	1,142	942
Other current assets	2,879	1,128	1,140	1,068	1,329
Total assets	25,288	18,022	16,891	10,504	9,162
Equity	6,814	2,084	1,803	1,892	1,919
Non-current liabilities	9,849	9,112	7,980	2,721	2,622
Accounts payables	2,745	2,446	2,312	2,089	2,257
Other liabilities	5,880	4,379	4,796	3,800	2,364
Total equity and liabilities	25,288	18,021	16,891	10,502	9,162
Cash Flow from Operating activities	3,344	2,225	1,686	48	141
Cash flow from Investing activities	-4,868	-1,042	-1,679	-1,466	-965
Cash Flow from Financing activities	3,095	-1,078	60	1,094	1,329
Cash flow for the year	1,571	105	67	-324	505
Equity to assets ratio	34%	16%	15%	18%	21%
Return on equity	21%	23%	3%	1%	1%
Number of employees	3,815	3,216	3,238	2,939	2,008

The figures for 2019 are in accordance with IFRS16. Earlier years have not been recalculated.

MEUR	2021	2020	2019	2018	2017
Net sales	3,372	2,742	2,489	2,354	1,477
Operating profit	141	80	32	22	21
Financial income and expense	-27	-24	-24	-20	-16
Profit before tax	114	56	8	2	6
Tax	-25	-11	-3	0	-4
Profit for the year	90	45	5	2	2
Intangible fixed assets	214	205	202	171	145
Tangible fixed assets	1,264	931	766	235	175
Financial fixed assets	114	53	47	26	30
Inventories	427	361	356	374	349
Accounts receivables	173	133	139	111	96
Other current assets	282	113	109	104	135
Total assets	2,473	1,796	1,619	1,022	930
Equity	666	208	173	184	195
Non-current liabilities	963	908	765	265	266
Accounts payables	268	244	222	203	229
Other liabilities	575	436	460	370	240
Total equity and liabilities	2,473	1,796	1,619	1,022	930
Cash Flow from Operating activities	327	222	162	5	14
Cash flow from Investing activities	-476	-104	-161	-143	-98
Cash Flow from Financing activities	303	-107	6	106	135
Cash flow for the year	154	11	7	-32	51
Equity to assets ratio	34%	16%	15%	18%	21%
Return on equity	21%	23%	3%	1%	1%
Number of employees	3,815	3,216	3,238	2,939	2,008
Exchange rate SEK/EUR	10.23	10.04	10.43	10.28	9.85

The figures for 2019 are in accordance with IFRS16. Earlier years have not been recalculated.

BOARD OF DIRECTORS' REPORT

The Board of Directors and CEO of Hedin Group AB, corporate ID 556702-0655 hereby presents the Annual report and the consolidated financial statements for the financial year 01/01/2021 – 12/31/2021

GENERAL ABOUT THE BUSINESS

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

Retail

In the business area Retail, Hedin Mobility Group AB is operating authorized sales and after sales facilities for passenger vehicles, commercial vehicles and heavy trucks in Sweden, Norway, Belgium and Switzerland. The brands represented by Hedin Bil in Sweden are Mercedes-Benz, Jeep, Dodge, RAM, Smart, Nissan, Citroën, DS, Fiat, Cadillac, Corvette, Chevrolet, Chrysler, KIA, Opel, Dacia, Renault, Abarth, Honda, Jaguar, Alfa Romeo, Subaru, Isuzu, Range Rover, Land Rover, MG and Ford. The brands represented by Bavaria are BMW and MINI in Sweden and Norway. Porsche is sold in dedicated Porsche Centers in Sweden and Norway under the trademark Hedin Performance Cars. The trademark Hedin Automotive is used in Belgium for sales of Mercedes-Benz and Smart, and in Switzerland for sales of BMW and Mini.

Per 31 December 2021, Hedin Mobility Group is represented through 147 automotive dealerships in Sweden, Norway, Belgium and Switzerland. 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, insurance and tire hotels.

Distribution

The business area Distribution includes import and distribution of vehicles, 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.

Klintberg & Way Parts AB further holds authorization for distribution of 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, Nokian, Pirelli and Michelin, among others. KW Wheels AB assembles and sells complete wheels on the Swedish market and is appointed distributor for Alutec-rims. Pro-Imp AB represents eight brands, including Cooper-Tire and Mickey Thompson, the leader in developing drag, street, and offroad racing tires.

Distribution and sales of spare parts for BMW on the Norwegian market is performed by GS Bildeler, and Koed for the Danish market.

Hedin HMC Motor Company AB conducts import and distribution of the Ford brand to the Swedish market. The business includes sale of new passenger cars and commercial vehicles as well as spare parts to dealers, along with financing solutions, car damage guarantee and private leasing offers.

Hedin MG Sweden AB conducts import and distribution of the MG brand to the Swedish market. MG offer electric and plug-in hybrid vehicles. The business includes sale of new passenger cars and spare parts to retailers, along with financing solutions, car damage guarantee and private leasing offers.

Mobility

Mabi Mobility Group offers short-term rentals through a full range of cars, vans 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.

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 trademark 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.

Construction and real estate

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

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

Investments

The Group has investments in the British car dealer Pendragon PLC. In addition, the company also has investments in Consensus Asset Management AB and Ripam Invest AB.

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 million SEK (MSEK)	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Net sales	34,486	27,526	25,971	24,184	14,552
Profit before tax	1,167	561	82	19	57
Total assets	25,288	18,022	16,891	10,492	9,151
Return on equity %	21	23	3	1	1
Equity ratio %	27	12	11	18	21
Equity ratio %, excluding IFRS 16	34	16	15	18	21
Average number of employees	3,815	3,216	3,238	2,939	2,008

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 October 27, an Extraordinary General Meeting of Hedin Mobility Group AB resolved on a directed share issue of MSEK 3,570 in which Erik Selin, through a company indirectly wholly owned by him, became the owner of 25 percent of the shares in the company. The general meeting further resolved on a new Group structure where all automotive related companies in the Hedin Group was consolidated under Hedin Mobility Group AB. A directed share issue to Hedin Group AB was resolved to set off the payment of the purchase price for these companies. The holdings in Pendragon PLC and Lasingoo Sverige AB have also transferred to Hedin Mobility Group AB. Hedin Group AB's holding in Hedin Mobility Group AB amounts to 71.5% after the transactions.

Retail

- Modins Bil i Uppsala AB was acquired on February 5. The company operated a Ford dealership in Uppsala.
- On April 24, MG was launched at 18 Hedin dealerships in Sweden. The launch went better than expected and by end of June a total of 1,667 cars had been registered. The model ZS EV was the best-selling electric car in June, and the second best-selling car overall.
- Hedin Stockholm Bil AB acquired a business in Segeltorp, Stockholm that was selling Subaru on May 3. The dealership on Smista Allé has been rebuilt to sell MG. The Subaru sales activities have been transferred to an existing dealership next door.
- On May 20, an agreement was signed to acquire BilMånsson in Halland AB and BilMånsson BC AB. The companies include dealerships for Ford in Halmstad and Värnamo, as well as Jaguar and Land Rover in Halmstad. The acquisition was completed on July 1.
- The ownership in Porsche Center Son AS was increased on June 9, when an additional 40 percent of the shares in the company were acquired. The ownership following the transaction amounts to 91 percent.
- On June 22, an agreement was signed to acquire BilGruppen Enköping AB. The company operated a Ford dealership based in Enköping. The acquisition was completed on July 1.
- On July 9, an agreement was signed to acquire 100 percent of the shares in AutoFlorío AB, which operated Porsche Center Umeå. The acquisition was completed on September 1.
- On July 13, an agreement was reached to acquire three dealerships with sales of Renault and Dacia in North Stockholm and Uppsala, as well as the Ford After market in Stockholm and Uppsala. The acquisition was completed on October 1.

