Annual Report 2022

HEDIN GROUP

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Hedin Group in brief

Hedin Group is a family-owned company that owns and manages companies with operations mainly in the automotive and mobility industry as well as the construction and real estate industry. The Group has more than 8,000 staff in 13 countries, with head office in Mölndal. The Company is owned to 100 percent by CEO Anders Hedin.

The Group's automotive business goes back all the way to 1985 when father and son Ingemar and Anders Hedin acquired a car dealership in Borås and founded I.A. Hedin Bil. Almost 40 years later this company, now called Hedin Mobility Group, has grown into a power house in the European automotive market with significant import and distribution operations as well as leading dealer groups in several countries all around Europe.

The Hedin Group also includes Tuve Bygg, which offers end-to-end solutions in contracting, project development, property maintenance and interior carpentry. In addition, Hedin Group owns and manages properties and securities and the Company is also a partner in Consensus Asset Management and Ripam Invest.

Our business areas

Automotive

The business area Automotive consists of the operations in Hedin Mobility Group, where Hedin Group owns 71.5%.

Hedin Mobility Group is one of Europe's largest automotive groups, with more than 8,000 staff in 13 countries.

Read more on page 8.

Construction and Real estate

Construction and Real estate consists mainly of the operations in the Tuve Bygg group, which is fully owned by Hedin Group. In addition, the business area includes management and development of properties that are used in the Hedin Group's activities.

Read more on page 14.

Investments

In Investments, Hedin Group are active as partners in Consensus Asset Management and Ripam Invest, as well as in managing of and trading in securities.

Read more on page 18.

Key figures

55,248
Net sales (MSEK)

+ 60%

2,251
Operational earnings (MSEK)

+ 48%

7
New geographic markets

122
Number of acquired dealerships

3,815
Order book in the construction business at year-end (MSEK)

A word from our CEO

The best year in our Group's almost 40-year history

Last year our operations in Hedin Mobility Group grew in a way that is unparalleled in the European automotive industry. We have nearly doubled our net sales and profit as well as the number of employees in the Group and are now one of Europe's very largest mobility providers.

2022 was far and away the best year in our Group's almost 40-year history – also adjusted for the acquisitions we carried out. This success is propelled by our competent staff, who now are more than 8,000 in 13 countries. Both "old" as well as "new" Hedin employees have done a great job with commitment and flexibility in navigating an at times challenging year in order to serve our customers, pursue collaborations with our partners and support and develop the Group's various functions and businesses in several ways.

A growing and diversified automotive business

With new acquisitions and partnerships during the year we have added eleven new brands to our portfolio, while we have also strengthened existing collaborations with global vehicle manufacturers. For several of our brands we are now Europe's biggest partner in terms of sales points and have also strongly expanded our role as an importer and distributor where we now represent ten vehicle manufacturers in markets all around Europe.

Our strengthened position in the value chain has given us a completely different profile at a European level than we had just a few years ago. With activities ranging from import and distribution, vehicle sales and mobility services to aftermarket and car dismantling, we stand on a strong foundation to meet challenges and opportunities in a changing industry and the world around us.

With a strong drop in demand especially for new vehicles in several of our markets, it is more important than ever that in the coming year we work efficiently, cost-consciously and innovatively to manage the operations and pursue new business opportunities.

Continued growth and stable order book in the construction business

For our operations in construction and real estate, 2022 was a year with many challenges and external circumstances that affected all of society as well as the construction industry. High prices for raw materials, increasing interest rates, high inflation and electricity prices that skyrocketed resulted in new economic conditions and a weakening housing market where many clients chose to take a wait-and-see approach for their projects. For Tuve Bygg as a group we spread the risk by working in different markets and different segments. This makes us stable, even in turbulent times.

The order book at year-end amounted to just over MSEK 3,000 and we have a strong growth despite tougher times. Thanks to Tuve Bygg's stable order book it's possible to focus on profitability in the projects and at the same time cultivate new clients with the right character and calibre going forward.

In April 2023, Tuve Bygg's CEO Robert Bengtsson moved on within the Hedin Group to strengthen our operations in real estate and project development. We extend a warm welcome to Johan Eriksson as new CEO and President for Tuve Bygg. Johan will be leading a successful company with good growth, a strong order book and which is in a phase of development to face future challenges even stronger.

Creating the best conditions for continued success

At the start of 2023 we moved into our new head office in Mölndal. Here we have gathered Hedin Mobility Group's corporate functions and several of its subsidiaries – as well as our associated company Consensus Asset Management. The move strengthens our opportunities for developing our Group and business. In combination with close cooperation with all our businesses and staff all around Europe we give ourselves the best conditions to continue creating sustainable values for our customers and the societies we are active in.

Mölndal in May 2023

Anders Hedin


VÄLKOM
HEDIN
HEDIN GROUP

Automotive

The business area Automotive consists of the operations in Hedin Mobility Group AB (publ) with subsidiaries. Hedin Group is majority owner in Hedin Mobility Group with a shareholding of 71.5%.


Hedin Bil

Hedin Mobility Group – a leading European mobility provider

The history of Hedin Mobility Group dates back to 1985 when father and son Ingemar and Anders Hedin acquired Philipsons Bil in Borås. I.A. Hedin Bil was founded and in the first year the company sold some 800 vehicles with net sales of SEK 45 million. Almost 40 years later we are now one of Europe's largest mobility providers, with more than SEK 50 billion in net sales and more than 180,000 vehicles sold in the past year.

Our vision is to be a transforming force in the changing European vehicle and mobility industry. By importing and distributing high-quality vehicles and providing retail and workshop services with a high level of customer focus as well as innovative mobility solutions, we create value for our customers, employees and other stakeholders.

~270
Dealerships

44
Brands

13
Countries

8,000+
Employees

Our business areas

Distribution
We act as an importer and/or distributor for ten vehicle manufacturers in markets all around Europe, where we distribute vehicles both to our own as well as external retailers.

Our distribution activities also include wholesale and distribution of spare parts, accessories and tyres and rims, as well as logistics solutions.

Retail
With some 270 own dealerships in eleven countries, which offer customers end-to-end solutions for new and used cars and more than 40 brands, we are one of Europe's largest automotive retailers.

Mobility solutions
Within Mobility solutions we address new user needs and sales models in the automotive industry by providing and developing innovative services.

Our business also comprises Hedin IT, which provides the Group with high-end operations, support and digital development, as well as strategic investments in Pendragon PLC, Lasingoo Sverige, Casi (former Imove) and Mercedes-Benz Financial Services Slovakia.

Geographical presence

	Distribution	Retail	Mobility solutions
Sweden	●	●	●
Norway	●	●	●
Finland	●	●	
Denmark	●		
Belgium	●	●	●
Germany	●	●	
Netherlands	●	●	●
Switzerland	●	●	●
Slovakia		●	
Hungary		●	
Czech Republic		●	
UK	●	●	
USA	●		
Luxembourg	*Under establishment*		
Estonia	*Under establishment*		
Latvia	*Under establishment*		
Lithuania	*Under establishment*		

A growth year characterised by acquisitions and new partnerships

2022 was a year characterised by strong growth for Hedin Mobility Group, where we maintained a high acquisition rate and advanced our position as a significant European mobility partner. On this spread we provide a summary of our acquisitions and new partnerships during the growth year 2022.

ACQUIRED RETAIL OPERATIONS

- Stern, now Hedin Automotive – one of the Netherlands' largest dealer groups.
- Laakkonen, now Hedin Automotive – one of Finland's largest dealer groups.
- Motor-Car Group – leading dealer group in Slovakia, Czech Republic and Hungary.
- Alpina Group – the largest retailer group for BMW and MINI in eastern Switzerland.
- Five Mercedes-Benz-dealerships (of which one truck dealership) and three Toyota/Lexus dealerships in Belgium.
- Six Ford dealerships in Sweden.
- Five Citroën and DS dealerships in the Netherlands.
- Four Mercedes-Benz dealerships in London*.
- Three BMW-dealerships in central and north Sweden*.

NEW PARTNERSHIPS IN DISTRIBUTION

- Distributor and retailer of the uncompromising 4x4 INEOS Grenadier in eleven European markets.
- ”Dealer+” (distribution and retailer) in Sweden and Germany for the global EV manufacturer BYD.
- Importer, distributor and exclusive retailer in Sweden and the Netherlands for the prestigious brand Hongqi.
- Importer and distributor in Europe for the American icon Ford F-150.

** Acquisition transferred in 2023*

ACQUIRED OPERATIONS IN DISTRIBUTION AND SPARE PARTS

- Renault Nordic, now RN Nordic – importer and distributor for Renault, Dacia and Alpine in Sweden and Denmark.
- Orio, now Hedin Parts and Logistics – distributor of spare parts and logistics services.

NEW GEOGRAPHIC MARKETS

- Netherlands
- Finland
- Slovakia
- Czech Republic
- Hungary
- UK
- USA

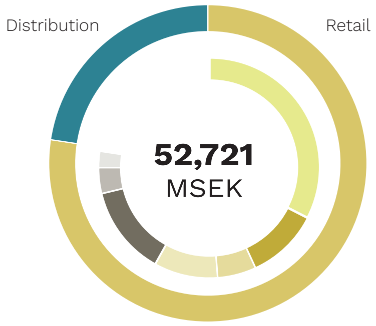
ACQUISITIONS 2023

Up to and including the beginning of April 2023 we had also completed or agreed acquisitions of:

- OnWheels Bildemontering, now Hedin Recycled Halmstad – state-of-the-art car dismantling facility.
- The Toyota-dealer Van Dijck i Brecht, Belgium.
- The BMW dealer H.P. Schmid in Zürich, Switzerland.
- The Peugeot operations of three retailers in northern Netherlands.
- The Jaguar and Land Rover retailer Förenade Bil JL in Malmö.
- Iveco Group's distribution and retail operations in Sweden, Norway, Finland and Denmark.

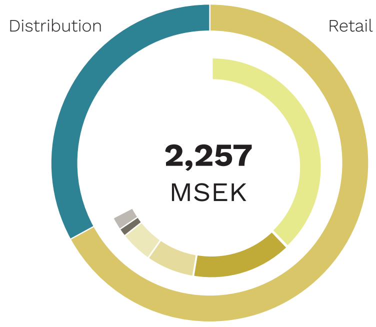
2022 in brief

NET SALES



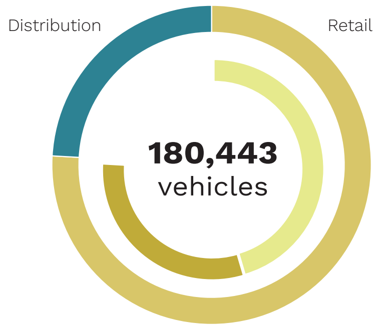
Sweden, Norway, Finland, Belgium, Netherlands, Switzerland, Slovakia, Czech Republic, Hungary

OPERATIONAL EARNINGS



Sweden, Norway, Belgium, Netherlands, Switzerland, Slovakia, Czech Republic, Hungary

VEHICLES SOLD



New vehicles

Used vehicles

Retail: order take, new and used vehicles
(136,922)

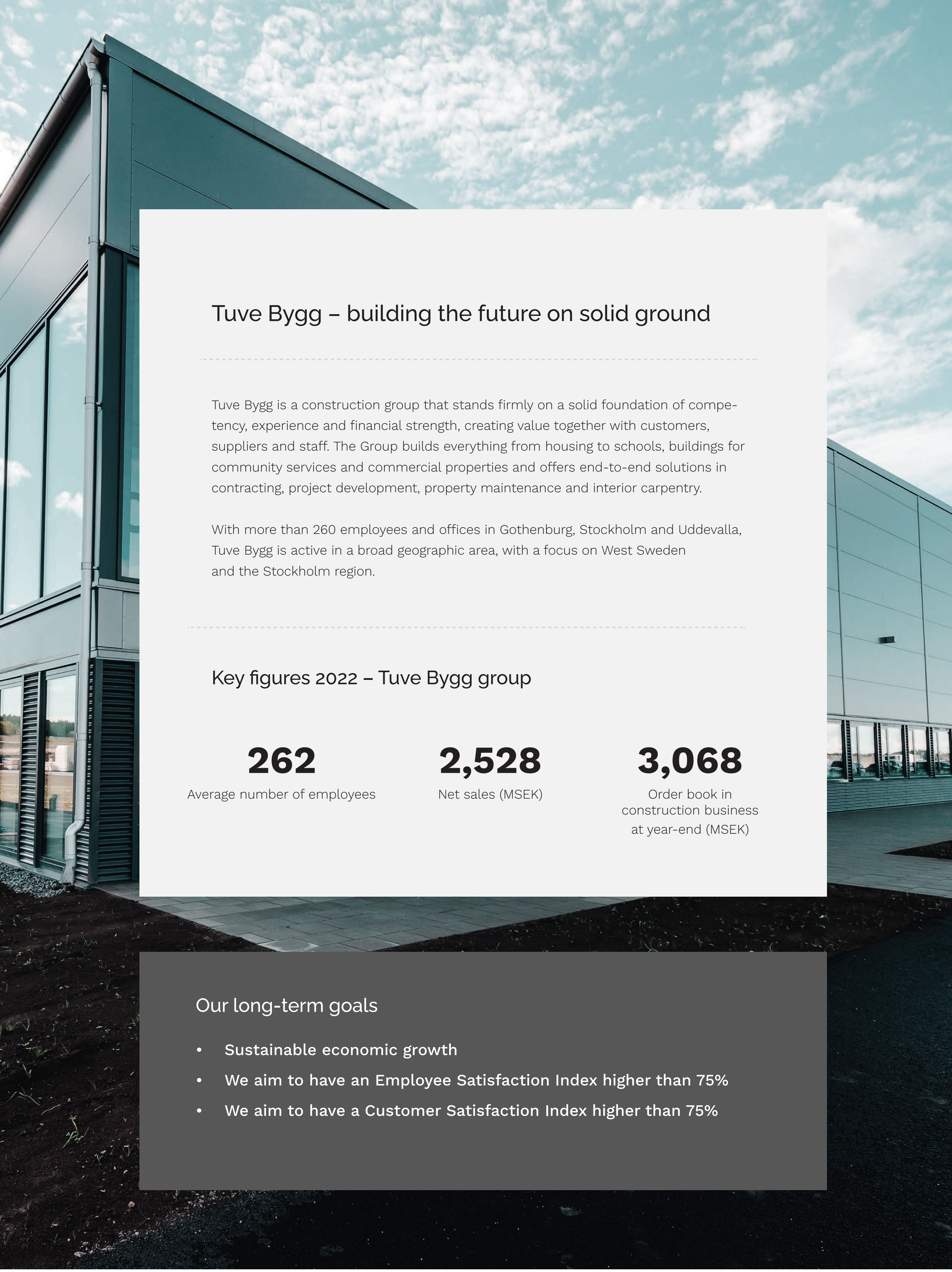
Distribution: registered vehicles
(43,521)

The charts above include operations after completed acquisitions during 2022: for Finland seven months of operations are included; Netherlands ten months of operations; Slovakia, Czech Republic and Hungary three months of operations. Finland reports negative operational earnings for the period (MSEK -27).

Read more about Hedin Mobility Group in the company's Annual Report and on the website www.hedinmobilitygroup.com

Construction and Real estate

Construction and Real estate consists mainly of the operations in the Tuve Bygg group, which is owned in full by Hedin Group. In addition, the business area includes management and development of properties that are used in the Hedin Group's activities through the company I.A. Hedin Fastighet AB.



Tuve Bygg – building the future on solid ground

Tuve Bygg is a construction group that stands firmly on a solid foundation of competency, experience and financial strength, creating value together with customers, suppliers and staff. The Group builds everything from housing to schools, buildings for community services and commercial properties and offers end-to-end solutions in contracting, project development, property maintenance and interior carpentry.

With more than 260 employees and offices in Gothenburg, Stockholm and Uddevalla, Tuve Bygg is active in a broad geographic area, with a focus on West Sweden and the Stockholm region.

Key figures 2022 – Tuve Bygg group

262	2,528	3,068
Average number of employees	Net sales (MSEK)	Order book in construction business at year-end (MSEK)

Our long-term goals

- Sustainable economic growth
- We aim to have an Employee Satisfaction Index higher than 75%
- We aim to have a Customer Satisfaction Index higher than 75%

2022 in brief

During 2022, Tuve Bygg increased net sales by more than 50% and laid the foundation for a way of working with a focus on orderliness in the projects. At the same time, work has been underway to strengthen processes for creating the resilience that is needed to face a changing market.

Constant improvements

During 2022, Tuve Bygg initiated work on developing and finetuning the company's operations management system. The construction industry is in constant change and orderliness in the projects is the basis for success both with regard to quality delivered and for creating a good economy, for both clients and contractors. The work with a new operations management system is estimated to be completed in spring 2023.

Increased digitisation

An additional link in the work with constant improvements during 2022 was to strengthen the IT department and create an IT council. The aim of this project is to review the company's supporting systems for production in a first step. It is of the utmost importance that a company like Tuve Bygg is at the leading edge in IT in order to create a safe way of working and opportunities for the employees to focus on the right things.

Focus on work environment and health

During 2022, Tuve Bygg worked actively on providing information about the importance of reporting all incidents and accidents at the workplaces – which has paid off. Raising awareness all throughout the Group and spreading knowledge about which risks and incidents are frequent reduce the risk of injury. At Tuve Bygg no one shall be injured at work, this is the company's ultimate goal.

Continued strong order book

Despite a turbulent market, Tuve Bygg has managed to maintain a strong order book. Demand for the company's services has been great and both new and existing customers have chosen Tuve Bygg as contractor for their orders. The company's growth journey continues, net sales have increased by more than a billion SEK compared to 2020 when there was a downturn linked to the pandemic.

External influences

Cost increases as a result of the pandemic and the war in Ukraine have had a great impact on the entire construction industry. How this has been managed in the respective contract has been, and continues to be, a great challenge both for Tuve Bygg, the company's clients and other cooperation partners. During the year all costs have been reviewed, both expenses in projects and at a central level.

Attractive employer

During the year the number of employees increased by more than 30 people. Competition for skilled personnel in the construction industry is tough, but despite this Tuve Bygg has been successful with its recruitment. It is clear that one of the reasons that employees choose Tuve Bygg is the company's work approach governed by values which permeate the entire operations.

Read more about Tuve Bygg in the company's Annual Report and on the website www.tuvebygg.se

Investments

In Investments, Hedin Group are active as partners in Consensus Asset Management and Ripam Invest. In addition, Hedin Group is also active in management of and trading in securities through A.H. Värdepapper AB.

Consensus Asset Management

Consensus Asset Management AB (publ) is a securities company active in asset management. The company's share is listed on Spotlight Stock Market. Hedin Group's participating interest in Consensus is 28%.

The war in Ukraine, rising energy prices, strongly increasing inflation and market rates shook the world's finance markets in 2022 and led to a year of volatility in the stock markets. As Consensus' revenue comes from various parts of the capital market, 2022 became a very difficult year with falling share prices that hit by and large all the company's revenue streams. Consensus also does not have any net interest income that could have compensated for the loss in revenue.

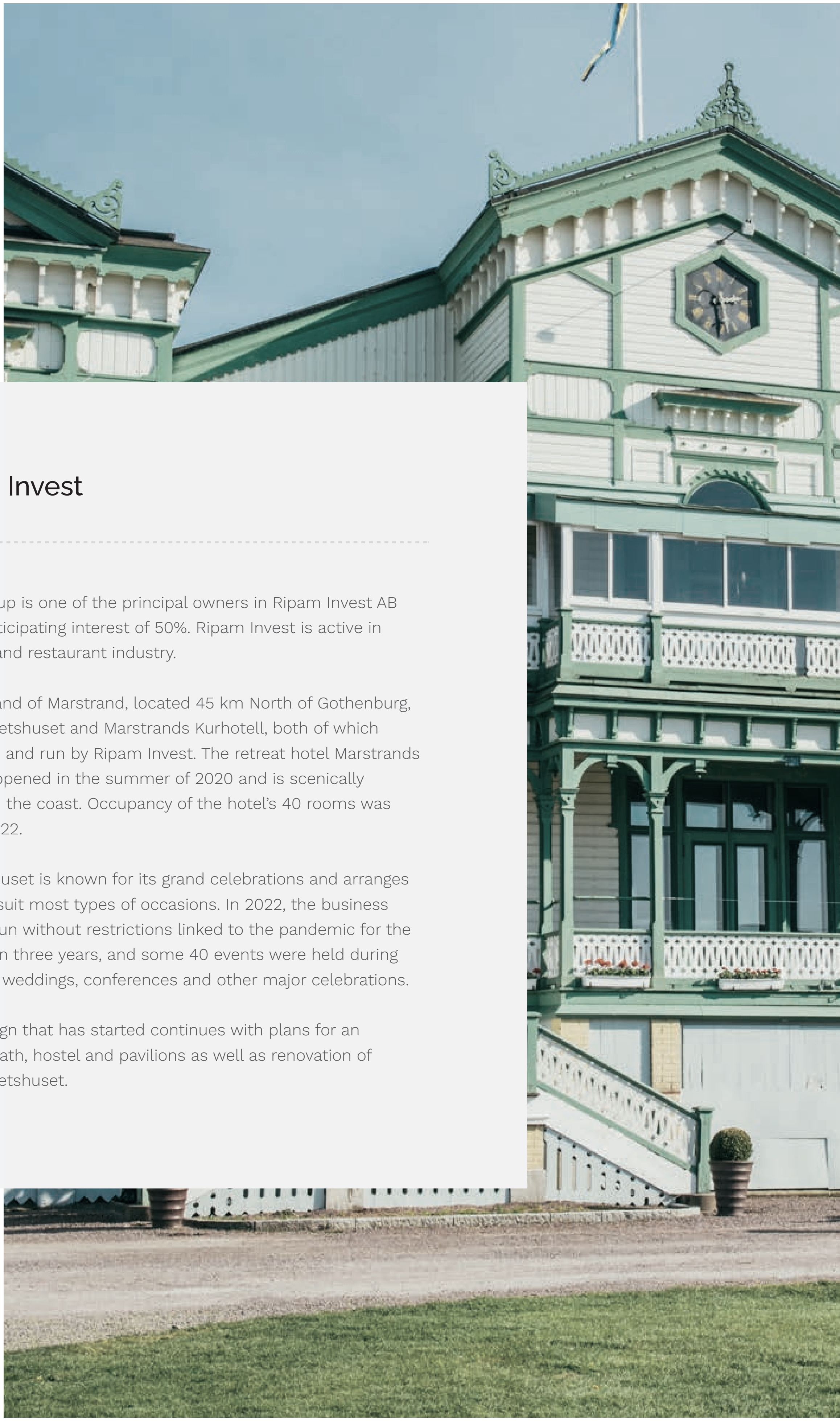
The fact that Consensus is continuing to increase the business volume year after year is positive for its long-term development. In 2022, the inflow of new capital continued with SEK 1.7 billion to a total of approximately SEK 11.5 billion. This was a somewhat lower business volume in total compared to 2021, which is explained by the downturn in the stock market and declining rates in the interest rate market which both affected the managed capital.

The company's organic growth also continued in 2022. In autumn, Consensus set up an office in Örebro and continued with new recruitments primarily for Eskilstuna. Adding to this, a significant upgrading of the company's IT environment was carried out which resulted in new digital processes that help the company's staff to maintain the highest possible standards in their daily work.

37
Average number of employees

58
Operating income (MSEK)

60%
Equity ratio



Ripam Invest

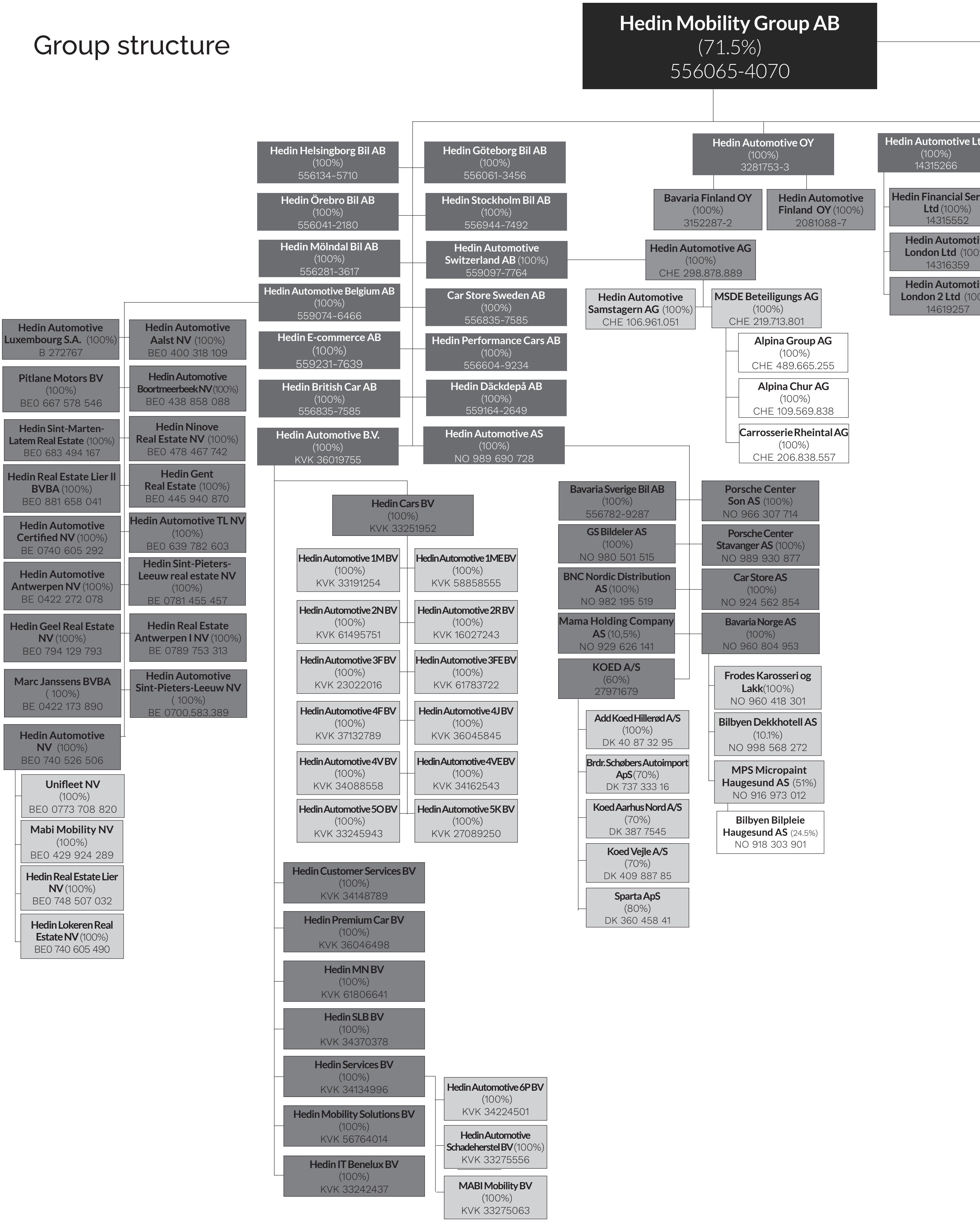
Hedin Group is one of the principal owners in Ripam Invest AB with a participating interest of 50%. Ripam Invest is active in the hotel and restaurant industry.

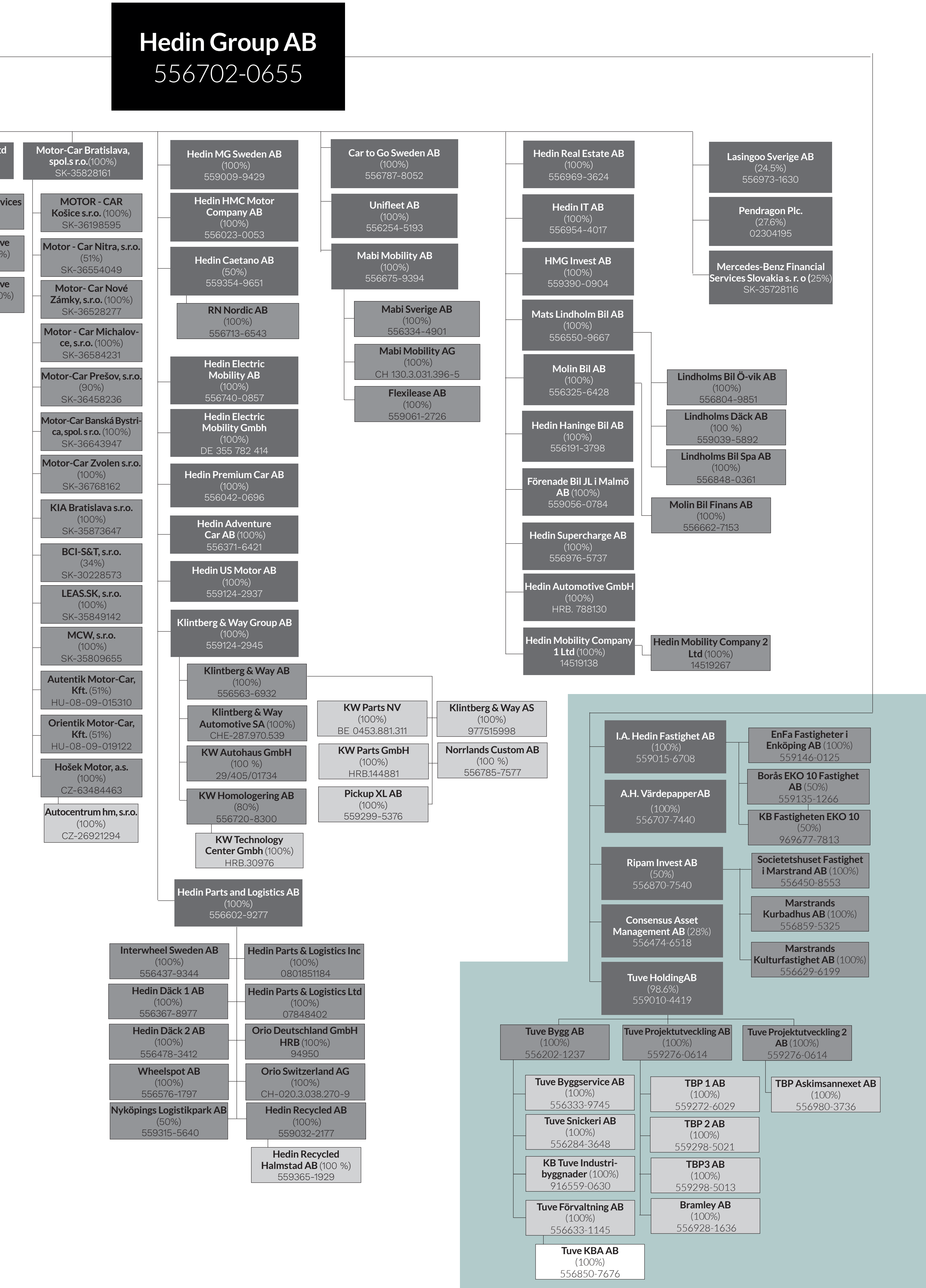
On the island of Marstrand, located 45 km North of Gothenburg, lies Societetshuset and Marstrands Kurhotell, both of which are owned and run by Ripam Invest. The retreat hotel Marstrands Kurhotell opened in the summer of 2020 and is scenically located on the coast. Occupancy of the hotel's 40 rooms was good in 2022.

Societetshuset is known for its grand celebrations and arranges events to suit most types of occasions. In 2022, the business could be run without restrictions linked to the pandemic for the first time in three years, and some 40 events were held during the year – weddings, conferences and other major celebrations.

The redesign that has started continues with plans for an open-air bath, hostel and pavilions as well as renovation of the Societetshuset.