- On December 7, an agreement was signed to acquire one of the largest full-service truck dealerships in Småland, by a business transfer with Tec2 trucks in Markaryd. Closing took place on February 1, 2022.
- On December 29, an agreement was signed to acquire Toyota de Laet in Sint-Pieters-Leeuw, Belgium. This means that we welcome Toyota as a new brand in the Group, which complements the sales we currently have in Belgium with Mercedes-Benz. The acquisition was completed on January 6, 2022.

Distribution

- Hedin Group took over as importer of Ford for the Swedish market on January 4, through the acquisition of Ford's national sales company. The company has since changed its name to Hedin HMC Motor Company AB.
- KW Parts acquired the Swedish e-commerce company PickupXL on February 23. The company sells accessories for transport vehicles.
- From April 2021, Hedin Group is the distributor in Sweden of the Chinese electric car brand MG. Sales will take place both through the dealer network within Hedin Mobility Group AB, and through external resellers.
- On September 7, Norrlands Custom AB was acquired. The company imports and distributes spare parts and accessories for classic American cars.

Construction and real estate

- On February 26, an additional 22% was acquired in Tuve Holding AB and the ownership share now amounts to 97.03%.

Investments

- The Group has further invested in the British car dealer Pendragon PLC, and its holding amounts to 26.1% on the balance sheet date.

Other

- 2021 has also been characterized by uncertainties due to the development of Covid-19 and its impact on the market. The business in some of our markets has been partly closed due to government restrictions, mainly in the beginning of the year. There have been delivery problems of vehicles for the major part of the brands, due to the global shortage of semiconductors, which will continue in 2022. This has caused a record level in our order backlog, which amounted to 21,900 vehicles at the end of the year.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

- On January 6, the acquisition of Toyota de Laat in Belgium was completed. In addition, during January agreements were also reached to acquire Toyota and Lexus dealer Klaasen & Co. located in Turnhout, as well as Toyota dealer Trullemans, located in Dilbeek. Through these three Toyota dealers and a Lexus dealership, the Group has further strengthened the presence in the Belgian market.
- On January 10, it was announced that the company is acquiring all shares in Stern Facilitair B.V. from the listed automotive retailer Stern Group N.V. in the Netherlands. The agreement includes all parts of Stern's core business in the areas of retail, aftermarket, rental car and leasing operations. Stern consists of 47 full-service plants and is one of the largest car dealers in the Netherlands, representing leading brands such as Mercedes-Benz, Renault, Nissan, Ford, Volvo, Land Rover, Kia and Opel. The transaction was completed on March 16.
- Hedin Mobility Group AB has agreed, through a joint venture, together with Salvador Caetano Group, to acquire all shares in Renault Nordic AB from Renault s.a.s. The company is the importer and distributor of all brands from Renault, Dacia and Alpine in Sweden and Denmark. Hedin Mobility Group's holding amounts to 50%. The transaction was completed on May 2, 2022.
- On February 15, an agreement was signed to acquire four additional Mercedes-Benz dealers in Antwerp, Belgium, from Mercedes-Benz Group. The acquisition further strengthens the presence in the Belgian market to the existing 15 Mercedes-Benz dealerships. The transaction is subject to approval by the Belgian competition authorities.

EXPECTED FUTURE DEVELOPMENT

The business will continue to grow during next year, through the acquisitions that has been made during and after the end of the financial year. Delivery problems due to the global shortage of semiconductors will remain, but through our diversification of different brands we see possibilities to offer our customers good alternatives. The new share issue that was carried through and the restructuring of our Group provides a strong financial foundation for further growth.

RISKS

Car sales are dependent on the economic climate and this creates sensitivity in Group sales. Efficient processes and control of inventories are necessary to reduce the sensitivity in profitability. Agreements with importers are on a rolling two-year or five-year term. This highlights even further the importance of maintaining a good relationship and to build long-term partnership between importer and dealer. The Hedin Group aims to be a strategic partner for each importer and strives to build up a strong sense of trust between the parties.

The creation of a complete 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 and in well-functioning markets which further reduces risk.

The Group is also operating in several sectors of the automotive industry, including sales, service centres, car rental and spare parts, which is also contributing to a reduced overall risk.

Russia's invasion of Ukraine in February 2022 has created a great uncertainty in Europe and the rest of the world. There is a risk that this will cause a decline in economic activity in the markets, and that we enter a recession. The most important risks associated with the uncertain situation are the following:

- Demand: There is a risk that consumption of capital goods, including vehicles, will decrease to a significantly lower level over a longer period of time.
- 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 is competitive. Due to the delivery problems that we experience for the moment, the inventory is on a low level.
- Ability to deliver: The shortage of components at suppliers to the car industry have caused delayed deliveries of some models. This can affect our delivery capacity in the short-term.
- Inflation: Uncertainties in the world situation increase the cost of transport and weakening the Swedish currency. This might cause increased prices for consumers with the risk of lower demand as a result.
- 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.

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 dealerships 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 the employer brand of Hedin Bil. 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 2021 increased by 25 percent to MSEK 34,486 (27,526). The profit before tax was MSEK 1,167 (561), and net profit was MSEK 916 (447). Major costs have incurred in relation to transfers of businesses, and opening new dealerships. The profit excluding items affecting comparability amounted to MSEK 1,220 (526).

<i>Items affecting comparability (MSEK)</i>	2021	2020
Profit excl items affecting comparability	1,220	526
Capital gains and revaluations	0	38
External construction projects	-28	-14
Negative goodwill	0	45
Structural expenses	-25	-34
Profit before tax	1,167	561

FINANCIAL POSITION

As of December 31, 2021, cash and cash equivalents amounted to MSEK 1,955 (374). Together with the unused overdraft facilities, there was a payment readiness of MSEK 3,200 (1,184).

The Group's total assets amounted to MSEK 25,288 (18,022) at balance sheet date. Investments during the year in fixed tangible and intangible assets and businesses amounted to MSEK 4,471 (1,136).

PARENT COMPANY

Hedin Group AB's operations consist primarily of managing and developing its existing subsidiaries. The profit after financial items amounted to MSEK 478 (-49), and net profit for the year amounted to MSEK 457 (47).

PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

At the disposal of the Annual General Meeting of the parent company The Board of Directors proposes that unappropriated earnings of SEK 1,494,990,316 will be distributed as follows:

Dividends to shareholders	100,000,000 SEK
---------------------------	-----------------

Balance carried forward	1,394,990,316 SEK
-------------------------	-------------------

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 million SEK (MSEK)	Note	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020
Operating income			
Net sales	4,8	34,486	27,526
Other operating income	5,12	65	172
		34,551	27,698
Operating expenses			
Goods for resale	3	-26,753	-21,733
Other external expenses	7	-1,601	-1,261
Employee benefit expenses	6	-2,915	-2,395
Depreciation and amortization of tangible and intangible fixed assets	8	-1,807	-1,426
Other operating expenses	9,12	-31	-77
Operating profit		1,444	806
Profit/loss from financial items			
Financial income	10,12	37	15
Financial expenses	11,12	-330	-281
Profit from participations in associated companies	13	17	21
Profit before tax		1,167	561
Taxes	14	-251	-114
Profit for the year		916	447
Profit for the year attributable to:			
Parent company's shareholders		805	396
Holdings with non-controlling interests		111	50
Profit for the year		916	447
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of pension obligations, net after tax		-41	0
<i>Items that can be reclassified to the profit for the period</i>			
Revaluation of long-term securities holdings		181	-21
Cash flow hedging		39	0
Conversion differences		94	-128
Other comprehensive income		355	-149
Total comprehensive income for the year		1,271	297
Comprehensive income for the year attributable to:			
Parent company's shareholders		1,121	259
Holdings with non-controlling interests		150	38
Total comprehensive income for the year		1,271	297