Group structure





Hedin Group AB 556702-0655
Motor-Car Bratislava, spol.s r.o.(100%) SK-35828161
MOTOR - CAR Košice s.r.o. (100%) SK-36198595
Motor - Car Nitra, s.r.o. (51%) SK-36554049
Motor- Car Nové Zámky, s.r.o. (100%) SK-36528277
Motor - Car Michalov-ce, s.r.o. (100%) SK-36584231
Motor-Car Prešov, s.r.o. (90%) SK-36458236
Motor-Car Banská Bystri-ca, spol. s r.o. (100%) SK-36643947
Motor-Car Zvolen s.r.o. (100%) SK-36768162
KIA Bratislava s.r.o. (100%) SK-35873647
BCI-S&T, s.r.o. (34%) SK-30228573
LEAS.SK, s.r.o. (100%) SK-35849142
MCW, s.r.o. (100%) SK-35809655
Autentik Motor-Car, Kft. (51%) HU-08-09-015310
Orientik Motor-Car, Kft. (51%) HU-08-09-019122
Hošek Motor, a.s. (100%) CZ-63484463
Autocentrum hm, s.r.o. (100%) CZ-26921294
Hedin MG Sweden AB (100%) 559009-9429
Hedin HMC Motor Company AB (100%) 556023-0053
Hedin Caetano AB (50%) 559354-9651
RN Nordic AB (100%) 556713-6543
Hedin Electric Mobility AB (100%) 556740-0857
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Hedin Premium Car AB (100%) 556042-0696
Hedin Adventure Car AB (100%) 556371-6421
Hedin US Motor AB (100%) 559124-2937
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KW Technology Center Gmbh (100%) HRB.30976
KW Parts NV (100%) BE 0453.881.311
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Hedin Parts and Logistics AB (100%) 556602-9277
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Hedin Supercharge AB (100%) 556976-5737
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Hedin Mobility Company 2 Ltd (100%) 14519267
Lasingoo Sverige AB (24.5%) 556973-1630
Pendragon Plc. (27.6%) 02304195
Mercedes-Benz Financial Services Slovakia s. r. o (25%) SK-35728116
I.A. Hedin Fastighet AB (100%) 559015-6708
A.H. VärdepapperAB (100%) 556707-7440
Ripam Invest AB (50%) 556870-7540
Consensus Asset Management AB (28%) 556474-6518
Tuve HoldingAB (98.6%) 559010-4419
EnFa Fastigheter i Enköping AB (100%) 559146-0125
Borås EKO 10 Fastighet AB (50%) 559135-1266
KB Fastigheten EKO 10 (50%) 969677-7813
Societetshuset Fastighet i Marstrand AB (100%) 556450-8553
Marstrands Kurbadhus AB (100%) 556859-5325
Marstrands Kulturfastighet AB (100%) 556629-6199
Tuve Bygg AB (100%) 556202-1237
Tuve Projektutveckling AB (100%) 559276-0614
Tuve Projektutveckling 2 AB (100%) 559276-0614
Tuve Byggservice AB (100%) 556333-9745
Tuve Snickeri AB (100%) 556284-3648
KB Tuve Industri-byggnader (100%) 916559-0630
Tuve Förvaltning AB (100%) 556633-1145
Tuve KBA AB (100%) 556850-7676
TBP 1 AB (100%) 559272-6029
TBP 2 AB (100%) 559298-5021
TBP3 AB (100%) 559298-5013
Bramley AB (100%) 556928-1636
TBP Askimsannexet AB (100%) 556980-3736

Board of Directors and senior executives

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 Manager
Andréas Joersjö, General Counsel
Charlotte Martinsson, HR Director
Jørn Heiersjø, Real Estate Director
Rasmus Hansen, Procurement Director
Magnus Matsson, PR and Communication Manager

AUTOMOTIVE

Mobility Solutions
Jakob Werner, COO Car to Go Sweden AB and Unifleet AB
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
Anderz Larqvist, CEO Hedin US Motor AB
Thomas Bennet, CEO Klintberg & Way Group A
Sven Skogheim, CEO GS Bildeler AS
Victor Liljenberg, CEO Hedin Electric Mobility AB
Lars Pauly, CEO Hedin Electric Mobility GmbH
Simon Fransson, CEO Hedin Premium Car AB
Nicholas Tengelin, CEO Hedin Parts and Logistics AB

Retail
Alexander Orméus, COO Hedin Bil
- Markus Östlund, CEO Hedin Göteborg Bil AB
- Johan Stålhammar, CEO Hedin Helsingborg Bil AB
- Morten Westby, CEO Hedin Stockholm Bil AB
- Pär Björkholm, CEO Hedin Örebro Bil AB
- Rikard Alm, CEO Hedin British Car AB

Johan Kempas, CEO Hedin Mölndal Bil AB
Rickard Magnusson, CEO Hedin Performance Cars AB
Henrik Lessèl, CEO Hedin Automotive Belgium AB
Marcus Larsson, CEO Hedin Automotive AS
Markus Schwingel, CEO Hedin Automotive AG
Johan Frisk, CEO Bavaria Sverige Bil AB
Hallvard Vikeså, CEO Bavaria Norge AS
Eddy Haesendonck, CEO Hedin Automotive B.V.
Peter Lampret, CEO Car Store Sweden AB
Mikko Mykrä, CEO Hedin Automotive Oy
Matúš Brecka, CEO Motor-Car Bratislava spol. s r.o.

IT
Patrick Olsson, CEO Hedin IT AB

CONSTRUCTION AND REAL ESTATE
Johan Eriksson, CEO Tuve Bygg AB


HEDIN GROUP

5-YEAR SUMMARY

MSEK	2022	2021	2020	2019	2018
Net sales	55,248	34,486	27,526	25,971	24,184
Operating profit	2,490	1,444	806	337	223
Financial items	-312	-277	-245	-255	-203
Profit before tax	2,178	1,167	561	82	19
Taxes	-349	-251	-114	-32	-3
Net profit for the year	1,829	916	447	50	16
Intangible fixed assets	3,208	2,193	2,060	2,110	1,758
Tangible fixed assets	22,818	12,924	9,339	7,989	2,419
Financial assets	2,018	1,163	534	491	271
Inventories	13,647	4,363	3,623	3,715	3,844
Accounts receivable	3,785	1,766	1,337	1,446	1,142
Other assets	2,722	2,879	1,128	1,140	1,068
Total assets	48,198	25,288	18,021	16,891	10,502
Equity	8,836	6,814	2,084	1,803	1,892
Non-current liabilities	17,102	9,849	9,112	7,980	2,721
Accounts payable	7,320	2,745	2,446	2,312	2,089
Other liabilities	14,940	5,880	4,379	4,796	3,800
Total equity and liabilities	48,198	25,288	18,021	16,891	10,502
Cash flow from operating activities	1,868	2,996	2,225	1,686	48
Cash flow from Investing activities	-8,475	-4,868	-1,042	-1,679	-1,466
Cash flow from Financing activities	5,488	3,444	-1,078	60	1,094
Cash flow for the year	-1,119	1,572	105	67	-324
Equity ratio	18%	27%	12%	11%	18%
Return on equity	23%	21%	23%	3%	1%
Average number of employees	6,437	3,815	3,216	3,238	2,939

As of 2019, IFRS16 is applied. Previous years have not been translated.

MEUR	2022	2021	2020	2019	2018
Net sales	4,965	3,372	2,742	2,489	2,353
Operating profit	224	141	80	32	22
Financial items	-28	-27	-24	-24	-20
Profit before tax	196	114	56	8	2
Taxes	-31	-25	-11	-3	-0
Net profit for the year	164	90	45	5	2
Intangible fixed assets	288	214	205	202	171
Tangible fixed assets	2,051	1,264	931	766	235
Financial assets	181	114	53	47	26
Inventories	1,226	427	361	356	374
Accounts receivable	340	173	133	139	111
Other assets	245	282	113	109	104
Total assets	4,331	2,473	1,796	1,619	1,022
Equity	794	666	208	173	184
Non-current liabilities	1,536	963	908	764	265
Accounts payable	658	268	244	222	203
Other liabilities	1,343	575	436	460	370
Total equity and liabilities	4,331	2,473	1,796	1,619	1,022
Cash flow from operating activities	168	293	222	162	5
Cash flow from investing activities	-762	-476	-104	-161	-143
Cash flow from financing activities	493	-107	6	106	135
Cash flow for the year	-101	154	11	7	-32
Equity ratio	18%	27%	12%	11%	18%
Return on equity	23%	21%	23%	3%	1%
Average number of employees	6,437	3,815	3,216	3,238	2,939
Exchange rate SEK/EUR	11.13	10.23	10.04	10.43	10.28

As of 2019, IFRS16 is applied. Previous years have not been translated.

Director's Report

The Board and CEO for Hedin Group AB, corp. ID no. 556702-0655 herewith submit the Annual Report and consolidated accounts for the accounting year 01/01/2022 – 31/12/2022.

GENERAL INFORMATION ABOUT THE BUSINESS

The Hedin Group is a family-owned company active mainly in sales and service of vehicles, import and distribution of vehicles, spare parts and tyres as well as leasing and short-term rentals of vehicles plus construction and contracting business.

AUTOMOTIVE

Retail

In Retail we conduct retailing of passenger vehicles, trucks and commercial vehicles in several European countries. This is done using a full-service concept where both private and corporate customers are offered, in addition to vehicles, financing, service agreements, tyre hotels and insurance. The business is conducted in Sweden, Norway, Belgium, Switzerland and during the year Finland, Netherlands, Slovakia, Czech Republic and Hungary were also added. In total, more than 40 car brands are offered, with Mercedes-Benz, BMW, Ford, KIA, and MG among the largest. In Sweden the majority of sales take place under the trademark Hedin Bil. The trademark Bavaria is used in Sweden and Norway for sales of BMW and MINI, while Hedin Performance Cars is used for sales of Porsche in dedicated Porsche Centers in Sweden and Norway. Hedin Automotive is used as a trademark for sales in Belgium, Switzerland and the Netherlands. In Slovakia, Czech Republic and Hungary, the established name Motor-Car is used.

Distribution

In Distribution, import and distribution of vehicles, spare parts and tyres is conducted. The vehicles are distributed both through wholly-owned dealers in the business area Retail, as well as by external dealers. In Sweden the brands Ford, MG, BYD and Hongqi are distributed. The operations relate to sales of new passenger and commercial vehicles as well as spare parts together with financing solutions, car damage warranties and private leasing offers. In Europe, import and distribution of the brands Dodge and RAM as well as Ford F-150 is conducted, including homologation under own management. For the trademark INEOS Grenadier distribution takes place in eleven European countries. Through the partly-owned company RN Nordic, distribution of Renault, Dacia and Alpine takes place in Sweden and Denmark.

The Group is an authorised spare parts distributor for General Motors North American Vehicles and Mopar (Chrysler, Jeep, Dodge, RAM), and one of Europe's largest spare parts wholesalers for American car parts with sales in 37 countries. Sales take place under the trademark KW Parts. During 2022 the logistics company Orio was acquired from the Swedish state, which is exclusive global supplier of Saab original spare parts through a global network in Europe, North America, Asia, and Australia. Since 2023 the company has been run under the name Hedin Parts and Logistics AB and is being developed to become the hub in the Group's spare parts distribution.

Interwheel is one of Sweden's largest companies in the tyre sector and distributor for Alutec rims, Kumho tyres and Cooper's tyre range. Since the start of 2023 the company is a subsidiary of Hedin Parts and Logistics.

Distribution and sales of BMW spare parts for the Norwegian and Danish market takes place in GS Bildeler i Norway and Koed in Denmark.

Mobility Solutions

Mabi Mobility offers short-term rentals through a complete range of passenger vehicles, commercial vehicles and minibuses. In addition, there is a concept with long-term rentals that is marketed under the name Flexilease. The business is run mainly through franchises and has a nationwide network of stations in Sweden, and operations in Belgium, Switzerland and the Netherlands.

Car To Go Sweden AB acts as an agency for private leasing of passenger vehicles via the trademark Carplus. Under the trademark Carplus Store the company also runs a store concept where the company's online business is combined with physical stores. The company is the driving force in digital transformation of the vehicle business. Car To Go Sweden AB also conducts product development in new digital business areas online aimed at consumers and companies. Unifleet AB offers operational and financial leasing as well as vehicle administration services to the Swedish corporate market.

CONSTRUCTION AND REAL ESTATE

Tuve Holding AB is parent company in the Tuve group. Tuve Bygg AB runs contracting business in West Sweden and Stockholm. Tuve Byggservice AB runs construction services in the Gothenburg region for private real estate companies and public clients, as well as rebuilding and extensions in smaller construction contracts. Tuve Snickeri AB develops end-to-end solutions for carpentry orders and engineers special and customised interior furnishings for private and public environments. Tuve Förvaltning AB owns shares in companies that develop properties for future production and runs project development for housing and commercial properties.

I.A. Hedin Fastighet AB develops and manages properties that are used as part of the Group's operations.

INVESTMENTS

The Company has investments in Consensus Asset Management AB and Ripam Invest AB. In addition, the Group has investments in British car dealer Pendragon PLC and Mercedes-Benz Financial Services Slovakia s.r.o.

THE PARENT COMPANY

Hedin Group AB's operations consist essentially of managing and developing ownership in existing subsidiaries. The Company is owned to 100% by Anders Hedin.

Key figures

Amounts in MSEK	2022	2021	2020	2019	2018
Net sales	55,248	34,486	27,526	25,971	24,184
Profit before tax	2,178	1,167	561	82	19
Total assets	48,198	25,288	18,022	16,891	10,502
Return on equity %	23	21	23	3	1
Equity ratio %	18	27	12	11	18
Equity ratio % excluding IFRS 16	22	34	16	15	18
Average number of employees	6,437	3,815	3,216	3,238	2,939

Definitions
Return on equity: Net profit for the year in relation to average equity
Equity ratio: Equity in relation to total assets

EVENTS DURING THE YEAR

Retail

- On January 6, the acquisition of Toyota de Laat in Belgium was completed. On January 7, Toyota and Lexus dealer Klaasen & Co located in Turnhout, Belgium, was acquired. On January 13, Toyota dealer Trullemans, located in Dilbeek, Belgium, was acquired.

- On March 16, the acquisition of all shares in Stern Facilitair BV from listed dealer Stern Group N.V. in the Netherlands was completed. The acquisition includes all parts of Stern's core business in the areas of retail, aftersales, rental car business and leasing business. Stern is one of the largest car dealers in the Netherlands and represents some 25 brands. The business is now run under the name Hedin Automotive.

- On September 15, the acquisition of MB Antwerpen NV from Mercedes-Benz Group was completed. The company's operations comprise sales and workshops at four Mercedes-Benz dealerships in Antwerp, Belgium.

- Ford Hedin Bil continued to strengthen its position as Sweden's largest Ford dealer. During the year, a total of six Ford dealerships were acquired, which together employ more than 90 people in vehicle sales, workshop and car parts. The businesses were transferred during May and June.

- Hedin Mobility Group entered the Finnish market for the first time with the acquisition of renowned Laakkonen Group's automotive business. Laakkonen represents eight brands and is one of the largest car dealers in Finland. In 2021, Laakkonen had net sales of 615 MEUR and a total of 855 employees at 21 dealerships in 15 towns. Transfer of business was on May 31.

- Hedin Mobility Group acquired all shares in Motor-Car Bratislava spol. s.r.o. ("Motor-Car Group"). Motor-Car Group is a dealer of passenger vehicles, trucks and buses with an extensive network of dealers consisting of 17 dealerships in Slovakia, Hungary and the Czech Republic. The company represents 15 leading brands and employs some 1,100 people. In 2021 they sold some 10,000 vehicles with total net sales of around MEUR 455. Transfer of business was on October 5.

  Hedin Mobility Group on October 5 additionally acquired 25% of Mercedes-Benz Financial Services Slovakia ("MBFS") to broaden its establishment in East Central Europe. MBFS offers an extensive range of automotive-related financial services to all Mercedes-Benz dealers in Slovakia.

- Hedin Automotive AG acquired all shares in Alpina Group, the largest BMW and MINI dealer group in Eastern Switzerland. Alpina Group, with sales of approx. MEUR 117.5 in 2021, employs some 140 people at three full-service dealerships in St. Gallen, Widnau and Chur. Transfer of business was on October 20.

- In November, Hedin Mobility Group entered into an agreement to acquire four Mercedes-Benz dealerships in south London from Mercedes-Benz Retail Group UK Ltd. The transaction covers four attractive locations – Brooklands, Dartford, Croydon and West Bromley – with a combined broad portfolio of passenger vehicles, commercial vehicles and aftermarket services. Together, the four dealerships employ some 360 persons. The acquisition marks Hedin Mobility Group's first wholly-owned business in Great Britain – Europe's second largest car market in terms of registered passenger vehicles – where Mercedes-Benz is a leading brand in the luxury segment. Transfer of business was on April 1, 2023.