CONSOLIDATED BALANCE SHEET

Amount in million SEK (MSEK)	Note	12/31/2021	12/31/2020
ASSETS			
Fixed assets			
Intangible fixed assets			
Intangible rights	15	83	67
Customer relations	15	304	369
Goodwill	15	1,806	1,624
		2,193	2,061
Tangible fixed assets			
Land and buildings	16	644	560
Costs incurred on another's property	16	280	272
Equipment, tools and installations	16	367	351
Leasing vehicles	16	6,406	2,984
Right-of-use assets	16	5,200	5,169
Constructions in progress	17	27	3
		12,924	9,339
Financial fixed assets			
Shares in associated companies	18	987	62
Other long-term securities	19	34	303
Deferred tax assets	26	133	163
Other non-current receivables		9	7
		1,163	534
Total fixed assets		16,281	11,934
Current assets			
Inventories, etc.			
Finished products and goods for resale		4,363	3,623
		4,363	3,623
Current receivables			
Accounts receivable	20	1,766	1,337
Receivables from associated companies		17	15
Short-term investments	21	22	16
Other current receivables		307	308
Prepaid expenses and accrued income	22	577	417
		2,689	2,091
Cash and cash equivalents	23	1,955	374
Total current assets		9,007	6,088
TOTAL ASSETS		25,288	18,022

CONSOLIDATED BALANCE SHEET

Amount in million SEK (MSEK)	Note	12/31/2021	12/31/2020
EQUITY AND LIABILITIES			
Equity			
	24		
Share capital and other contributed capital		0	0
Reserves		13	-273
Balanced earnings, including profit for the year		5,054	2,194
Equity attributable to the parent company's owner		5,067	1,921
Holdings with non-controlling interests		1,747	163
Total equity		6,814	2,084
Non-current liabilities			
Provisions for pensions	25	161	200
Deferred tax liabilities	26	215	212
Bond loans	27	0	1,496
Other liabilities to credit institutions	27	461	514
Lease liability	27	4,467	4,504
Other non-current liabilities	28	4,544	2,187
Total non-current liabilities		9,849	9,112
Current liabilities			
Overdraft facilities	27	0	640
Liabilities to credit institutions	27	907	713
Lease liability	27	661	572
Accounts payable		2,745	2,446
Tax liability		195	64
Other current liabilities	28	2,679	1,480
Accrued expenses and prepaid income	29	1,438	910
Total current liabilities		8,626	6,825
TOTAL EQUITY AND LIABILITIES		25,288	18,022

GROUP REPORT ON CHANGES IN EQUITY

Amount in million SEK (MSEK)	Share capital	Reserves	Balanced earnings, including profit for the year	Total	Holdings with non-controlling interests	Total Equity
Opening balance at 01/01/2020	0	-136	1,810	1,674	129	1,803
Profit for the year			396	396	50	447
Year's change of conversion reserve		-116		-116	-12	-128
Revaluation of long-term securities holdings		-21		-21		-21
Revaluation of provisions for pensions				0		0
Other comprehensive income for the year		-137	0	-137	-12	-149
<i>Transactions with owners</i>						
Changes in holding with non-controlling interests			-12	-12	-5	-17
Dividends				0		0
Closing balance at 12/31/2020	0	-273	2,194	1,921	162	2,084
Profit for the year			805	805	111	916
Year's change of conversion reserve		77		77	17	94
Cash flow hedging		28		28	11	39
Revaluation of long-term securities holdings		181		181		181
Revaluation of provisions for pensions			30	30	11	41
Other comprehensive income for the year		286	30	316	39	355
<i>Transactions with owners</i>						
New share issue			2,090	2,090	1,480	3,570
Changes in holding with non-controlling interests			-65	-65	-42	-107
Dividends				0	-3	-3
Closing balance at 12/31/2021	0	13	5,054	5,067	1,747	6,814

CONSOLIDATED CASH FLOW STATEMENT

Amount in million SEK (MSEK)	Note	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020
Operating activities	32		
Profit after financial items		1,167	561
Adjustments for non-cash items		1,807	1,316
Income tax paid		-173	-54
Cash flow from operating activities before changes in working capital		2,801	1,823
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease (+) in inventories		-389	270
Increase(-)/Decrease(+) in operating receivables		-256	112
Increase(+)/Decrease(-) in operating liabilities		1,188	21
Cash flow from operating activities		3,344	2,226
Investing activities			
Acquisition of subsidiaries	33	39	-125
Acquisition of associated companies		-412	0
Purchase of intangible and tangible fixed assets		-318	-218
Sale of tangible assets		30	112
Purchase of leasing vehicles		-4,982	-1,595
Sale of leasing vehicles		790	802
Purchase of financial assets		-15	-19
Divestment of financial assets		0	0
Cash flow from investing activities		-4,868	-1,043
Financing activities			
Borrowings		2,781	797
Repayment of debt		-2,552	-1,264
Repayment of lease liability		-704	-611
New share issue		3,570	0
Cash flow from financing activities		3,095	-1,078
Cash flow for the year		1,571	105
Cash and cash equivalents at the beginning of year		374	285
Exchange rate difference in cash		10	-16
Cash and cash equivalents at the end of year		1,955	374



Notes

Amounts in million SEK (MSEK) 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 31, 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 2021

There are no new standards, changes or interpretations that are entered into force from January 1, 2021, that have had a significant impact on the Group's financial reports.

New financial reporting standards 2022

There are no new standards, changes or interpretations that are entered into force after December 31, 2021, 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 or art. 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

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.

Vehicles, spare parts, and tires sold to dealers (Distribution)

Sales of vehicles, spare parts and tires are reported in accordance with IFRS15. Income is recognized at fair value of what has been received, or will be received, for goods and services sold less returns, discounts and VAT. Sales of vehicles are made through finance companies that offer consignment financing to the customer. In some cases, the customer and the finance company have the right to return the vehicles. An assessment is made of the proportion of sales that will be returned, whereby this share is not recognized as revenue. Normally, this proportion is non-existent.

Car Rental

The income is reported at the end of the rental period when it is possible to calculate the income and it is likely that the economic benefits will accrue to the company.

Construction

For performed service assignments and construction assignments in the construction business, the income and expenses that are attributable to the assignment are reported as income and expense in relation to the degree of completion of the assignment (successive profit recognition). The degree of completion of an assignment is determined by comparing booked expenses on the balance sheet date with estimated total expenses. In cases where a service assignment or a contract assignment cannot be calculated reliably, revenue is reported only to the extent that corresponds to the expenses incurred that are likely to be reimbursed by the customer. A feared 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 307 (370) in EUR, MSEK 174 in CHF and to MSEK 1,261 (1,278) 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, 2021 would have been MSEK 59 (43) 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, 2021 would have been MSEK 465 (20) 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, 2021 had been 1 percentage unit higher, with all other variables constant, the estimated profit after tax for the financial year would have been MSEK 3 (25) 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 4 (9) 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>< 1 year</i>	<i>1-2 years</i>	<i>> 2 years</i>
Liabilities to credit institutions	925	52	466
Leasing liability	671	681	4,288
Accounts payable	2,744	0	0
Other liabilities	2,205	1,413	3,313
Accrued expenses	241	0	0
Total	6,786	2,146	8,067

<i>Maturity of liabilities - Parent company</i>	<i>< 1 year</i>	<i>1-2 years</i>	<i>> 2 years</i>
Liabilities to credit institutions	36	0	0
Accounts payable	1	0	0
Other liabilities	263	0	0
Total	300	0	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 MSEK 47 (38).

NOTE 4 NET SALES

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
<i>Net sales distribution</i>		
Retail, Vehicle sales	25,515	21,803
Retail, After-market	5,216	4,251
Distribution, Vehicles	7,172	621
Distribution, Parts and Tires	1,346	1,252
Mobility	310	242
Construction	1,707	1,441
Elimination, other	-6,780	-2,084
	34,486	27,526
<i>Net sales per geographic market</i>		
Sweden	21,733	16,500
Norway	5,498	4,557
Belgium	4,475	3,894
Switzerland	1,855	841
Other EU countries	925	1,734
	34,486	27,526

NOTE 5 OTHER OPERATING INCOME

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Rental income	33	10
Support/Contributions received	1	18
Exchange rate differences	27	57
Profit on sale of fixed assets	4	42
Negative Goodwill	0	45
Total	65	172

Government support, relating to Covid-19 consists of furloughing and sick pay costs, amounting to MSEK 0 (16). Government support are presented as Other operating income in the consolidated income statement.

NOTE 6 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

<i>Medelantalet anställda</i>	1/1/2021-		2020-01-01-	
	12/31/2021	Of which men	2020-12-31	Of which men
Sverige	2,467	87%	2,116	88%
Norge	502	87%	492	86%
Belgien	524	88%	493	90%
Tyskland	41	76%	31	87%
Schweiz	238	80%	84	77%
Danmark	43	88%	0	0%
Koncernen totalt	3,815	87%	3,216	88%

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

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Salaries, other remuneration and social security costs		
Board of Directors, CEO and other senior executives	10	9
(of which bonuses)	(0)	(0)
Other employees	1,861	1,653
Total Salaries and other remuneration	1,871	1,662
Social security costs	487	456
Pension costs	195	147
Total	2,553	2,265

Salaries and remuneration paid to the Parent Company's CEO and Board of Directors during the year amounted to MSEK 3 (2) for 2 persons (2). The corresponding pension costs amounted to MSEK 1 (1). 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

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
<i>PwC</i>		
Audit assignment	7	6
Tax consulting	1	1
Other assignments	0	1
	8	8
<i>Other</i>		
Audit assignment	1	0
Other assignments	0	1
	1	1
Total	9	9

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

	12/31/2021	12/31/2020
Right-of-use assets		
Premises	5,029	4,979
Equipment and vehicles	171	190
Total	5,200	5,169
Lease liabilities		
Short-term	661	572
Long-term	4,467	4,504
Total	5,128	5,076

Reported amount in the Income statement according to IFRS 16

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Depreciation of right-of-use assets		
Premises	-648	-566
Equipment and vehicles	-45	-45
	-693	-611
Interest expenses (included in financial expenses)		
Premises	-77	-74
Equipment and vehicles	-3	-5
	-80	-79

The total cash-flow applicable to leases was MSEK 661 (651).

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 MSEK 741 (616).

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Future minimum lease fees at the closing date amounted to:		
Within one year	758	416
Between one and five years	1,054	528
After five years	2	0
	1,814	944

NOTE 9 OTHER OPERATING EXPENSES

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Loss on sale of fixed assets	-2	-8
Exchange rate differences	-29	-69
Total	-31	-77

NOTE 10 FINANCIAL INCOME

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Profit on sale of securities	6	4
Dividends	0	1
Exchange gains	26	6
Interest income	5	4
Total	37	15

NOTE 11 FINANCIAL EXPENSES

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Interest expenses	-250	-202
Interest expenses IFRS 16	-80	-79
Exchange losses	0	0
Total	-330	-281

NOTE 12 EXCHANGE RATE DIFFERENCES

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Other operating income	27	58
Other operating expenses	-29	-70
Financial income	26	6
Financial expenses	0	0
Total	24	-6

NOTE 13 PROFIT FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Ripam Invest AB	-1	-2
Consensus Asset Management AB	18	23
Total	17	21

NOTE 14 TAX ON PROFIT FOR THE YEAR

	2021-01-01- 2021-12-31	2020-01-01- 2021-12-31
<i>Current tax</i>		
Current tax on profit for the year	-283	-120
Tax attributable to previous years	-6	-1
	-289	-121
<i>Deferred tax</i>		
Deferred tax	38	7
Total	-251	-114

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

Reconciliation of effective tax rate:

Profit before tax	1,167	561
Tax according to the applicable tax rate for the parent company (20,6%)	-240	-120
Effect of foreign tax rates	-6	-2
Tax attributable to previous years	-6	1
Non-deductible costs	-7	-8
Non-taxable income	2	17
Change of tax rate	0	-2
Utilization of previously non-capitalized loss	5	2
Standard tax rate on allocation reserves	0	0
Other permanent differences	1	-2
	-251	-114

NOTE 15 INTANGIBLE FIXED ASSETS

	Intangible rights	Customer relations	Goodwill	Total
<i>Acquisition costs</i>				
Opening balance January 1, 2020	116	563	1,592	2,271
Purchase	28	0	0	28
Business acquisitions	0	38	128	166
Transfers	-4	0	0	-4
Sales/disposals	-9	0	0	-9
Conversion differences	-1	-42	-96	-139
Closing balance December 31, 2020	130	559	1,624	2,312
Purchase	36	0	0	36
Business acquisitions	0	0	115	115
Transfers	3	0	0	3
Sales/disposals	-4	0	0	-4
Conversion differences	5	28	67	100
Closing balance December 31, 2021	170	587	1,806	2,562
<i>Accumulated depreciation</i>				
Opening balance January 1, 2020	-37	-123	0	-160
Depreciation for the year	-34	-79	0	-113
Transfers	3	0	0	3
Sales/disposals	5	0	0	5
Conversion differences	1	12	0	13
Closing balance December 31, 2020	-62	-190	0	-252
Depreciation for the year	-22	-81	0	-103
Transfers	-2	0	0	-2
Sales/disposals	3	0	0	3
Conversion differences	-4	-12	0	-16
Closing balance December 31, 2021	-87	-283	0	-369
Carrying amount December 31, 2020	68	369	1,624	2,061
Carrying amount December 31, 2021	83	304	1,806	2,193

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% (9.4%) 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 following cash-generating units have reported goodwill values;

	12/31/2021	12/31/2020
Retail	1,600	1,430
Distribution	52	40
Mobility	48	48
Construction	106	106
Total	1,806	1,624