- In December, Hedin Mobility Group entered into an agreement to acquire the BMW dealers Mats Lindholms Bil AB and Molin Bil AB. The transactions cover all activities with sales of new and used passenger cars as well as a wide range of after-market services in both companies, which are run at three full-service dealerships in Umeå, Örnsköldsvik and Sundsvall, Sweden. Together, the three dealerships employ some 80 people and in 2021 sold more than 2,200 new and used cars. Transfer of business was on February 1, 2023.

- Hedin Automotive Belgium AB acquired the Mercedes-Benz Trucks Center in Sint-Pieters-Leeuw, which has approx. 40 employees and which in 2021 sold 348 vehicles, of which 167 trucks and 181 commercial vehicles, with net sales of MEUR 26.9. Transfer of business was on December 16.

Distribution

- Hedin Mobility Group was appointed distributor and retailer of the completely new INEOS Grenadier in the following markets: Belgium, Netherlands, Luxembourg, Sweden, Denmark, Norway, Finland, Estonia, Latvia, Lithuania and Switzerland. The cooperation with the manufacturer INEOS Automotive also includes aftermarket and distribution of spare parts.

- On May 2, Hedin Caetano AB – a company owned to equal parts by Hedin Mobility Group and Salvador Caetano Group – finalised the acquisition of all shares in RN Nordic AB from Renault s.a.s. Renault Nordic is an importer and distributor for the brands Renault, Dacia and Alpine in Sweden and Denmark.

- On June 9 the Company acquired all shares in Orio AB. Orio is a logistics company whose roots lie in the Swedish car industry, and is the exclusive global supplier of Saab Original spare parts through a global network in Europe, North America, Asia, and Australia. The company's head office as well as logistics and distribution centre, including the central warehouse of 57,000 sqm with a high rate of automation tailor-made for spare parts operations, is located in Nyköping, Sweden. In 2021, Orio had a turnover of MSEK 360 and some 140 employees. After the acquisition, the company changed its name to Hedin Parts and Logistics AB.

- Hedin Mobility Group was appointed ”Dealer+” for the leading electric car manufacturer BYD in Sweden and Germany. With the partnership, Hedin Mobility Group will distribute and sell BYD's electric cars and provide aftermarket services in the Swedish and German market. Six leading dealer groups will sell and service electric cars from BYD in the important German market. In Sweden sales and service will take place via Hedin Bil.

- Hedin Mobility Group entered into a partnership with the premium car brand Hongqi, through which the Group becomes importer and retailer of Hongqi's electric cars in Sweden and the Netherlands.

- Hedin Mobility Group was appointed importer of the Ford F-150 in Europe. The subsidiary Hedin US Motor AB will market the F-150, including spare parts and accessories, and distribute the model range to authorised Ford dealers. First launch will be in Germany and Sweden, with other European markets to follow.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

- The acquisitions of Mats Lindholms Bil AB and Molin Bil AB (see ”Events during the year”) were completed on February 1.

- Hedin Automotive Belgium AB continued to grow with Toyota thanks to the acquisition of Toyota dealer Van Dijck in Brecht with 10 employees. With the acquisition Hedin Automotive has strengthened its geographic presence in the province of Antwerp and the Campine region and with a total of 26 dealerships the company is now Belgium's largest retailer. Transfer of business was on February 8.

- On February 17 Hedin Parts and Logistics AB acquired OnWheels Bildemontering AB and its parent company OW Förvaltning och Fastighets AB. OnWheels Bildemontering is a state-of-the-art facility of 3,200 square metres which is at the leading edge when it comes to dismantling cars and recycling parts in a sustainable manner. The acquisition will give Hedin Mobility Group's workshops better access to spare parts, while OnWheels Bildemontering's business with sales of used parts to private and corporate customers will continue as previously.

- Hedin Automotive AG entered into an agreement to acquire BMW dealer H.P. Schmid AG's business north of Zürich in Switzerland. H.P. Schmid is a family-owned dealership offering a wide range of new and used BMW cars and service, spare parts and accessories for BMW and MINI. In addition, H.P. Schmid has a full body and paint workshop. The acquisition of H.P. Schmid's business further strengthens Hedin Automotive's position as the second largest dealer group of BMW and MINI in Switzerland – and Hedin Mobility Group's position as one of Europe's biggest dealers of BMW.

- Hedin Automotive B.V. acquired the Peugeot business at three Dutch dealers. The acquisition concerns three Peugeot dealerships run by Nefkens, a dealership in the Emil Frey-group, in Assen, Groningen and Veendam. The dealerships together employ some 56 people in vehicle sales, workshop and spare parts. After the takeover, all current staff will be employed by Hedin Automotive. With the acquisition Hedin Automotive expands its network of dealers in the northern Netherlands and thus strengthens its position in the Dutch automotive market. Transfer of business was on April 3.

- Hedin British Car AB entered into an agreement to acquire all shares in Förenade Bil JL i Malmö AB. Förenade Bil JL i Malmö is an exclusive retailer for Jaguar and Land Rover in Skåne, Sweden, with an authorised service workshop. Transfer of business was on April 28.

- Hedin Mobility Group and Iveco Group signed a letter of intent regarding acquisition of Iveco Group's distribution and retail business in Sweden, Norway, Finland and Denmark. Through the planned acquisition, Hedin Mobility Group will take over the business of marketing and distributing commercial vehicles of the brand IVECO, including spare parts, in the four Nordic countries. As part of the transaction, Hedin Mobility Group will also acquire the retail business at the IVECO-owned full-service dealerships in Sweden, Norway, Finland and Denmark.

- The acquisition of the four dealerships in south London from Mercedes-Benz Retail Group UK Ltd. (see ”Events during the year”) was completed on April 1.

- Hedin Automotive Oy entered into an agreement with Delta Motor Group Oy to acquire all shares in Delta Auto Oy as well as Delta Motor Group Oy's operating activities. The transaction comprises all business activities in Delta Auto, including the sale of new and used cars, aftermarket and spare cards and vehicle-related support functions. Delta Auto is an important player in the Finnish automotive market, with revenue of MEUR 322 during 2022 and 315 employees at 13 dealerships in 12 cities and a brand portfolio of nine car brands. With this acquisition, Hedin Automotive continues its growth strategy in Finland and expands its presence to a nationwide network of dealers from Helsinki to Oulu. In addition, the company is adding six new brands to its portfolio.

- Hedin Automotive Luxembourg S.A. entered into an agreement to acquire the Mazda-business at the dealer Garage Pirsch s.à.r.l. in Luxembourg, Luxembourg. The transaction comprises all Garage Pirsch's Mazda-Activities in sales of new and used cars as well as aftermarket services. With the acquisition, Hedin Mobility Group is entering the Luxembourgian market for the first time and increasing the number of countries with local presence to 14. The Group's presence in Benelux is thus completed to consist of market-leading retail operations in Belgium, the Netherlands and Luxembourg through the brand Hedin Automotive.

- Hedin Group acquired the remaining shares in Tuve Bygg Holding AB, where the Company had a participating interest of 98.6% since previously, and the construction group is thus owned in full by Hedin Group AB.

- Hedin Automotive GmbH entered into an agreement with Torpedo Garage Holding GmbH & Co. KG and Torpedo LT Investment GmbH to acquire a total of eight companies, in which all vehicle-related operations are run under the brand Torpedo Gruppe. Torpedo Gruppe is one of the largest dealer groups in Germany and employs some 1,260 people. In 2022, Torpedo Gruppe sold a total of 12,000 new and used vehicles and had net sales of MEUR 526 (agent business included). With the acquisition, Hedin Mobility Group will continue building on its existing operations in Germany to develop a nationwide vehicle business – from import and distribution of vehicles and spare parts to retail and aftermarket services – thus strengthening the Group's position as a leading European partner in the automotive industry.

EXPECTED FUTURE DEVELOPMENT

The business will expand during the coming year through the acquisitions that were made during the year and after the end of the financial year. Rising inflation, higher interest rates and increasing electricity prices mean that the strong demand we have seen in recent years will drop. The delivery problems we have seen will decline. With our diversification of brands and presence in various markets we see opportunities to manage this and allow us to offer our customers good alternatives. We work continuously on developing and streamlining our operations and thanks to our diverse activities in various businesses we are financially strong.

RISKS

Vehicle sales are dependent on the economic trend and create sensitivity in the Group's sales development. To reduce sensitivity in profitability, efficient processes and having the stock situation under control are necessary. Most contracts with general agents are rolling two-year or five-year contracts. This means that it is necessary to have a good relation between general agent and retailer and to build long-term cooperation. The Hedin group aims to be an important cooperation partner for the respective general agent and to build trust between the parties.

Creating an end-to-end concept with financing, insurance, service, cards and different ownership options contributes to increased customer loyalty. By having a wide range of brands the risks that arise through all too great exposure to individual brands are also reduced. At the same time, the expansion of recent years has been mainly in the premium segment and in partly new and well-functioning markets which has made it possible to spread the risks in a positive way.

The Group's operations in various parts of the automotive industry such as distribution, retail and mobility create opportunities to diversify and spread the risks.

The construction business is dependent on the economic trend and housing construction. Unexpected price hikes on material and salaries entail a risk in fixed price projects for the project's profitability even if we have interprofessional agreements to cover this.

Rising inflation, higher interest rates and increasing electricity prices bring a risk of reduced demand for new vehicles. Russia's invasion of Ukraine in February 2022 also contributed to creating uncertainty in Europe and the world. There are risks that the uncertain situation creates a decline in economic activity in the market and that we are entering a recession. We consider the following to be the most significant risks;

- Demand: There is a risk of the consumption of durable goods, including cars, dropping to a significantly lower level over a longer period of time.

- Orders: The uncertainty means that those ordering construction projects await coming investments which means a reduced order take.

- Stock values: When there is an oversupply in the market there is a risk of car prices being adjusted downwards. We continuously analyse existing stock and trade-ins to ensure that current stock is competitive. Due to the delivery problems we experienced during the year stock levels are low.

- Delivery capability: Lack of components from sub-suppliers has resulted in delayed deliveries for certain models. This can affect our delivery capability in the short term.

- Inflation: The uncertain global situation increases the cost of transport and also weakens the Swedish currency. This means higher prices for consumers with a risk of lower demand as a result.

- Financing and liquidity: If the downturn becomes protracted there is a risk that refinancing of the current credit portfolio cannot be done. Continuous dialogue with our creditors is held in order to ensure.

The Group’s sustainability work takes place through the subsidiaries Hedin Mobility Group AB and Tuve Bygg AB, respectively, and Sustainability Reports in full are available for download on the respective website.

The work with running all of the Group’s operations in a responsible and sustainable way is based in our values, Code of Conduct and the policies and governing documents that apply. We work actively to continue developing and improving our sustainability performance. The aim is to always act based on a holistic perspective in order to achieve as good results as possible in all aspects – environmental, social and economic. The focus is on efforts that are assessed as being the most material based on our business and our stakeholders’ needs, such as:

- Reduced emissions from the transport sector, by being part of the electrification.
- Reduced carbon footprint in the own operations, by minimising waste, environmental certification for new construction projects and installing solar cells.
- Management of resources and safety all throughout the vehicle’s life cycle, through service and repairs at 300 workshops, and body and paint shops all around Europe, as well as operations in car dismantling and recycling of car parts.
- Being a responsible and attractive employer by ensuring a safe, secure and developing workplace for our employees.
- Economic growth contributes to maintaining good business quality and profitability, which provides the conditions for continuing to create value through direct and indirect job opportunities and payments to financiers and the public sector.

EMPLOYEES

Competition for skilled labour is tough all throughout the industry, especially for vehicle technicians. Attracting driven, committed and skilled staff is absolutely crucial for us to continue developing, growing and creating value for both our customers and society at large.

In 2022, the project “Employer of the Future” was introduced with the aim of creating an even more sought-after, developing and inclusive workplace, and with a continued focus on efforts to attract both today’s and tomorrow’s talents. This involved a more extensive Engagement Survey, a digital training platform and work on core values being initiated. Employer of the Future gives us a good platform for continued opportunities to further develop both the organisation and the business.

NET SALES AND RESULT

Net sales for 2022 amounted to MSEK 55,248 (34,486), an increase of 60%. Profit before tax amounted to MSEK 2,178 (1,167) and net profit to MSEK 1,829 (916).

FINANCIAL POSITION

As of December 31, 2022, cash and cash equivalents and investments amounted to MSEK 934 (1,977). Together with unutilised overdraft facilities the available liquidity was MSEK 2,094 (3,200).

The Group’s total assets amounted to MSEK 48,198 (25,288). Investments for the year in tangible and intangible assets amounted to MSEK 628 (318) and business acquisitions amounted to MSEK 2,767 (-39).

PARENT COMPANY

Hedin Group ABs, operations consist essentially of managing and developing ownership in existing subsidiaries. Profit after financial items amounted to MSEK 14 (478) and net profit for the year amounted to MSEK 29 (457).

PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

The Board of Directors proposes that unappropriated earnings in the Parent company at the disposal of the Annual General Meeting amounting to MSEK 1,424,164,832 be distributed as follows:

Dividend to shareholders	SEK 100,000,000
Balance carried forward	SEK 1,324,164,832

Dividend, subject to approval by the Annual General Meeting, will be provided at SEK 100,000,000, which means that non-restricted equity after payment of dividend amounts to SEK 1,324,164,832. The proposed value transfe in form of dividend reduces the Parent company’s equity ratio to 77%. The equity ratio is, against the backdrop of the Company’s operations continuing to be run with profitability, assuring. Liquidity in the Company is assessed as being able to be maintained on a similarly assuring level. The Board’s opinion is that the proposed dividend does not prevent the Company from meeting its obligations in the short or long term, nor to complete required investments. The proposed value transfer can thus be justified with regard to what is stated in the Swedish Limited Companies Act chap. 17 § 3 sect. 2-3 (prudence rule).

For the Company's performance and position in other regards, please refer to the following income statements and balance sheets with accompanying notes.