NOTE 16 TANGIBLE FIXED ASSETS

	Land and buildings	Costs on another's property	Equipment, tools and installations	Leasing	Right-of-use-assets	Total
<i>Acquisition costs</i>						
Opening balance January 1, 2020	367	274	797	2,555	5,672	9,665
Purchase	48	42	122	1,219	726	2,157
Business acquisitions	261	38	15	1,072	110	1,496
Sales/disposals	-35	-16	-64	-1,061	0	-1,176
Transfers	0	5	0	0	0	5
Conversion differences	-52	-7	-28	-73	-131	-291
Closing balance December 31, 2020	589	336	842	3,712	6,377	11,856
Purchase	99	44	111	4,982	642	5,878
Business acquisitions	0	1	19	0	0	20
Sales/disposals	-1	-12	-76	-1,230	0	-1,319
Transfers	-9	2	10	0	0	3
Conversion differences	21	8	12	98	84	223
Closing balance December 31, 2021	699	379	918	7,562	7,103	16,661
<i>Accumulated depreciation</i>						
Opening balance January 1, 2020	-15	-49	-456	-551	-608	-1,679
Depreciation for the year	-15	-33	-99	-555	-611	-1,313
Sales/disposals	0	15	47	369	0	431
Transfers	0	-1	-1	0	0	-2
Conversion differences	1	4	18	9	11	43
Closing balance December 31, 2020	-29	-64	-491	-728	-1,208	-2,520
Depreciation for the year	-19	-35	-108	-849	-693	-1,704
Sales/disposals	1	6	48	443	0	498
Transfers	-7	-1	10	0	0	2
Conversion differences	-1	-5	-10	-22	-2	-40
Closing balance December 31, 2021	-55	-99	-551	-1,156	-1,903	-3,764
Carrying amount December 31, 2020	560	272	351	2,984	5,169	9,336
Carrying amount December 31, 2021	644	280	367	6,406	5,200	12,897

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

	12/31/2021	12/31/2020
At the beginning of the year	3	3
Investments	31	12
Sales/disposals	-1	-11
Reclassification	-6	-1
Conversion differences	0	0
Total	27	3

NOTE 18 SHARES IN ASSOCIATED COMPANIES

Associated company / Corporate ID no. / Domicile	Capital share	Voting share	Carrying amount	
			12/31/2021	12/31/2020
Hedin Caetano AB, 559354-9651, Mölndal	50%	50%	0	0
Ripam Invest AB, 556870-7540, Mölndal	50%	50%	2	3
Plusfastigheter Borås Eko 10 AB, 559135-1266, Göteborg	38%	38%	23	23
Pendragon PLC, UK 2304195, Nottingham, UK	26.1%	26.1%	915	0
Lasingoo Sverige AB, 556973-1630, Stockholm	24.5%	24.5%	8	0
Consensus Asset Management, 556474-6518, Göteborg	22.1%	28.3%	39	36
			987	62
<i>Accumulated acquisition cost:</i>				
Opening carrying amount			62	41
Purchase			419	0
Reclassification			503	0
Dividends from associated companies			-14	0
Share of profits in associated companies			17	21
Closing carrying amount			987	62

Pendragon PLC is listed on London Stock Exchange and on December 31, 2021 the fair value of the Group's holding amounts to MSEK 1,035. On December 31, 2021, the fair value of the Group's holding in Consensus Asset Management AB, which is listed on Aktietorget, amounts to MSEK 116. Adjusted equity amounts to MSEK 175 and adjusted profit after tax amounts to MSEK 81 (104). The company applies accounting rules in accordance with International Financial Reporting Standards.

Ripam Invest AB is unlisted. The profit for 2021 amounts to MSEK -2 (5). Plusfastigheter Borås Eko 10 AB is redeveloping a property in central Borås, which is expected to be completed in 2022. Lasingoo Sverige AB conducts an online workshop booking website.

NOTE 19 OTHER LONG-TERM SECURITIES

	Carrying amount	
	12/31/2021	12/31/2020
Listed shares	0	274
Unlisted shares	34	29
	34	303
<i>Accumulated acquisition cost:</i>		
Opening carrying amount	303	308
Purchase	14	19
Conversion differences	229	-24
Sales	0	0
Reclassifications	-512	0
Closing carrying amount	34	303

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

NOTE 20 ACCOUNTS RECEIVABLE

<i>Due date</i>	12/31/2021	12/31/2020
Not due	1,232	960
Past due up to 30 days	384	260
Past due 30-60 days	64	48
Past due more than 60 days	86	69
	1,766	1,337

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 MSEK 22 (14).

NOTE 21 SHORT-TERM INVESTMENTS

	12/31/2021	12/31/2020
Listed shares	22	16
	22	16
<i>Accumulated acquisition cost:</i>		
Opening carrying amount	16	7
Purchase	0	8
Change in value	6	1
Sales of the year	0	0
Closing carrying amount	22	16

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2021	12/31/2020
Accrued bonus from suppliers	200	179
Accrued income (uninvoiced)	25	103
Prepaid rent	143	0
Other items	209	135
	577	417

NOTE 23 CASH AND CASH EQUIVALENTS

	12/31/2021	12/31/2020
Cash and bank balances	1,955	374
	1,955	374

NOTE 24 EQUITY

Specification of reserves	Fair value reserve	Translation reserve	Total
Opening balance January 1, 2020	-160	24	-136
Change in revaluation reserve for the year, net after tax	-21	0	-21
Change in translation reserve for the year, net after tax	0	-116	-116
Closing balance December 31, 2020	-181	-92	-273
Change in revaluation reserve for the year, net after tax	181	0	181
Change in translation reserve for the year, net after tax	0	105	105
Closing balance December 31, 2021	0	13	13

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 71.5 percent of Hedin Mobility Group AB. Below is the summarized financial information for Hedin Mobility Group AB. The information relates to the amount before inter-company eliminations.

Holdings with non-controlling interests

<i>Summary information from the balance sheet</i>	12/31/2021	12/31/2020
Fixed assets	15,871	9,252
Current assets	8,476	4,288
Non-current liabilities	-10,077	-7,633
Current liabilities	-8,212	-4,710
Net assets	6,058	1,197

<i>Summary information on profit and loss</i>	12/31/2021	12/31/2020
Income	28 191	24 092
Profit after financial items	839	511
Profit for the year	644	386

<i>Summary of cash flow statement</i>	12/31/2021	12/31/2020
Cash flow from operating activities	2,557	1,708
Cash flow from investing activities	-5,009	-680
Cash flow from financing activities	4,125	-1,045
Cash flow for the year	1,673	-17

NOTE 25 PENSIONS

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Opening carrying amount	200	90
Business acquisitions	8	120
Pension costs	15	6
Pension payments	-16	-11
Interest	1	1
Return on plan assets greater than net interest recognised	-35	0
Revaluation due to changes in financial assumptions	-25	2
Revaluation due to experience-based adjustments	8	-2
Conversion differences	5	-6
Reclassification	0	0
	161	200

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 MSEK 43 (41).

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 MSEK 82 (86). For the actuarial calculations, a discount rate of 1.4% (0.7%) and an inflation of 2.3% (1.5%) 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 0.25% (0.1%), inflation of 1.0% (1.0%) and future wage increases of 1.5% (1.5%) have been applied. The duration of the commitment is estimated to 18,2 years.

The table below shows the composition of the obligation per country:

	12/31/2021			12/31/2020		
	Sweden	Switzerland	Total	Sweden	Switzerland	Total
Defined benefit obligation	82	335	417	86	291	377
Fair value of assets	0	-256	-256	0	-177	-177
Provision for pensions	82	79	161	86	114	200
<i>Sensitivity analysis</i>				<i>Assumption</i>		<i>Change</i>
Discount rate				+0,5%		-24
Inflation				+0,5%		13
Life span				+1 year		9

NOTE 26 DEFERRED TAX

<i>Deferred tax assets</i>	12/31/2021	12/31/2020
Opening carrying amount	163	126
Reported in income statement	23	-2
Recognized in other comprehensive income	-58	4
Conversion differences	3	-3
Business acquisitions	2	38
	133	163

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

<i>Deferred tax liabilities</i>	12/31/2021	12/31/2020
Opening carrying amount	-212	-180
Reported in income statement	14	9
Reported in other comprehensive income	-9	-5
Conversion differences	-5	10
Business acquisitions	-3	-47
	-215	-212

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

NOTE 27 FINANCIAL LIABILITIES

	12/31/2021	12/31/2020
<i>Non-current borrowings</i>		
Bond loans	0	1,496
Lease liability	4,467	4,504
Other liabilities to credit institutions	461	514
	4,928	6,514
<i>Current borrowings</i>		
Overdraft facilities	0	640
Lease liability	661	572
Liabilities to credit institutions	907	713
	1,568	1,925

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 MSEK 1,205 (1,450), renegotiated on an annual of basis. Of the approved overdraft facility, MSEK 0 (640) was utilised per December 31, 2021.

NOTE 28 OTHER LIABILITIES

	12/31/2021	12/31/2020
Other non-current liabilities		
Debt relating to sold cars with repurchase agreements	4,514	1,930
Other liabilities	30	257
	4,544	2,187
Other current liabilities		
VAT	193	65
Employee's withholding tax	47	36
Debt relating to sold cars with repurchase agreements	1,973	1,070
Other liabilities	466	309
	2,679	1,480

NOTE 29 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2021	12/31/2020
Debt relating to employees	456	376
Interest expense	1	22
Prepaid income	44	38
Invoiced income not yet recognized	156	224
Other items	781	250
	1,438	910

NOTE 30 PLEDGED ASSETS

	12/31/2021	12/31/2020
Property mortgages	0	0
Floating charges	1,732	1,469
Land and buildings	399	185
Inventories, Accounts receivables and Equipment	1,920	1,018
Securities	70	431
Accounts receivables	0	75
	4,120	3,178

NOTE 31 CONTINGENT LIABILITIES

	12/31/2021	12/31/2020
Guarantee commitments FPG/PRI	0	1
Repurchase and residual value guarantees	0	46
Other guarantees	1,462	239
	1,462	286

NOTE 32 SPECIFICATIONS TO CASH FLOW STATEMENT

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Depreciation	1,807	1,426
Unrealised exchange rate differences	9	-14
Gains/losses on sale of fixed assets	-9	-28
Share of profits in associated companies	-2	-21
Provisions/receivables relating to pensions	-3	-4
Negative goodwill	0	-45
Other non-cash items	5	2
	1,807	1,316
<i>Financial liabilities</i>	12/31/2021	12/31/2020
Opening carrying amount	10,625	10,406
Cash flow	-475	-1,078
Business acquisitions	49	827
Lease liability	642	734
Conversion differences	199	-264
	11,040	10,625
<i>Interest payments</i>	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Paid interests	-250	-193
Received interests	5	4

NOTE 33 BUSINESS ACQUISITIONS

Acquisitions in 2021

Hedin Group took over as importer of Ford for the Swedish market on January 4, through the acquisition of Ford's national sales company. The company has since changed its name to Hedin HMC Motor Company AB. The purchase price amounted to SEK 68 million. No goodwill has been reported.

Modins Bil i Uppsala AB was acquired on February 5. The company operated a Ford dealership in Uppsala. The purchase price amounted to MSEK 22 including goodwill of MSEK 13 that is attributable to synergies with our present Ford-business.

KW Parts acquired the Swedish e-commerce company PickupXL on February 23. The company sells accessories for transport vehicles.

On February 26, an additional 22% was acquired in Tuve Holding AB and the ownership share now amounts to 97.03%.

Hedin Stockholm Bil AB acquired a business in Segeltorp, Stockholm that was selling Subaru on May 3. The facility on Smista Allé has been rebuilt to sell MG. The Subaru sales activities have been transferred to an existing facility next door. The purchase price amounted to MSEK 7, of which MSEK 6 is attributable to synergies with our present business in the area.

On May 20, an agreement was signed to acquire BilMånsson i Halland AB and BilMånsson BC AB. The companies include dealerships for Ford in Halmstad and Värnamo, as well as Jaguar and Land Rover in Halmstad. The acquisition was completed on July 1. The purchase price amounted to MSEK 25 including goodwill of MSEK 14 that is attributable to synergies with our present Ford-business.

The ownership in Porsche Center Son AS was increased on June 9, when an additional 40 percent of the shares in the company were acquired. The ownership following the transaction amounts to 91 percent.

On June 18, an agreement was signed to acquire the Body and paint workshop CaroLack Galliker in Switzerland. This is a strategically important acquisition to complement our operations in the Zurich area. The purchase price amounted to MCHF 1.1, of which MCHF 0.2 relates to goodwill.

On June 22, an agreement was signed to acquire BilGruppen Enköping AB. The company operated a Ford dealership based in Enköping. The acquisition was completed on July 1. The purchase price amounted to MSEK 5 including goodwill of MSEK 1 that is attributable to synergies with our present Ford-business.

On July 9, an agreement was signed to acquire 100 percent of the shares in AutoFlorio AB, which operated Porsche Center Umeå. The acquisition was completed on September 1. The purchase price amounted to MSEK 52 including goodwill of MSEK 40 that is attributable to synergies with our present Porsche-business.

On July 13, an agreement was reached to acquire three dealerships with sales of Renault and Dacia in North Stockholm and Uppsala, as well as the Ford After-market in Stockholm and Uppsala. The acquisition was completed on October 1. The purchase price amounted to MSEK 24 including goodwill of MSEK 15 that is attributable to synergies with our present business in Stockholm and Uppsala.

On September 7, Norrlands Custom AB was acquired for MSEK 29. The company imports and distributes spare parts and accessories for classic American cars. The surplus value is reported as goodwill and amounts to MSEK 6, which consists of synergies with the spare part operations in KW Parts.

Acquisitions in 2020

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 on 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 MSEK 229, of which acquired customer relationships amounted to MSEK 38, reported as intangible fixed assets. Goodwill of MSEK 123 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 MSEK 2. The minority share of the equity was MSEK 1 and the residual of MSEK 1 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 MSEK 16 including goodwill of MSEK 5 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.

	Total 2021	Total 2020
Intangible fixed assets	0	38
Tangible fixed assets	20	1,496
Financial fixed assets	2	29
Inventories	264	255
Operating receivables	256	68
Cash and cash equivalents	392	141
Operating liabilities	-745	-608
Acquired net assets	190	1,420
Goodwill	115	128
Reserves	-11	0
Borrowings	-15	-1,005
Lease liability	0	-110
Non-controlling interests	107	12
Financial liabilities	-33	-179
Purchase price	353	266
Liquid funds in acquired businesses	-392	-141
Impact on the Group's cash and cash equivalents	-39	125

In 2021, the acquired businesses contributed with approximately MSEK 650 in net sales and MSEK 9 in operating profit. If the acquired companies had been consolidated from January 1, 2021, the consolidated income statement would show net sales of MSEK 34,931 and operating profit of MSEK 1,453.

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, 2021</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		34		34
Accounts receivable and other receivables			2,100	2,100
Short term investments	22			22
Cash and cash equivalents			1,955	1,955
Total assets	22	34	4,055	4,111

<i>December 31, 2021</i>			Measured at amortized cost	Total
<i>Liabilities in the balance sheet</i>				
Borrowings			1,369	1,369
Accounts payable			2,745	2,745
Financial lease liability			5,128	5,128
Accrued expenses			241	241
Other liabilities			258	258
Total liabilities			9,741	9,741

<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		303		303
Accounts receivable and other receivables			1,666	1,666
Short term investments	16			16
Cash and cash equivalents			374	374
Total assets	16	303	2,040	2,359

<i>December 31, 2020</i>			Measured at amortized cost	Total
<i>Liabilities in the balance sheet</i>				
Borrowings			3,363	3,363
Accounts payable			2,446	2,446
Financial lease liability			5,076	5,076
Accrued expenses			93	93
Other liabilities			273	273
Total liabilities			11,251	11,251

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 MSEK 84 (103). 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 Hedin Mobility Group AB since March 2017.