CONSOLIDATED INCOME STATEMENT AND TOTAL COMPREHENSIVE INCOME

Amounts in MSEK		**2022**	**2021**
Operating income			
Net sales	*4.8*	55,248	34,486
Other operating income	*5.12*	708	65
		55,956	34,551
Operating expenses			
Finished products and goods for resale	*3*	-43,086	-26,753
Other external expenses	*7*	-2,628	-1,601
Employee benefit expenses	*6*	-4,781	-2,915
Profit from participations in operational associated companies	*13*	7	0
Depreciation and amortisation of tangible and intangible fixed assets	*15.16*	-2,664	-1,807
Other operating expenses	*9.12*	-315	-31
Operating profit		**2,490**	**1,444**
Profit/loss from financial items			
Profit from participations in associated companies	*13*	183	17
Financial income	*10,12*	19	37
Financial expenses	*11.12*	-514	-330
Profit before tax		**2,178**	**1,167**
Taxes	*14*	-349	-251
Net profit for the year		**1,829**	**916**
Net profit for the year attributable to:			
Parent company's shareholders		1,296	805
Holdings with non-controlling interests		533	111
Net profit for the year		**1,829**	**916**
Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of pensions obligations, net after taxes		46	41
Share of other comprehensive income from associated companies		67	0
Items that may be reclassified to profit or loss			
Revaluation of long-term securities		0	181
Cash flow hedging		-46	39
Share of other comprehensive income from associated companies		1	0
Translation differences		209	94
Comprehensive income for the year		**2,106**	**1,271**
Comprehensive income attributable to:			
Parent company's shareholders		1,492	1,121
Holdings with non-controlling interests		614	150
Comprehensive income for the year		**2,106**	**1,271**

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	Note	31/12/2022	31/12/2021
ASSETS			
Fixed assets			
Intangible fixed assets			
Intangible rights	15	168	83
Customer relations	15	783	304
Goodwill	15	2,257	1,806
		3,208	2,193
Tangible fixed assets			
Land and buildings	16	1,927	644
Costs incurred on others' property	16	538	280
Equipment, tools and installations	16	807	367
Leasing vehicles	16	10,871	6,406
Right-of-use assets	16	8,521	5,200
Construction in progress	17	154	27
		22,818	12,924
Financial fixed assets			
Shares in associated companies	18	1,577	987
Other long-term securities	19	47	34
Deferred tax asset	26	381	133
Other long-term receivables		13	9
		2,018	1,163
Total fixed assets		**28,044**	**16,281**
Current assets			
Inventories etc.			
Finished products and goods for resale		11,259	3,436
Goods in transit		2,388	927
		13,647	4,363
Current receivables			
Accounts receivables	20	3,785	1,766
Receivables from associated companies		24	17
Tax assets		17	0
Investments in securities	21	45	22
Other receivables		692	307
Prepaid expenses and accrued income	22	1,055	577
		5,618	2,689
Cash and cash equivalents	23	889	1,955
Total current assets		**20,154**	**9,007**
TOTAL ASSETS		**48,198**	**25,288**

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	*Note*	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Share capital and other contributed capital	*24*	0	0
Reserves		129	13
Balanced earnings, including profit for the year		6,314	5,054
Equity attributable to the Parent company's owners		**6,443**	**5,067**
Holdings with non-controlling interests		2,393	1,747
Total equity		**8,836**	**6,814**
Non-current liabilities			
Provisions for pensions	*25*	137	161
Deferred tax liability	*26*	392	215
Other liabilities to credit institutions	*33*	1,990	461
Lease liabilities	*33*	7,279	4,467
Other non-current liabilities	*27*	7,304	4,544
Total non-current liabilities		**17,102**	**9,849**
Current liabilities			
Overdraft facilities	33	787	0
Liabilities to credit institutions	33	3,391	381
Lease liabilities	33	1,263	661
Accounts payable		7,320	2,745
Tax liabilities		378	195
Other liabilities	27	6,215	3,205
Accrued expenses and deferred income	28	2,906	1,438
Total current liabilities		**22,260**	**8,626**
TOTAL EQUITY AND LIABILITIES		**48,198**	**25,288**

CONSOLIDATED REPORT OF CHANGES IN EQUITY

Amounts in MSEK	Share capital	Reserves	Balanced earnings, including profit for the year	Total	Holdings with non-controlling interests	Total equity
Opening Equity 01/01/2021	**0**	**-273**	**2,194**	**1,921**	**162**	**2,084**
Net profit for the year			805	805	111	916
Change in translation reserve for the year		77		77	17	94
Cash flow hedging		28		28	11	39
Revaluation of long-term securities		181		181		181
Revaluation of provisions for pensions			30	30	11	41
Other comprehensive income for the year		286	30	316	39	355
Transactions with owners						
New share issue			2,090	2,090	1,480	3,570
Change in participating interest in subsidiaries			-65	-65	-42	-107
Dividend to shareholders					-3	-3
Closing Equity 31/12/2021	**0**	**13**	**5,054**	**5,067**	**1,747**	**6,814**
Net profit for the year			1,296	1,296	533	1,829
Change in translation reserve for the year		149		149	61	210
Cash flow hedging		-33		-33	-13	-46
Share of other comprehensive income from associated companies			48	48	19	68
Revaluation of provisions for pensions			33	33	13	46
Other comprehensive income for the year		116	82	198	80	278
Transactions with owners						
Change in participating interest in subsidiaries			-17	-17	-20	-38
Acquisitions					54	54
Dividend to shareholders			-100	-100	-1	-101
Closing Equity 31/12/2022	**0**	**129**	**6,314**	**6,443**	**2,393**	**8,836**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	Note	31/12/2022	31/12/2021
Operating activities	*31*		
Profit after financial items		2,178	1,167
Adjustments for non-cash items		2,128	1,807
Income tax paid		-228	-173
Cash flow from operating activities before changes in working capital		**4,078**	**2,801**
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-5,615	-389
Increase(-)/Decrease(+) in operating receivables		-1,233	-256
Increase(+)/Decrease(-) in operating liabilities		4,638	840
Cash flow from operating activities		**1,868**	**2,996**
Investing activities			
Acquisition of subsidiaries	*32*	-2,767	39
Acquisitions of associated companies		-273	-412
Purchase of intangible and tangible fixed assets		-628	-318
Sale of tangible assets		123	30
Purchase of leasing vehicles		-6,309	-4,982
Sale of leasing vehicles		1,396	790
Acquisition of financial assets		-46	-15
Sale of financial assets		29	0
Cash flow from investing activities		**-8,475**	**-4,868**
Financing activities			
Borrowings		6,841	3,129
Repayment of loans		-278	-2,551
Repayment of lease liability		-975	-704
New share issue		0	3,570
Dividend paid to the Parent company's shareholders		-100	0
Cash flow from financing activities		**5,488**	**3,444**
Cash flow for the year		**-1,119**	**1,572**
Cash and cash equivalents at the beginning of the year		1,955	374
Exchange rate differences in cash equivalents		53	9
Cash and cash equivalents at year-end		**889**	**1,955**


HEDIN GROUP

Notes on the Group's financial statements

Amounts in MSEK, unless otherwise stated.

NOTE 1 MATERIAL ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as they have been adopted by the EU. RFR 1 Complementary Accounting Regulations for Groups, issued by the Swedish Financial Reporting Board, have 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 31 May 2023.

Preparing financial statements in accordance with IFRS requires the use of several important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Group's accounting principles. 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 accounts, are described in note 3.

Changed reporting standards applied by the Group 2022

There are no new standards, changes or interpretations that enter into force for the financial year starting 1 January 2022 that have had a significant impact on the Group's financial reports.

New and changed reporting standards not yet effective

No new standards and interpretations that become effective after 31 December 2022 are expected to have any significant impact on the Group's financial reports.

Consolidated accounts

The consolidated annual accounts have been prepared in accordance with the principles described in IFRS 10, consolidated financial statements. The consolidated annual accounts cover the Parent company Hedin Group AB and all companies in which the Parent company, directly or indirectly, holds more than 50% of voting rights, or otherwise has controlling influence. The Group has controlling influence over a company when it is exposed to, or has the right to, variable returns on its participations in the company, and can affect returns by way of its controlling influence over the company. Companies are included in the consolidated accounts on the date controlling influence is transferred to the Group. They are excluded from the consolidated accounts on the date the controlling influence ends. Intragroup transactions, balance sheet items and unrealised gains and losses deriving from intragroup transactions are eliminated.

Acquisition method

The acquisition method is used for recording the Group's business acquisitions. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets and liabilities. The purchase price also includes the fair value of all assets and liabilities that result from an agreement on a conditional purchase price. Subsequent fair value adjustments of a conditional purchase price that is classified as an asset or liability are recorded either in the income statement or in other comprehensive income. Conditional purchase price classified as equity is not revalued and subsequent settlement is recorded in equity. If the purchase price exceeds fair value of identifiable acquired net assets, the difference is recorded as goodwill. If the amount is below fair value for the acquired net assets, in case of an acquisition at a low price, the difference is recorded directly in the income statement. Costs relating to acquisitions are carried as an expense as they arise.

Changes in participating interest in subsidiaries without changes in controlling influence

Transactions with owners without controlling influence that do not result in a loss of controlling influence are recorded as equity transactions, i.e., as transactions with the owners in their role as owners. A change in participating interest is recorded via an adjustment of the book values for the holdings with and without controlling influence in order to reflect changes in their relative holdings in the subsidiaries. For acquisitions from owners without controlling influence the difference between fair value of the purchase price paid and the actual acquired share of the book value of the subsidiary's net assets is recorded in equity.

Associated companies

Associated companies are all companies in which the Group has a significant but not controlling influence, which generally applies to shareholdings that comprise between 20% and 50% of the votes. Holdings in associated companies are recorded in accordance with the equity method. When applying the equity method, the investment is initially valued at acquisition value and the book value is increased or decreased accordingly with the purpose of taking into account the Group's share of the associated company's profit or loss after the acquisition date. The Group's reported value of participations in associated companies includes goodwill identified in conjunction with the acquisition. The Group's share of profit that has arisen after the acquisition is recorded in the income statement, and its share of changes in other comprehensive income after the acquisition is recorded in other comprehensive income with corresponding adjustments to holding's book value. When the Group's share in an associated company's losses amounts to or exceeds its holdings in the associated company, including any receivables without security, the Group does not record 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 foreign currency

The Parent company's functional currency is the Swedish krona, which also is the reporting currency for the Parent company and Group. Income items are translated at the average exchange rate. Translation differences that arise are posted directly in equity and recorded in 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 such transactions and when translating monetary assets and liabilities in foreign currencies at the rate on the balance sheet date, are recorded in the income statement.

Exchange gains and losses that are related to loans and cash and cash equivalents are recorded in the income statement as financial income or expense. Loans related to acquisitions of foreign subsidiaries in the same currency are recorded in accordance with the principle for currency hedging. These exchange rate differences are accounted against the translation differences that arise when translating subsidiaries, and are carried directly to equity and recorded in other comprehensive income. All other currency exchange gains and losses are recorded in the operating profit.

Intangible fixed assets

Goodwill

Goodwill that arises as a result of business acquisitions is included in intangible assets. Goodwill is not amortised, instead an impairment test is conducted annually or more frequently if events or changes in conditions indicate a possible fall in value. Goodwill is recorded at cost, less accumulated write-downs. In the event of the sale of a unit, the book value of goodwill 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 synergies of the acquisition. Each unit or group of units to which 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 the time of acquisition.

Intangible rights
Intangible rights consist primarily of investment in and development of IT systems, software and licenses. Maintenance costs for software are carried as an expense as they arise. Software development costs and costs for improved operating systems are recognised as an asset if they are technically usable and there are enough resources to complete development and thereafter use it. The acquisition value of software acquired through business acquisitions is recorded at fair value at the time of the acquisition. Depreciation of intangible fixed assets with the purpose of breaking down their acquisition value or revalued amount to the estimated residual value over the estimated useful life, is made straight-line as follows:

Customer relations	7 years
Intangible rights	3 - 5 years

Tangible fixed assets
Tangible fixed assets are recorded 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 book value or are recorded as an individual asset, depending on which is appropriate, only when there is a likelihood of the Group benefiting from future financial benefits that are associated with the asset, and the asset's acquisition value can be measured reliably. The book value of the replaced part 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.

Depreciation of assets with the purpose of breaking down their acquisition value or revalued amount to the estimated residual value over the estimated useful life, is made straight-line as follows:

Buildings	20 - 50 years
Costs incurred on others’ property	10 - 15 years
Machinery	5 - 10 years
Inventory, equipment, fixtures and fittings	3 - 5 years

Land and art are not depreciated.

The assets’ residual value and useful life are tested at the end of each accounting period and adjusted as necessary. An asset’s book value is written down immediately to its recoverable value if the asset’s book value exceeds its estimated recoverable value. Gains and losses that arise from sales are determined by comparing sales revenue and the book value and are recorded under other operating income or other operating expenses 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 commitments for future repurchases at a guaranteed residual value. Depreciation is made at guaranteed residual value during the useful period, usually 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, but are tested for impairment annually. Depreciated assets are assessed for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. A write-down is made by the amount by which the asset's book value exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. When assessing the write-down, all assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have been previously written down, an assessment is made on each balance sheet date to determine whether a reversal should be made.

Financial instruments
Financial assets valued at amortised cost
Interest-bearing assets (debt instruments) that are held in order to collect contractual cash flows and where these cash flows consist solely of principal and interest are valued at amortised cost. The book value of these assets is adjusted by any expected credit losses recorded (see paragraph write-down below). The interest income from these financial assets is recorded using the effective interest method and is recorded as financial income. The Group's financial assets that are valued at amortised cost consist of receivables from group companies, accounts receivable, other receivables and cash equivalents.

Financial liabilities at amortised cost
The Group's other financial liabilities are classified as valued at amortised cost, using the effective interest method. Financial liabilities at amortised cost consist of borrowings, loans from group companies, accounts payable and liabilities to group companies. Borrowings are initially recorded at fair value, net after transaction costs. Borrowing is subsequently recorded at amortised cost and any differences between the amount received (net after transaction costs) and the repayment amount is recorded in the statement of other comprehensive income, distributed over the loan term, 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 settlement for at least twelve months after the reporting period. Dividends provided are recorded as a liability after the general meeting has approved the dividend. Accounts payable and other operating liabilities have expected short terms and are valued without discounting to nominal amounts.

Financial assets and liabilities valued at fair value via the income statement
Financial assets valued at fair value via the income statement consist of investments and conditional additional purchase price. Financial liabilities valued at fair value via the income statement are also recorded in subsequent periods at fair value and the change in value is recorded in net profit for the year. Liabilities in this category are classified as current liabilities if they fall due within 12 months from the balance sheet date. If they fall due later than 12 months from the balance sheet date they are classified as long-term liabilities.

Financial assets valued at fair value over comprehensive income
Long-term securities are classified as Equity instruments and recorded in accordance with the main principle at fair value in the balance sheet with actual changes in value in the income statement if the instrument does not fulfil the conditions for being recorded at fair value with actual changes in value in other comprehensive income. This is applied if the purpose of the holding at the first time of recording is not to sell it in the near term. In this case, the instrument is recorded at fair value in the balance sheet with actual changes in value in other comprehensive income. Dividends on instruments in this category are recorded in the income statement while the profit from the sale is recorded in other comprehensive income.

Impairment testing of financial assets
On each reporting date, the Group assesses the future expected loan losses that are linked to assets recorded at amortised cost based on forward-looking information. The Group's financial assets, for which credit losses are expected, are assessed as consisting essentially of accounts receivable. The Group's provision method is based on whether there has been a significant change in credit risk or not. The Group records a credit provision for expected credit losses on each reporting date. For the Group's financial assets, essentially accounts receivable, the Group applies the simplified approach for credit provision, 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 realisable value. The acquisition value is determined using the first-in, first-out method (FIFO). The net realisable value represents the estimated selling price in the current operations, less applicable variable selling costs. The assessment of the net realisable 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. Vehicles acquired before delivery has been completed are recorded as goods in transit.

Current and deferred tax
The tax expense for the period comprises current and deferred tax. Tax is reported in the income statement, unless the tax relates to items recorded under other comprehensive income or directly in equity. In those cases, the tax is also recorded under other comprehensive income or equity. The current tax cost is calculated based on the tax rules that are decided or decided in practice on the balance sheet date in the countries where the Parent company and its subsidiaries are active and generate taxable income.

Deferred tax is recorded on all temporary differences arising between the taxable value of assets and liabilities and their book values in the consolidated accounts.

However, a deferred tax liability is not recorded if it arises as a result of the initial recording of goodwill. Deferred tax is also not recorded if it arises as a result of a transaction that represents the initial recording of an asset or liability that is not a business acquisition and that, at the time of the transaction, affects neither the recorded nor taxable income. Deferred income tax is calculated using tax rates that have been decided or announced as of the balance sheet date and which are expected to apply when the relevant deferred tax asset is realised, or the deferred tax liability is settled. Deferred tax assets are recorded to the extent that it is likely that future taxable surpluses will be available, against which temporary changes can be utilised.

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 contribution is paid. The extent of the employee's post-employment benefits depends on the contributions paid and the return on capital that the contributions yield.

Obligations under defined benefit plans are met partly through the PRI system and partly through an insurance policy with Alecta. Defined benefit pension commitments via insurance taken out with Alecta are recorded as defined contribution pension plans. All pension premiums are carried as an expense during the period they were earned.

The liability recorded in the balance sheet relating to defined benefit pension plans is based on the current value of the defined benefit plan obligation at the end of the reporting period. The defined benefit pension plan obligation is calculated annually by independent actuaries using the so-called 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 housing bonds that have been issued in the same currency in which payments will be made and in accordance with terms that are comparable to the current pension plan obligation. Revaluation gains and losses that arise as a result of experience-based adjustments and changes in actuarial assumptions are accounted for under other comprehensive income for the period in which they arise. They are included in profit brought forward in the report on changes in equity and in the balance sheet. Costs related to services performed in previous periods are recorded directly in the income statement.

Provisions
Provisions are recorded 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 calculated reliably. No provisions are made for future operating losses.

Revenue recognition
Net sales mainly include revenue from sales of vehicles and service. Sales of vehicles include sales of new vehicles as well as sales of used vehicles.

Vehicles
Customers can pay for vehicles at the time of sale or enter into agreements about various financing solutions such as instalment purchase and financial leasing. The financing solutions are then passed on to various finance companies.