NOTE 36 EVENTS AFTER THE END OF THE FINANCIAL YEAR

On January 6, the acquisition of Toyota de Laet in Belgium was completed. In addition, during January agreements were also reached to acquire Toyota and Lexus dealer Klaasen & Co. located in Turnhout, as well as Toyota dealer Trullemans, located in Dilbeek. Through these three Toyota dealers and a Lexus dealership, the Group has further strengthened the presence in the Belgian market.

On January 10, it was announced that the company is acquiring all shares in Stern Facilitair B.V. from the listed automotive retailer Stern Group N.V. in the Netherlands. The agreement includes all parts of Stern's core business in the areas of retail, aftermarket, rental car and leasing operations. Stern consists of 47 full-service plants and is one of the largest car dealers in the Netherlands and represents leading brands such as Mercedes-Benz, Renault, Nissan, Ford, Volvo, Land Rover, Kia and Opel. The transaction was completed on March 16.

Hedin Mobility Group has agreed, through a joint venture, together with Salvador Caetano Group, to acquire all shares in Renault Nordic AB from Renault s.a.s. The company is the importer and distributor of all brands from Renault, Dacia and Alpine in Sweden and Denmark. Hedin Mobility Group AB's holding amounts to 50%. The acquisition is subject to approval from the Swedish Competition Authority. The transaction was completed on May 2, 2022.

On February 15, an agreement was signed to acquire four additional Mercedes-Benz dealers in Antwerp, Belgium, from Mercedes-Benz Group. The acquisition further strengthens the presence in the Belgian market to the existing 15 Mercedes-Benz dealerships. The transaction is subject to approval by the Belgian competition authorities.

Russia's invasion of Ukraine in February 2022 has created a great uncertainty in Europe and the rest of the world. There is a risk that this will cause a decline in economic activity in the markets, and that we enter a recession. There is also a risk that it will affect the delivery of vehicles, apart from the shortage of components, which might further delay the deliveries of certain car models.

INCOME STATEMENT - PARENT COMPANY

Amount in million SEK (MSEK)	Note	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Operating income			
Net Sales	1	75	49
Other operating income	2	0	0
		75	49
Operating expenses			
Other external expenses	3,4	-49	-53
Employee benefit expenses	5	-26	-23
Depreciation and amortization of tangible and intangible fixed assets		0	0
		-1	-27
Profit (loss) from financial items			
Profit and loss from other securities	6	495	2
Interest income and similar income items	7	11	5
Interest expenses and similar charges	8	-26	-29
		478	-49
Appropriations	9	0	111
		478	62
Income tax	10	-21	-15
		457	47

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

BALANCE SHEET - PARENT COMPANY

Amounts in MSEK	Note	12/31/2021	12/31/2020
ASSETS			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Concessions, patents, licenses and similar rights	11	1	0
		1	0
<i>Tangible assets</i>			
Equipment, tools and installations	12	30	0
		30	0
<i>Financial assets</i>			
Shares in Group companies	13	1,004	502
Shares in associated companies	14	12	12
Receivables from Group companies	15	350	417
Deferred tax assets	16	13	33
Other long-term securities	17	22	417
		1,401	1,381
Total fixed assets		1,432	1,381
<i>Current assets</i>			
<i>Current receivables</i>			
Receivables from Group companies		413	432
Receivables from associated companies		16	15
Prepaid expenses and accrued income		9	13
		438	459
<i>Cash and cash equivalents</i>			
		5	4
Total current assets		443	463
TOTAL ASSETS		1,875	1,844

BALANCE SHEET - PARENT COMPANY

Amounts in MSEK	Note	12/31/2021	12/31/2020
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital, 1,000 shares		0	0
		0	0
<i>Non-restricted equity</i>			
Profit and loss brought forward		1,037	990
Profit/loss for the year		458	47
		1,495	1,037
Total Equity		1,495	1,037
Untaxed reserves			
Tax allocation reserve	18	40	40
Total untaxed reserves		40	40
Non-current liabilities			
Other non-current liabilities	19	0	171
Total non-current liabilities		0	171
Current liabilities			
Liabilities to credit institutions	20	36	299
Accounts payable		1	1
Liabilities to Group companies		3	95
Tax liability		9	13
Other liabilities		263	158
Accrued expenses and prepaid income	21	28	29
Total current liabilities		340	596
TOTAL EQUITY AND LIABILITIES		1,875	1,844

REPORT ON CHANGES IN EQUITY - PARENT COMPANY

Amounts in MSEK	Share capital	Unrestricted equity	Total
Opening balance at 01/01/2020	0	990	990
Loss for the year		47	47
Closing balance at 12/31/2020	0	1,037	1,037
Profit for the year		458	458
Closing balance at 12/31/2021	0	1,495	1,495

CASH FLOW STATEMENT - PARENT COMPANY

Amounts in MSEK	Not	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Operating activities			
Profit after financial items		479	-50
Adjustments for non-cash items	23	-480	-1
Income tax paid		-4	0
Cash flow from operating activities before changes in working capital		-5	-51
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in operating receivables		21	8
Increase(+)/Decrease(-) in operating liabilities		11	92
Cash flow from operating activities		27	49
Investing activities			
Acquisition of subsidiaries		-138	-19
Borrowing to group companies		65	-3
Purchase of intangible and tangible fixed assets		-31	0
Acquisition of financial assets		0	-8
Divestment of financial assets		511	0
Cash flow from investing activities		407	-30
Financing activities			
Borrowings		48	0
Repayment of debt		-481	-38
Cash flow from financing activities		-433	-38
Cash flow for the year		1	-19
Cash and cash equivalents at the beginning of the year		4	23
Cash and cash equivalents at the end of the year		5	4



Notes

Amounts in million SEK (MSEK) 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 MSEK 0 (0) consists of government support relates to Covid-19, which are support for furloughing and sick pay costs.

NOTE 3 REMUNERATION TO AUDITORS

Audit fees for the Parent Company amount to MSEK 1 (0).

NOTE 4 OPERATIONAL LEASING

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Future minimum lease payments at the closing date amounted to:		
Within one year	17	19
Between one and five years	4	24
After five years	0	0
	21	43

NOTE 5 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

Average number of employees	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
<i>Sweden</i>		
Men	10	8
Women	4	3
Total	14	11

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

Salaries, other remuneration and social security costs	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Board of Directors, CEO and other senior executives	10	9
Other employees	6	5
Total Salaries and other remuneration	16	14
Social security costs	6	5
Pension costs	4	3
Total	26	22

NOTE 6 PROFIT AND LOSS FROM OTHER SECURITIES

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Unrealized value changes in securities	116	2
Profit on sale of securities	364	0
Dividends	15	0
Total	495	2

NOTE 7 INTEREST INCOME AND SIMILAR INCOME

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Interest income, group companies	11	5
Total	11	5

NOTE 8 INTEREST EXPENSES AND SIMILAR CHARGES

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Interest expenses, external	-25	-29
Interest expenses, group companies	-1	0
Total	-26	-29

NOTE 9 APPROPRIATIONS

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Group contribution received	0	130
Provision to tax allocation reserve	0	-19
Total	0	111

NOTE 10 TAX ON PROFIT FOR THE YEAR

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
Current tax on profit for the year	0	-12
Tax attributable to previous years	0	-2
Deferred tax	-21	-1
	-21	-15
<i>Reconciliation of effective tax rate:</i>		
Profit before tax	478	62
Tax according to the applicable tax rate for the parent company (20,6%)	-99	-13
Tax attributable to previous years	0	-2
Non-deductible costs	0	0
Non-taxable income	78	0
Standard tax rate on allocation reserves	0	0
	-21	-15