Revenue is recognised when control of the vehicle has been transferred to the customer. The time of transferring control relates to the day of delivery 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 recognised 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, control is not considered to be transferred to the customer. The revenue and the cost are then recorded over the residual value commitment period in accordance with operational leasing. An asset, a residual value debt and a prepaid lease income are recorded in the balance sheet. The asset is depreciated over the contract period and the prepaid lease income is distributed over the contract period. The residual debt remains unchanged until the end of the contract.

Aftermarket
Aftermarket includes sales of spare parts, maintenance service, extended warranty and other aftermarket products. The revenue is recorded when control has been transferred to the customer, which generally is when I.A. Hedin Bil has carried out service and a cost for the performance has arisen so that the customer can benefit from the service delivered. For spare parts, revenue is recorded at the time they are delivered to the customer. For maintenance service and other aftermarket products, the revenue is recognised over the contract period. In case payment is made in advance relating to service contracts a contract liability is recorded.

Vehicles, spare parts and tyres to retailers (Distribution)
Sales of vehicles, spare parts and tyres are recorded in accordance with IFRS15. Revenue is recognised at fair value of what has been received, or will be received, for goods and services sold after deduction for returns, discounts and VAT. Sales of vehicles take place via finance companies that offer consignment stock financing to the customer. The customer and finance company in some cases have the right to return the vehicles. An assessment is made about how large a share of the sale that will be returned, whereby this share is not taken up as revenue. Generally, this share is non-existent.

Leasing
Revenue is recognised at the end of the rental period when it is possible to calculate the revenue reliably and it is likely that the economic benefits will accrue to the Company.

Construction
For performed service contracts or construction contracts in the construction business, the income and expenses related to the contract are recorded as income or cost, respectively, in relation to the percentage of completion (gradual income recognition). A contract's percentage of completion is determined by posted expenses on the balance sheet date being compared with estimated total expenses. In case a service contract or a construction contract cannot be reliably calculated, the income is recorded only to the extent that is matched by the incurred expenses that will likely be reimbursed by the client. An anticipated loss on the contract is recorded as an expense.

Reporting of government grants
Grants from the government are recorded at actual value when there is reasonable certainty that the grant will be received and that the Group will meet the conditions associated with the grant. Government grants relating to cost recovery are distributed over a period of time and taken up as income in the income statement over the same period as the costs the grants are intended to cover. Government grants are presented as other income in the Group's income statement.

Leasing
The Group as a lessor
For the lessor, the terms financial and operational leasing remains. Leasing in which a significant proportion of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made during the lease period are carried as an expense in the income statement straight-line over the lease period. Financial leasing exists when the economic risks and benefits associated with the 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 repayment of this debt and financial expense. The right-of-use asset is depreciated on a straight-line basis over the asset's useful life, which normally corresponds to the length of the lease agreement. In cases where an assessment is made that the lease agreement will most certainly be extended, the useful life may be longer than the term 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. Lease agreements with a term of less than 12 months, short-term leasing, and assets of low value are excluded and the leasing cost is carried as an expense under other external costs.

Cash flow statement
The cash flow statement is prepared in accordance with the indirect method. The recorded 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 with 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 liquid assets. Changes in blocked funds are recorded in the investing activities.

The Parent company's accounting principles
The Parent company applies RFR2 Accounting for Legal Entities, and the Annual Accounts Act. The Parent company applies other accounting principles than the Group in the cases listed below.

Income statements and balance sheets follow the Annual Accounts Act's format. The report of changes in equity follows the Group's format but shall include the columns stated in the Annual Accounts Act. Furthermore, this involves a difference in terminology, compared to the consolidated accounts, primarily with regard to financial income and costs and equity.

Participations in subsidiaries are recorded at cost after deduction of any write-downs. Group contributions are recorded in the income statement under appropriations.

Financial instruments are recorded at cost, and the Parent company thus applies the exception in accordance with RFR2 and does not report as a legal entity in accordance with IFRS9. On every balance sheet date, the Company assesses whether there is any indication for a write-down requirement in any of the financial assets. Write-down is done when the depreciation is assessed as being permanent. Write-down is recorded in the income statement item Result from other securities accounted for as fixed assets. All lease agreements are reported as operational leases, including the additional initial rent, but excluding costs for services such as insurance and maintenance, straight-line over the lease period.

RFR 2 allows exceptions from IFRS 16 Lease agreements for legal entities, which the Parent company as lessee has applied.
Lease agreements are herewith recorded 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 minimise potentially unfavourable effects on the Group's financial earnings.

Risk management is handled by a central finance division in accordance with policies adopted by the board. The CEO approves the risk management measures undertaken in accordance with the policy and does so in close collaboration with the Group's 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 are the currency fluctuations that arise when the assets and liabilities of the foreign subsidiaries are translated. A decision has been made not to hedge these translation differences. Net assets in foreign currency amounted to MSEK 993 (307) in EUR, MSEK 209 (174) in CHF, and MSEK 1,357 (1,261) in NOK. Purchases are made primarily in local currency in the respective country. In the import business, purchases are made in USD and EUR. Currency risks arise as a result of future business transactions, reported assets and liabilities and net investments in operations abroad. In order to limit the impact of currency fluctuations, purchases in USD and EUR are hedged with forward exchange agreements, based on cash flow forecast. If the Swedish krona had weakened or strengthened by 10% in relation to the US dollar, with all other variables constant, profit for the year as of 31 December 2022 would have been MSEK 174 (59) lower/higher as a result of changes in purchase and sales prices. If the Swedish krona had weakened or strengthened by 10% in relation to the EUR, with all other variables constant, profit for the year as of 31 December 2022 would have been MSEK 752 (465) lower/higher as a result of changes in purchase prices.

Interest rate risk in borrowing

The Group's interest rate risk arises as a result of long-term borrowings. As a main principle, the Group does not use derivatives to adjust underlying interest rate exposure. Other borrowings are at variable interest rates in SEK and EUR. Average interest rate is between 2.5% - 4.2%. If the interest rates on borrowings in Swedish kronor as of 31 December 2022 had been 1 percentage point higher/lower, with all other variables constant, the estimated profit after tax for the financial year would have been MSEK 1 (3) lower/higher, mainly as a result of higher/lower interest rates for loans with variable interest rates. If the interest rates for borrowings in Euro had been 1 percentage point higher/lower, the estimated profit would have been MSEK 43 (4) lower/higher.

Credit risk

Credit risks are managed at group level, with exception of credit risks relating to outstanding accounts receivable. Each company within the Group is responsible for following up and analysing 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, balances with financial institutions and banks, as well as credit exposure to customers, including outstanding receivables and agreed transactions. The use of credit limits is followed up regularly. The credit risk in accounts receivable is specified in note 23.

Liquidity risk

Cash flow forecasts are prepared by the Group's operating companies and aggregated by the Group's Finance & Treasury Manager. The Group's Finance & Treasury Manager and CFO carefully monitors current projections for the Group's liquidity reserves in order to ensure that the Group has sufficient liquidity to meet the requirements in current operations while at the same time maintaining sufficient room in agreed credit facilities that have not been utilised 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 liabilities distributed over the period remaining on the balance sheet date up to the agreed due date. The amounts in the tables are the contractual, and undiscounted cash flows.

Maturity structure on liabilities - Group	< 1 year	1-2 years	> 2 years
Liabilities to credit institutions	3,622	534	1,677
Overdraft facility	818	0	0
Lease liabilities	1,415	1,393	6,931
Accounts payable - trade	7,320	0	0
Other liabilities	5,312	4,094	3,181
Accrued expenses	269	0	0
Total	**18,756**	**6,020**	**11,789**

Maturity structure Financial liabilities - Parent company	< 1 year	1-2 years	> 2 years
Liabilities to credit institutions	0	0	0
Accounts payable - trade	3	0	0
Other liabilities	279	0	0
Total	**282**	**0**	**0**

NOTE 3 ESTIMATES AND ASSESSMENTS

Estimates and assessments are reviewed continuously and are based on historical experience and other factors, including expectations of future events that are seen as being reasonable under current circumstances. The Group makes estimates and assessments 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 book values for assets and liabilities during the coming financial year are outlined below.

Impairment testing of goodwill

Every year, the Group examines whether any impairment testing of goodwill exists, in accordance with the Group's accounting principles. The recoverable amounts of cash-generating units have been determined by calculating the value in use. Certain estimates must be made for these calculations (note 15).

Repurchase agreements

When selling cars, the Group may occasionally enter into 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 of these then is weaker than predicted at the time the agreement was concluded. Ongoing assessments of these vehicles' future net realisable value are made along with random checks of the resale value of the returned cars against the market value. The cars are recorded as vehicles in tangible fixed assets and the repurchase commitment in Other liabilities.

Contract liabilities exist in form of cars sold with repurchase agreements, see note 27.

Inventories

Cars are valued to the lowest of acquisition value and net realisable value. Net realisable value is determined based on estimated sales value less selling expenses. The net realisable value was below the acquisition value by MSEK 78 (47).

NOTE 4 NET SALES

	2022	2021
Net sales distribution		
Retail	45,432	27,723
Distribution	13,274	8,518
Construction	2,531	1,707
Mobility Solutions	495	310
Elimination, other	-6,484	-3,772
	55,248	34,486
Net sales by geographic market		
Sweden	26,701	21,733
Norway	6,717	5,498
Finland	3,376	30
Belgium	5,552	4,475
Netherlands	7,954	145
Switzerland	2,245	1,855
Germany	718	451
Slovakia, Czech Republic, Hungary	1,490	0
Other countries	494	299
	55,248	**34,486**

NOTE 5 OTHER OPERATING INCOME

	2022	2021
Rental income	34	33
Support/contributions received	5	1
Exchange rate differences	318	27
Profit on sales of fixed assets	2	4
Negative goodwill	349	0
Total	**708**	**65**

NOTE 6 EMPLOYEES AND PERSONNEL COSTS

Average number of employees	2022	Of which men	2021	Of which men
Sweden	2,784	85%	2,467	87%
Norway	517	87%	502	87%
Belgium	701	88%	524	88%
Germany	72	86%	41	76%
Switzerland	254	79%	238	80%
Denmark	42	86%	43	88%
Netherlands	1,308	89%		
Finland	474	83%		
Slovakia	211	82%		
Hungary	26	69%		
Czech Republic	39	86%		
UK	2	50%		
USA	7	57%		
Group total	**6,437**	86%	**3,815**	87%

Salaries, other remuneration and social security costs	2022	2021
Board of Directors, CEO and other senior executives	10	10
(of which bonuses)	*(0)*	*(0)*
Other employees	3,407	1,861
Total Salaries and other remuneration	**3,417**	**1,871**
Social security costs	710	487
Pension costs	251	195
	4,378	2,553

Salaries and remuneration to the Parent company's CEO and board that have been paid during the year amount to MSEK 3 (2) for 2 persons (2). Corresponding pension costs amount to MSEK 1 (1). The CEOs in subsidiaries have an agreement for a mutual period of notice of up to 6 months. No remuneration is paid to board members. One board member invoices for services rendered.

NOTE 7 REMUNERATION TO AUDITORS

	2022	2021
PwC		
Audit assignment	11	7
Tax consulting	2	1
Other assignments	13	0
	26	8
Other		
Audit assignment	3	1
Other assignments	1	0
	4	1
Total	**30**	**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 tasks that the Company's auditor is responsible for performing as well as advice or other assistance that is prompted by observations during such review or the implementation of such tasks. Everything else is other assignments.

NOTE 8 LEASES

	31/12/2022	31/12/2021
Right-of-use assets		
Properties	8,350	5,029
Equipment and vehicles	171	171
	8,521	5,200
Lease liabilities		
Short-term	1,263	661
Long-term	7,279	4,467
	8,542	5,128

Amounts recorded in the income statement in accordance with IFRS 16

In the income statement the following amounts are reported related to leases:

	2022	2021
Depreciation of right-of-use assets		
Properties	-903	-648
Equipment and vehicles	-59	-45
	-962	-693
Interest expenses (included in financial expenses)		
Properties	-98	-77
Equipment and vehicles	-2	-3
	-100	-80

Total cash flow relating to lease contracts was MSEK 1,037 (661).

The Group as a lessor

Assets that are leased in accordance with operating leases are reported as tangible fixed assets. These assets consist of rental of premises, plus sold cars combined with future repurchase commitments at a guaranteed residual value. Lease income for the year amounts to MSEK 1,778 (736).

Future minimum lease income as of year-end was:	31/12/2022	31/12/2021
Within one year	1,128	758
Between one and five years	1,480	1,054
Later than five years	0	2
	2,608	1,814

NOTE 9 OTHER OPERATING EXPENSES

	2022	2021
Loss on sales of fixed assets	-1	-2
Exchange rate difference	-314	-29
Total	**-315**	**-31**

NOTE 10 FINANCIAL INCOME

	2022	2021
Profit from sale of securities	6	6
Dividends	1	0
Exchange rate differences	11	26
Interest income	1	5
Total	**19**	**37**

NOTE 11 FINANCIAL EXPENSES

	2022	2021
Interest expenses	-215	-188
Interest expenses IFRS 16	-100	-80
Interest expenses repurchase agreements	-199	-62
Total	**-514**	**-330**

NOTE 12 EXCHANGE RATE DIFFERENCES

	2022	2021
Other operating income	318	27
Other operating expenses	-314	-29
Financial income	11	26
Total	**15**	**24**

NOTE 13 PROFIT FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

	2022	2021
Hedin Caetano AB	7	-1
Ripam Invest AB	-2	0
Pendragon PLC	188	0
Consensus Asset Management AB	-3	18
Total	**190**	**17**

NOTE 14 TAX ON PROFIT FOR THE YEAR

	2022	2021
Current tax		
Current tax on profit for the year	-386	-283
Adjustment of tax relating to previous years	-4	-6
	-390	-289
Deferred tax	41	38
Total	-349	-251

Reconciliation of effective tax:		
Profit before tax	2,178	1,167
Tax according to applicable tax rate for the Parent company (20.6%)	-449	-240
Effect of foreign tax rates	-32	-6
Tax relating to previous years	0	-6
Non-deductible costs	-17	-7
Non-taxable income	131	2
Utilised tax losses carried forward, previously not recognised	21	5
Other permanent differences	-3	1
	-349	-251

NOTE 15 INTANGIBLE ASSETS

	Intangible assets	Customer relations	Goodwill	Total
Acquisition cost				
Opening balance 1 January 2021	130	559	1,624	2,313
Purchase	36	0	0	36
Business acquisitions	0	0	115	115
Transfer	3	0	0	3
Sales/disposals	-4	0	0	-4
Translation differences	5	28	67	100
Closing balance, 31 December 2021	170	587	1,806	2,562
Purchase	57	0	0	57
Business acquisitions	67	553	363	983
Sales/disposals	-1	-6	0	-7
Translation differences	9	49	88	146
Closing balance, 31 December 2022	302	1,183	2,257	3,741
Accumulated depreciation				
Opening balance 1 January 2021	-62	-190	0	-252
Depreciation for the year	-22	-81	0	-103
Transfer	-2	0	0	-2
Sales/disposals	3	0	0	3
Translation differences	-4	-12	0	-16
Closing balance, 31 December 2021	-87	-283	0	-370
Depreciation for the year	-42	-110	0	-152
Sales/disposals	0	6	0	6
Translation differences	-5	-13	0	-18
Closing balance, 31 December 2022	-134	-400	0	-534
Book value 31 December 2021	83	304	1,806	2,193
Book value 31 December 2022	**168**	**783**	**2,257**	**3,208**

Impairment testing of goodwill
Goodwill is monitored by management at a group level. Impairment testing of goodwill attributable to cash-generating units and other intangible assets is conducted annually. Estimated recoverable amounts are based on 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 permanent growth rate of 2% (2%).

When calculating the 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 write-down requirement for goodwill even with reasonable changes in the assumptions.

The following cash-generating units have recorded goodwill values:

	31/12/2022	31/12/2021
Retail	2,074	1,623
Distribution	52	52
Mobility	48	48
Construction	83	83
Total	**2,257**	**1,806**

NOTE 16 TANGIBLE FIXED ASSETS

	Land and buildings	Costs incurred on others' property	Equipment, tools and installations	Leasing vehicles	Right-of-use assets	Total
Acquisition cost						
Opening balance 1 January 2021	588	336	842	3,712	6,377	11,855
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
Translation differences	22	8	12	98	84	224
Closing balance, 31 December 2021	699	379	918	7,562	7,103	16,661
Purchase	199	159	181	6,309	1,321	8,169
Business acquisitions	1,085	159	448	663	2,788	5,143
Sales/disposals	-51	-13	-76	-2,300	-80	-2,440
Transfers	5	0	-10	0	0	-5
Translation differences	85	52	40	213	198	588
Closing balance, 31 December 2022	2,022	736	1,501	12,447	11,330	28,116
Accumulated depreciation						
Opening balance 1 January 2021	-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
Translation differences	-1	-5	-10	-22	-2	-40
Closing balance, 31 December 2021	-55	-99	-551	-1,156	-1,903	-3,764
Depreciation for the year	-33	-67	-180	-1,269	-962	-2,511
Sales/disposals	7	2	32	904	79	945
Transfers	-2	0	13	0	0	11
Translation differences	-12	-34	-8	-55	-23	-132
Closing balance, 31 December 2022	-95	-198	-694	-1,576	-2,809	-5,451
Book value 31 December 2021	644	280	367	6,406	5,200	12,897
Book value 31 December 2022	**1,927**	**538**	**807**	**10,871**	**8,521**	**22,664**

NOTE 17 CONSTRUCTION IN PROGRESS

	31/12/2022	31/12/2021
At beginning of the year	27	3
Investments	63	31
Business acquisitions	72	0
Sales/disposals	0	-1
Reclassifications	-11	-6
Translation difference	3	0
Total	**154**	**27**

NOTE 18 SHARES IN ASSOCIATED COMPANIES

	Share of equity	Voting share	Carrying amount	
Associated company / Corp. ID no. / Registered office			31/12/2022	31/12/2021
Hedin Caetano AB, 559354-9651, Mölndal	50%	50%	131	0
Ripam Invest AB, 556870-7540, Mölndal	50%	50%	1	2
Plusfastigheter Borås Eko 10 AB, 559135-1266, Gothenburg	38%	38%	23	23
BCI-S&T s.r.o, 30228573, Slovakia	34%	34%	4	0
Pendragon PLC, UK 2304195, Nottingham, UK	27.6%	27.6%	1,290	915
Lasingoo Sverige AB, 556973-1630, Stockholm	24.5%	24.5%	8	8
Mercedes-Benz Financial Services Slovakia s.r.o	25%	25%	97	0
Consensus Asset Management, 556474-6518, Mölndal	22.1%	28.3%	23	39
			1,577	987
Accumulated acquisition costs:				
Opening carrying amount			987	62
Purchases			289	419
Reclassifications			0	503
Dividend from associated companies			-13	-14
Result from participations in associated companies, after tax			190	17
Share of other comprehensive income, after tax			68	0
Translation difference			56	0
Carrying amount at year end			1,577	987

Share in profits relating to Pendragon PLC are reported in the Group with a delay of one quarter, after the Company's financial reports are published.

NOTE 19 OTHER LONG-TERM SECURITIES

	Carrying amount	
	31/12/2022	**31/12/2021**
Unlisted shares	47	34
	47	34
Accumulated acquisition costs:		
Opening carrying amount	34	303
Business acquisitions	2	0
Purchases	10	14
Translation difference	1	229
Reclassification	0	-512
Carrying amount at year end	47	34

NOTE 20 ACCOUNTS RECEIVABLE

Due date	**31/12/2022**	**31/12/2021**
Not due	2,553	1,232
Past due up to 30 days	960	384
Past due 30-60 days	143	64
Past due more than 60 days	129	86
	3,785	1,766

The maximum exposure for credit risk as of the balance sheet date for accounts receivable is the amount above. The fair value of accounts receivable is equivalent to its book value, since the discounting effect is not significant. No accounts receivable have been pledged as collateral for any liabilities apart from what can be seen under Pledged assets, note 29. Credit loss reserve is estimated at approx. MSEK 27 (22).

NOTE 21 INVESTMENTS IN SECURITIES

	31/12/2022	**31/12/2021**
Listed securities	45	22
	45	22
Accumulated acquisition costs:		
Opening carrying amount	22	16
Purchases	36	0
Change in value	12	6
Sales for the year	-25	0
Carrying amount at year end	45	22

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2022	31/12/2021
Accrued bonus from suppliers	375	200
Accrued income	201	25
Prepaid rent	183	143
Other items	296	209
	1,055	577

NOTE 23 CASH AND CASH EQUIVALENTS

	31/12/2022	31/12/2021
Cash and cash equivalents	889	1,955
	889	1,955

The Group has been granted a bank overdraft facility for a total of MSEK 1,992 (1,205) which is renegotiated annually. Of the granted overdraft facility MSEK 787 (0) have been utilised as of 31 December 2022.

NOTE 24 EQUITY

Specification of reserves	Fair value reserve	Translation reserve	Total
Opening balance 1 January 2021	-181	-92	-273
Change in revaluation reserve for the year, net after-tax	181	0	181
Change in revaluation reserve for the year, net after tax	0	105	105
Closing balance, 31 December 2021	0	13	13
Change in revaluation reserve for the year, net after tax	0	116	116
Closing balance, 31 December 2022	0	129	129

Translation reserve
Exchange rate differences relating to translation of the Group's foreign subsidiaries' functional currencies to Swedish kronor are accumulated in the translation reserve. When selling a foreign currency, the accumulated translated currency effect that has been recorded in the reserve is recorded in the income statement and included in the profit or loss from the sale.

Holdings with non-controlling interests
The Group owns 71.5 % in Hedin Mobility Group AB. Below is a summary of financial information for Hedin Mobility Group AB. The information refers to amounts for intragroup eliminations.

Holdings without controlling influence

Summarised information from the balance sheet	31/12/2022	31/12/2021
Fixed assets	27,633	15,871
Current assets	19,463	8,476
Long-term liabilities	-17,052	-10,077
Current liabilities	-21,844	-8,212
Net assets	8,200	6,058

Summarised information about the profit/loss	31/12/2022	31/12/2021
Net sales	52,721	28,191
Profit after financial items	2,194	839
Net profit for the year	1,846	644

Cash flow statement in summary	31/12/2022	31/12/2021
Cash flow from operating activities	1,861	2,209
Cash flow from investing activities	-8,465	-5,009
Cash flow from financing activities	5,531	4,473
Change in liquid assets	-1,073	1,673

NOTE 25 PENSIONS

	2022	2021
Opening carrying amount	161	200
Business acquisitions	23	8
Pension costs	14	15
Pension payments	-18	-16
Interest	1	1
Return on plan assets excluding amounts included in interest expenses	26	-35
Revaluation as a result of changed financial assumptions	-92	-25
Revaluation as a result of experience-based adjustments	11	8
Translation difference	11	5
	137	161

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 an insurance with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Classification of ITP plans funded through an insurance in Alecta, this is a defined benefit plan that covers several employers. The Company has not had access to information and therefore could not report its proportional share of the plan's obligations, management assets and expenses, which has meant that is not been possible to record the plan as a defined benefit plan. Therefore, the pension plan ITP 2, secured through an 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, i.a., on the salary, previously earned retirement and expected remaining employment period. The annual contributions for pension insurance in Alecta amount to MSEK 47 (43).

The Group also has defined benefit plans in Sweden, which are secured via FPG/PRI. These plans are closed and no new earnings are made. The pension liabilities for these amount to MSEK 63 (82). For the actuarial calculations, a discount rate of 4.0% (1.4%) and an inflation of 1.9% (2.3%) have been applied. The duration of the commitment is about 9 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 recorded as a pension commitment. For the actuarial calculations, a discount rate of 2.15% (0.25%) and inflation of 1.25% (1.0%) and future salary increases of 1.5% (1.5%) have been applied. The duration of the commitment is about 16 years.

The table below shows the obligation's composition by country:

	2022			2021		
	Sweden	Switzerland	Total	Sweden	Switzerland	Total
Present value of defined benefit obligation	63	436	499	82	336	418
Fair value of plan assets		-362	-362	0	-256	-256
Provisions for pensions	63	74	137	82	80	162

Sensitivity analysis	*Assumption*	*Change*
Discount rate	+0.5%	-25
Inflation	+0.5%	15
Life span	+1 year	7

NOTE 26 DEFERRED TAX

Deferred tax asset	31/12/2022	31/12/2021
Opening carrying amount	133	163
Reported in the income statement	41	23
Reported in other comprehensive income	-11	-58
Translation difference	9	3
Business acquisitions	209	2
	381	133

Deferred tax assets mainly consist of temporary differences between fiscal and carrying values of assets and liabilities, as well as loss carry forward.

Deferred tax liability	31/12/2022	31/12/2020
Opening carrying amount	-215	-212
Reported in the income statement	1	14
Reported in other comprehensive income	46	-9
Translation difference	-17	-5
Business acquisitions	-207	-3
	-392	-215

Deferred tax liability mainly consists of temporary differences between fiscal and carrying values of intangible assets, as well as untaxed reserves.

NOT 27 OTHER LIABILITIES

	31/12/2022	31/12/2021
Other long-term liabilities		
Liabilities relating to cars sold with repurchase agreements	6,818	4,514
Other liabilities	486	30
	7,304	4,544
Other current liabilities		
Value added tax	428	192
Employees' withholding tax	128	47
Liabilities relating to cars sold with repurchase agreements	2,816	1,973
Consignment vehicles with repurchase agreements	1,761	526
Advances from customers	357	91
Other liabilities	725	376
	6,215	3,205

NOTE 28 ACCRUED EXPENSES AND PREPAID INCOME

	31/12/2022	31/12/2021
Debts relating to employees	704	456
Interest expenses	12	1
Prepaid income	715	44
Service agreements	208	156
Accrued expenses sold vehicles	383	213
Other items	884	568
	2,906	1,438

NOTE 29 PLEDGED ASSETS

	31/12/2022	31/12/2021
Floating charges	2,536	1,732
Land and buildings	2,031	399
Inventories, accounts receivable and equipment	3,650	1,920
Securities	23	70
Net assets in sub-group	2,242	0
	10,481	4,120

NOTE 30 CONTINGENT LIABILITIES

	31/12/2022	31/12/2021
Guarantee commitments FPG/PRI	1	1
Other guarantees	267	1,462
	268	1,463

NOTE 31 SPECIFICATIONS OF THE CASH FLOW

Items not affecting cash flow	2022	2021
Depreciation	2,664	1,807
Unrealised exchange rate differences	14	9
Capital loss from sales of fixed assets	-1	-9
Profit from participations in associated companies	-190	-3
Provisions/receivables relating to pensions	-7	-3
Negative goodwill	-349	0
Other non-cash items	-3	4
	2,128	1,805

Financial liabilities	31/12/2022	31/12/2021
Opening carrying amount	10,514	9,750
Cash flow	5,776	-126
Business acquisitions	4,311	49
Lease liabilities	1,291	642
Translation differences	122	199
	22,014	10,514

Interest payments	2022	2021
Interest paid	-403	-250
Interest received	1	5

NOTE 32 BUSINESS ACQUISITIONS

Business acquisitions 2022
On 6 January, the handover of Toyota de Laat in Belgium was completed. On 7 January, Toyota- and Lexus-dealer Klaasen & Co located in Turnhout, Belgium, was acquired. On 13 January, Toyota-dealer Trullemans, located in Dilbeek, Belgium, was acquired. The acquisition price amounted to MEUR 4 in total, of which surplus value of MEUR 0.5 relates to synergies with our existing operations in Belgium.

On 16 March, acquisition of all shares in Stern Facilitair BV from listed dealer Stern Group N.V. in the Netherlands was completed. The acquisition includes all parts of Stern's core business in the areas of retail, aftermarket, rental car, and leasing operations. Stern is one of the largest car dealers in the Netherlands and represents some 25 brands. The business is now run under the name Hedin Automotive. The purchase price amounted to MEUR 102, which includes negative goodwill of MEUR 33.

A total of six Ford dealerships in Sweden, which altogether employ over 90 people in vehicle sales, workshop services and car parts, were acquired during the first half of the year. The acquisitions amounted to MSEK 23, of which surplus value of MSEK 8 is recorded as goodwill and relates to synergies with our existing Ford operations.

During the second quarter, Hedin Mobility Group entered the Finnish market for the first time with the acquisition of the renowned Laakkonen Group's automotive business. Laakkonen represents eight brands and is one of the largest car dealers in Finland, with operations across 21 dealerships in 15 cities. Transfer took place on 31 May. The business is now run under the names Hedin Automotive and Bavaria Finland. Purchase price amounted to MEUR 47 of which acquired customer relations amounted to MEUR 8, which are recorded as intangible fixed assets. Goodwill of MEUR 10 relates to synergies with existing multi-brand and BMW operations in the Group.

On 9 June the Company acquired all shares in Orio AB. Orio is a logistics company whose roots lie in the Swedish car industry, and is the exclusive global supplier of Saab original spare parts through a global network in Europe, North America, Asia, and Australia. The company's head office as well as logistics and distribution centre, including the central warehouse of 57,000 sqm with a high rate of automation customised for spare parts operations, is located in Nyköping, Sweden. At the start of 2023, the company changed name to Hedin Parts and Logistics AB. The purchase price amounted to MSEK 388 including real estate. Negative goodwill amounted to MSEK 10.

On 15 September, acquisition of MB Antwerpen NV from Mercedes-Benz Group was completed. The company's activities include sales and workshops at four Mercedes-Benz dealerships in Antwerp, Belgium. The purchase price amounted to MEUR 28 of which MEUR 2 relates to acquired customer relations, which are recorded as intangible fixed assets. Goodwill of MEUR 7 relates to synergies with existing operations in Belgium.

The acquisition of Motor-Car Group from Wiesenthal Autohandels AG, announced on 19 May 2022, was completed on 5 October. Motor-Car is a leading automotive retailer in East Central Europe with 17 dealerships and an extensive aftersales business in Slovakia, Hungary and the Czech Republic. In 2021, Motor-Car employed 1,100 people, sold 11,257 vehicles and had total net sales of approx. MEUR 453.8. The purchase price amounted to MEUR 68, of which acquired customer relations amounted to MEUR 34. Goodwill of MEUR 7 relates to synergies with corresponding brands in existing operations.

Hedin Automotive AG's acquisition of Alpina Group, which was announced in September 2022, was completed on October 20. Alpina Group is the largest dealer group for BMW and MINI in Eastern Switzerland and employs a total of about 140 staff in three full-service dealerships, with net sales in 2021 of some MEUR 117.5. The purchase price amounted to MCHF 17, of which acquired customer relations amounted to MCHF 7. Goodwill of MCHF 6 relates to synergies with existing BMW operations in Switzerland.

Hedin Automotive Belgium AB acquired the Mercedes-Benz Trucks Center in Sint-Pieters-Leeuw, which has approx. 40 employees and which in 2021 sold 348 vehicles, of which 167 trucks and 181 commercial vehicles, with net sales of MEUR 26.9. Transfer took place on 16 December and the purchase price was MEUR 7. A surplus value of MEUR 2 is recorded as goodwill and relates to synergies with existing operations.

In 2022, the acquired operations contributed some MSEK 13,487 in net sales and MSEK 485 in operating profit. If the acquired companies had been consolidated as of 1 January 2022, the consolidated income statement would show net sales of a total of MSEK 65,745 and operating profit of MSEK 2,874.

The Group reports holdings without controlling influence in an acquired company either at fair value or at the holding's proportional share of the acquired company's identifiable net assets. This choice of principle is made for each individual business acquisition. For holdings without controlling influence in acquisitions for the year, the Group has chosen to report these holdings at their proportional share of the acquired identified net assets.

During the year, no additional purchase price has been paid in connection with business acquisitions. There is also no ongoing acquisition agreement where an additional purchase price may be paid at a later time.