NOTE 11 CONCESSIONS, PATENTS, LICENSES AND SIMILAR RIGHTS

	12/31/2021	12/31/2020
<i>Acquisition costs</i>		
Opening balance	0	0
Purchase	1	0
Closing balance	1	0
<i>Accumulated depreciation</i>		
Opening balance	0	0
Depreciation for the year	0	0
Closing balance	0	0
Carrying amount	1	0

NOTE 12 EQUIPMENT, TOOLS AND INSTALLATIONS

	12/31/2021	12/31/2020
<i>Acquisition costs</i>		
Opening balance	0	0
Purchase	30	0
Closing balance	30	0
<i>Accumulated depreciation</i>		
Opening balance	0	0
Depreciation for the year	0	0
Closing balance	0	0
Carrying amount	30	0

NOTE 13 SHARES IN GROUP COMPANIES

	12/31/2021	12/31/2020
<i>Accumulated acquisition cost:</i>		
At the beginning of the year	502	366
Purchase	138	18
Shareholder contribution	0	118
New shares issue	532	0
Disposals	-168	0
Carrying amount	1,004	502

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
Hedin Mobility Group AB, 556065-4070, Mölndal	71,5	818
Tuve Holding AB, 559010-4419, Mölndal	97	186
AH Värdepapper AB, 556707-7440, Mölndal	100	0
I.A. Hedin Fastighet AB, 559015-6708, Mölndal	100	0
Foundation Accounting i Väst AB, 559304-5486, Mölndal	100	0
Total		1,004

NOTE 14 SHARES IN ASSOCIATED COMPANIES

Company / Corporate ID no. / Domicile	Capital share	Voting share	Carrying amount	
			12/31/2021	12/31/2020
Consensus Asset Management, 556474-6518, Mölndal	22%	28%	12	12
Ripam Invest AB, 556870-7540, Mölndal	50%	50%	0	0
			12	12
<i>Accumulated acquisition cost:</i>				
Opening carrying amount			12	10
Purchase			0	2
Closing carrying amount			12	12

NOTE 15 RECEIVABLES FROM GROUP COMPANIES

	12/31/2021	12/31/2020
Opening carrying amount	417	414
Reclassification	0	15
Repayment of debt	-67	-12
Closing carrying amount	350	417

NOTE 16 DEFERRED TAX ASSETS

	12/31/2021	12/31/2020
Opening carrying amount	33	34
Reported in the income statement	-20	-1
	13	33

NOTE 17 OTHER LONG-TERM SECURITIES

	12/31/2021	12/31/2020
Listed shares	22	409
Unlisted shares	0	8
	22	417
<i>Accumulated acquisition cost:</i>		
Opening carrying amount	417	407
Purchase	0	8
Unrealized value changes in securities	116	1
Sales of the year	-511	0
Closing carrying amount	22	417

NOTE 18 UNTAXED RESERVES

	12/31/2021	12/31/2020
Tax allocation reserve fiscal year 2016	21	21
Tax allocation reserve fiscal year 2020	19	19
	40	40

NOTE 19 OTHER NON-CURRENT LIABILITIES

	12/31/2021	12/31/2020
Opening carrying amount	171	209
Borrowings	0	0
Repayment of debt	-171	-38
Closing carrying amount	0	171

NOTE 20 FINANCIAL LIABILITIES

	12/31/2021	12/31/2020
Liabilities to credit institutions	36	299
	36	299

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. 2.75%. The loan matures in 2022.

NOTE 21 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2021	12/31/2020
Personnel costs	5	5
Adjustment of purchase price upon sale of subsidiaries	0	20
Accrued interest expenses	1	3
Other	22	1
	28	29

NOTE 22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	12/31/2021	12/31/2020
<i>Pledged assets</i>		
Shares in subsidiaries	48	0
Securities	22	409
<i>Contingent liabilities</i>		
Guarantee for subsidiaries	1,232	752
Guarantee for associated companies	230	230

NOTE 23 CASH FLOW

	1/1/2021- 12/31/2021	1/1/2020- 12/31/2020
<i>Non-cash items</i>		
Depreciation	0	0
Profit from share in Group companies	-364	0
Write-down on securities	-116	-1
Gains/losses in sales of fixed assets	0	0
	-480	-1
<i>Financial liabilities</i>		
Opening carrying amount	519	507
Cash flow	-434	12
Business acquisitions	-50	0
	35	519
<i>Interest payments</i>		
Paid interests	-25	-27
Received interests	11	5

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	1,037,423,222 SEK
Profit of the year	<u>457,567,094 SEK</u>
Total	1,494,990,316 SEK

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

Dividend to shareholders	100,000,000 SEK
Balance carried forward	<u>1,394,990,316 SEK</u>
Total	1,494,990,316 SEK

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 on July 19 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.

SIGNATURES

Möndal 31/5/22



Anders Hedin
CEO/Chairman of the Board



Jan Litborn
Board member



Hampus Hedin
Board member



Helena Hedin
Board member

My audit report has been submitted 31 May, 2021
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 2021. The annual accounts and consolidated accounts of the company are included on pages 68-110 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 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

I therefore recommend that the general meeting of shareholders adopts the income statement for the parent company and the balance sheet for the parent company and the group, as well as a report on the group's earnings and comprehensive income.

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 - 67. 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. 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 2021 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.

The auditor's examination of the corporate governance statement

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/revisorsansvar. This description is part of the auditor's report.

Göteborg May 31, 2022



Johan Palmgren
Authorized Public Accountant

Board of directors and group management

Anders Hedin

CEO/Chairman of the Board

Jan Litborn

Board member

Hampus Hedin

Board member

Helena Hedin

Board member

HEDIN MOBILITY GROUP

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

MOBILITY

Jakob Werner, COO Car to Go Sweden AB and Unifleet
André Schleemann, CEO Mabi Mobility AB

DISTRIBUTION

John Hurtig, CEO Hedin HMC Motor Company AB
Jonas Angerdal, CEO RN Nordic AB
Tomas Ernberg, CEO Hedin MG Sweden AB
Joacim Fredriksson, CEO Klintberg & Way Group AB
Sven Skogheim, CEO GS Bildeler

RETAIL

Alexander Orméus, CEO Hedin Göteborg Bil AB
Johan Stålhammar, CEO 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
Henrik Lessèl, CEO Hedin Automotive Belgium AB
Marcus Larsson, CEO Hedin Automotive Switzerland AB
Marcus Larsson, CEO Hedin Automotive AS
Johan Frisk, CEO Bavaria Sverige Bil AB
Hallvard Vikeså, CEO Bavaria Norge
Henk van der Kwast, CEO Hedin Automotive Netherlands B.V.
Rikard Alm, CEO Hedin British Cars AB
Peter Lampret, CEO Car Store Sweden AB

IT

Patrick Olsson, CEO Hedin IT AB

CONSTRUCTION AND REAL ESTATE

Robert Bengtsson, CEO Tuve Bygg AB

HEAD OFFICE (SEAT)

Hedin Group AB, Box 2114,
431 02 Mölndal, 031-790 00 00
hedingroup.com

CORPORATE GOVERNANCE Anders Hedin

EDITOR Therese Jatko

ART DIRECTOR Susanna Ander

PRESS Stema Specialtryck AB, Borås

DISTRIBUTION The annual report is sent in printed form.
The digital version is available on hedingroup.com