	Hedin Automotive BV (Netherlands)	Hedin Automotive Oy (Finland)	Motor-Car Bratislava spol. s.r.o (Slovakia)	Other acquisitions	Total 2022
Intangible fixed assets	0	143	370	107	620
Tangible fixed assets	2,351	964	996	903	5,214
Financial assets	102	64	8	47	220
Inventories	1,206	777	794	637	3,414
Operating receivables	592	396	319	304	1,611
Cash and cash equivalents	209	137	200	107	653
Operating liabilities	-1,125	-1,108	-1,028	-500	-3,759
Acquired net assets	**3,336**	**1,373**	**1,659**	**1,605**	**7,973**
Goodwill	0	104	79	180	363
Negative goodwill	-349	0	0	-10	-359
Provisions	0	-16	-93	-121	-230
Non-controlling interests	0	0	-53	37	-16
Financial liabilities	-1,908	-965	-853	-585	-4,311
Purchase price	**1,079**	**496**	**739**	**1,106**	**3,420**
Cash and cash equivalents in acquired businesses	-209	-137	-200	-107	-653
Impact on the Group's cash and cash equivalents	**870**	**359**	**539**	**999**	**2,767**

Business acquisitions 2021
Hedin Group assumed its role as importer of Ford for the Swedish market on 4 January, by acquiring Ford's national sales company. Following this, the company changed its name to Hedin HMC Motor Company AB. The purchase price amounted to MSEK 68. No goodwill has been recorded.

On 5 February, Modins Bil i Uppsala AB was acquired for MSEK 22. The company runs a workshop and sells vehicles by Ford in Uppsala. The surplus value is recorded as goodwill and amounts to MSEK 13, which consists of synergies with our existing Ford operations.

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

On 26 February, an additional 22% was acquired in Tuve Holding AB and the participating interest is now 97.03%.

Hedin Stockholm Bil AB acquired the business in Segeltorp which included sales of Subaru. Transfer took place on 3 May. The premises at Smista Allé have been converted for sales of MG, and sales of Subaru have been relocated to the existing neighbouring property at Smista Allé. The purchase price amounted to MSEK 7, of which MSEK 6 relate to goodwill attributable to synergies with our existing operations in the same area.

On May 20 an agreement was signed to acquire BilMånsson in Halland AB and BilMånsson BC AB. The companies are dealers of Ford in Halmstad and Värnamo, as well as of Jaguar and Land Rover in Halmstad. Transfer took place on July 1. The purchase price amounted to MSEK 25, of which MSEK 14 relate to goodwill attributable to synergies with our existing Ford operations.

An increase in the participating interest in Porsche Center Son took place on 9 June when 40% of the shares were acquired. Following this, the participating interest amounts to 91%.

On 18 June, an agreement was signed to acquire the paint and body shop CaroLack Galliker in Switzerland. This is a strategically important acquisition in order to supplement our operations in the Zürich region. The purchase price amounted to MCHF 1.1, of which MCHF 0.2 relates to goodwill.

On 22 June an agreement was signed to acquire BilGruppen Enköping AB. The company sells Ford in Enköping and transfer of business was on 1 July. The purchase price amounted to MSEK 5, of which MSEK 1 relates to goodwill attributable to our existing Ford operations.

On 9 July an agreement was signed to acquire AutoFlorio AB which operates Porsche Center Umeå. The acquisition was handed over on 1 September. The purchase price amounted to MSEK 52, of which goodwill relate to MSEK 40. This relates to synergies with our existing Porsche operations.

On 13 July an agreement was concluded for the acquisition of three dealerships with sales of Renault and Dacia in North Stockholm and Uppsala, as well as Ford Servicemarknad in Stockholm and Uppsala. Transfer of business was on 1 October. The purchase price amounted to MSEK 24. Of these, MSEK 15 relate to goodwill attributable to synergies with our existing operations in Stockholm and Uppsala.

On 7 September, 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 recorded as goodwill and amounts to MSEK 6, which consists of synergies with the spare parts management in KW Parts.

	2021
Intangible fixed assets	0
Tangible fixed assets	20
Financial fixed assets	2
Inventories	264
Operating receivables	256
Cash and cash equivalents	392
Operating liabilities	-745
Acquired net assets	190
Goodwill	115
Provisions	-11
Loans	-15
Lease liability	0
Non-controlling interests	107
Financial liabilities	-33
Purchase price	353
Liquid assets in acquired businesses	-392
Impact on the Group's cash and cash equivalents	-39

-39

NOTE 33 FINANCIAL INSTRUMENTS

The table below shows financial instruments by category.

31 December 2022	Valued at fair value via the income statement	Valued at fair value via other comprehensive income	Valued at amortised cost	Total
Assets				
Investments held as fixed assets		47		47
Accounts receivable and other receivables			4,515	4,515
Investments	45			45
Cash and cash equivalents			889	889
Total Assets	45	47	5,404	5,496

31 December 2022	Valued at amortised cost	Total
Liabilities		
Borrowings	6,168	6,168
Accounts payable	7,320	7,320
Liabilities relating to financial leasing	8,542	8,542
Accrued expenses	269	269
Other liabilities	266	266
Total Liabilities	22,170	22,170

31 December 2021	Valued at fair value via the income statement	Valued at fair value via other comprehensive income	Valued at amortised cost	Total
Assets				
Investments held as fixed assets		34		34
Accounts receivable and other receivables			2,100	2,100
Investments	22			22
Cash and cash equivalents			1,955	1,955
Total Assets	22	34	4,055	4,111

31 December 2021	Valued at amortised cost	Total
Liabilities		
Borrowings	1,369	1,369
Accounts payable	2,745	2,745
Liabilities relating to financial leasing	5,128	5,128
Accrued expenses	241	241
Other liabilities	258	258
Total Liabilities	9,741	9,741

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

NOTE 34 TRANSACTIONS WITH RELATED PARTIES

The Group has loans from partners and related parties to partners of MSEK 77 (84). Interest is paid at the government borrowing rate plus 3 percentage points. A large part of the properties are rented by Fastighets AB Balder. Erik Selin, CEO in Balder, has been a board member in Hedin Mobility Group AB since 2017.

NOTE 35 EVENTS AFTER THE BALANCE SHEET DATE

The acquisitions of Mats Lindholms Bil AB and Molin Bil AB (see ”Events during the year”) were completed on 1 February 2023.

Hedin Automotive Belgium AB continued to grow with Toyota thanks to the acquisition of Toyota dealer Van Dijck in Brecht with 10 employees. With the acquisition Hedin Automotive has strengthened its geographic presence in the province of Antwerp and the Campine region and with a total of 26 dealerships the company is now Belgium's largest retailer. Transfer of business was on 8 February 2023.

On 17 February 2023 Hedin Parts and Logistics AB acquired OnWheels Bildemontering AB and its parent company OW Förvaltning och Fastighets AB. OnWheels Bildemontering is a state-of-the-art facility of 3,200 square metres which is at the leading edge when it comes to dismantling cars and recycling parts in a sustainable manner. The acquisition will give Hedin Mobility Group's workshops better access to spare parts, while OnWheels Bildemontering's business with sales of used parts to private and corporate customers will continue as previously.

Hedin Automotive AG entered into an agreement to acquire BMW dealer H.P. Schmid AG's business north of Zürich in Switzerland. H.P. Schmid is a family-owned dealership offering a wide range of new and used BMW cars and service, spare parts and accessories for BMW and MINI. In addition, H.P. Schmid has a full body and paint workshop. The acquisition of H.P. Schmid's business further strengthens Hedin Automotive's position as the second largest dealer group of BMW and MINI in Switzerland – and Hedin Mobility Group's position as one of Europe's biggest dealers of BMW.

Hedin Automotive B.V. acquired the Peugeot business at three Dutch dealers. The acquisition concerns three Peugeot dealerships run by Nefkens, a dealership in the Emil Frey-group, in Assen, Groningen and Veendam. The dealerships together employ some 56 people in vehicle sales, workshop and spare parts. After the takeover, all current staff will be continue to be employed by Hedin Automotive. With the acquisition Hedin Automotive expands its network of dealers in the northern Netherlands and thus strengthens its position in the Dutch automotive market. Transfer of business was on 3 April 2023.

Hedin British Car AB entered into an agreement to acquire all shares in Förenade Bil JL i Malmö AB. Förenade Bil JL i Malmö is an exclusive dealer for Jaguar and Land Rover in Skåne, Sweden, with an authorised service workshop.

Hedin Mobility Group and Iveco Group signed a letter of intent regarding acquisition of Iveco Group's distribution and retail business in Sweden, Norway, Finland and Denmark. Through the planned acquisition, Hedin Mobility Group will take over the business of marketing and distributing commercial vehicles of the brand IVECO, including spare parts, in the four Nordic countries. As part of the transaction, Hedin Mobility Group will also acquire the retail business at the IVECO-owned full-service dealerships in Sweden, Norway, Finland and Denmark.

The acquisition of the four dealerships in south London from Mercedes-Benz Retail Group UK Ltd. (see ”Events during the year”) was completed on 1 April 2023.

Hedin Automotive Oy entered into an agreement with Delta Motor Group Oy to acquire all shares in Delta Auto Oy as well as Delta Motor Group Oy's operating activities. The transaction comprises all business activities in Delta Auto, including the sale of new and used cars, aftermarket and spare parts, plus vehicle-related support functions. Delta Auto is an important player in the Finnish automotive market, with revenue of MEUR 322 during 2022 and 315 employees at 13 dealerships in 12 cities and a brand portfolio of nine car brands. With this acquisition, Hedin Automotive continues its growth strategy in Finland and expands its presence to a nationwide network of dealers from Helsinki to Oulu. In addition, the company is adding six new brands to its portfolio.

Hedin Automotive Luxembourg S.A. entered into an agreement to acquire the Mazda-business at the dealer Garage Pirsch s.à.r.l. in Luxembourg, Luxembourg. The transaction comprises all Garage Pirsch's Mazda-Activities in sales of new and used cars as well as aftermarket services. With the acquisition, Hedin Mobility Group is entering the Luxembourgian market for the first time and increasing the number of countries with local operations to 14. The Group's presence in Benelux is thus completed to consist of market-leading retail operations in Belgium, the Netherlands and Luxembourg through the brand Hedin Automotive.

Hedin Group acquired the remaining shares in Tuve Bygg Holding AB, where the Company had a participating interest of 98.6% since previously, and the construction group is thus owned in full by Hedin Group AB.

Hedin Automotive GmbH entered into an agreement with Torpedo Garage Holding GmbH & Co. KG and Torpedo LT Investment GmbH to acquire a total of eight companies, in which all vehicle-related operations are run under the brand Torpedo Gruppe. Torpedo Gruppe is one of the largest dealer groups in Germany and employs some 1,260 people. In 2022, Torpedo Gruppe Sold a total of 12,000 new and used vehicles and had net sales of MEUR 526 (agent business included). With the acquisition, Hedin Mobility Group will continue building on its existing operations in Germany to develop a nationwide vehicle business – from import and distribution of vehicles and spare parts to retail and aftermarket services – thus strengthening the Group's position as a leading European partner in the automotive industry.

INCOME STATEMENT - PARENT COMPANY

Amounts in MSEK	Note	2022	2021
Operating income			
Net sales	*1*	36	75
		36	**75**
Operating expenses			
Other external expenses	*2.3*	-44	-49
Employee benefit expenses	*4*	-5	-26
Depreciation and amortisation of tangible and intangible fixed assets		0	0
Operating profit		**-13**	**-1**
Profit/loss from financial items			
Result from other securities	*5*	18	495
Interest income and similar income items	*6*	38	11
Interest expenses and similar income items	*7*	-29	-26
Profit after financial items		**14**	**478**
Appropriations	*8*	22	0
Profit before tax		**36**	**478**
Income tax	*9*	-7	-21
Net profit for the year		**29**	**457**

There is no Other comprehensive income in the Parent company.

BALANCE SHEET – PARENT COMPANY

Amounts in MSEK	Note	31/12/2022	31/12/2021
ASSETS			
Fixed assets			
Intangible fixed assets			
Intangible rights	*10*	1	1
		1	1
Tangible fixed assets			
Equipment, tools and installations	*11*	30	30
		30	30
Financial assets			
Shares in Group companies	*12*	1,007	1,004
Shares in associated companies	*13*	12	12
Receivables from Group companies	*14*	260	350
Deferred tax asset	*15*	10	13
		1,289	1,379
Total fixed assets		**1,320**	**1,410**
Current assets			
Current receivables			
Accounts receivable		1	0
Receivables from Group companies		242	413
Receivables from associated companies		18	16
Tax assets		8	0
Investments in securities	*16*	45	22
Prepaid expenses and accrued income		85	9
		399	460
Cash and cash equivalents		0	5
Total current assets		**399**	**465**
TOTAL ASSETS		**1,719**	**1,875**

BALANCE SHEET – PARENT COMPANY

Amounts in MSEK	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital, 1,000 shares		0	0
		0	0
Non-restricted equity			
Profit or loss brought forward		1,395	1,037
Net profit for the year		29	458
		1,424	1,495
Total equity		**1,424**	**1,495**
Untaxed reserves			
Untaxed reserves	*17*	19	40
Total untaxed reserves		**19**	**40**
Current liabilities			
Liabilities to credit institutions		0	36
Accounts payable		3	1
Liabilities to Group companies		2	3
Tax liabilities		0	9
Other liabilities		267	263
Accrued expenses and deferred income		4	28
Total current liabilities		**276**	**340**
TOTAL EQUITY AND LIABILITIES		1,719	1,875

REPORT OF CHANGES IN EQUITY – PARENT COMPANY

Amounts in MSEK	*Share capital*	*Non-restricted equity*	*Total*
Opening equity 01/01/2021	**0**	**1,037**	**1,037**
Net profit for the year		458	458
Closing equity 31/12/2021	**0**	**1,495**	**1,495**
Net profit for the year	0	29	29
Dividend to shareholders		-100	-100
Closing equity 31/12/2022	**0**	**1,424**	**1,424**

CASH FLOW STATEMENT – PARENT COMPANY

Amounts in MSEK	Note	2022	2021
Operating activities			
Profit after financial items		14	479
Adjustments for non-cash items	*19*	-15	-480
Income tax paid		-22	-4
Cash flow from operating activities before changes in working capital		**-23**	**-5**
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in operating receivables		92	21
Increase(+)/Decrease(-) in operating liabilities		-19	11
Cash flow from operating activities		**50**	**27**
Investing activities			
Acquisition of subsidiaries		-3	-138
Change in loans to group companies		90	65
Purchase of intangible and tangible fixed assets		0	-31
Acquisition of financial assets		-36	0
Sale of financial assets		29	511
Cash flow from investing activities		**80**	**407**
Financing activities			
Borrowings		0	48
Repayment of loans		-35	-481
Dividend		-100	0
Cash flow from financing activities		**-135**	**-433**
Cash flow for the year		**-5**	**1**
Cash and cash equivalents at the beginning of the year		5	4
Cash and cash equivalents at year-end		**0**	**5**

Notes on the Parent company’s financial statements

Amounts in MSEK, unless otherwise stated.

NOTE 1 NET SALES

Net sales relate mainly to debiting of group-wide services.

NOTE 2 REMUNERATION TO AUDITORS

The audit fee for the Parent company amounts to MSEK 0 (1).

NOTE 3 OPERATING LEASES

The cost for operating leases for the year amounted to MSEK 22 (21).

Future minimum lease payments as of the closing day amounted to:	**2022**	**2021**
Within one year	20	17
Between one and five years	16	4
Later than five years	0	0
	36	21

NOTE 4 EMPLOYEES AND PERSONNEL COSTS

Average number of employees	**2022**	**2021**
Sweden		
Men	2	10
Women	0	4
Total	**2**	**14**

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

Salaries, other remuneration and social security costs	**2022**	**2021**
Board of Directors, CEO and other senior executives	3	10
Other employees	0	6
Total Salaries and other remuneration	3	16
Social security costs	1	6
Pension costs	1	4
Total	**5**	**26**

NOTE 5 RESULT FROM OTHER SECURITIES

	2022	**2021**
Unrealised changes in value in securities	12	116
Capital loss	-8	364
Dividend	14	15
Total	18	495

NOTE 6 INTEREST INCOME AND SIMILAR ITEMS

	2022	2021
Interest income, Group companies	16	11
Exchange rate differences	22	0
Total	38	11

NOTE 7 INTEREST EXPENSES AND SIMILAR ITEMS

	2022	2021
Interest expenses, external	-8	-25
Interest expenses Group companies	0	-1
Exchange rate differences	-21	0
Total	-29	-26

NOTE 8 APPROPRIATIONS

	2022	2021
Provisions for tax allocation reserve	22	0
Total	22	0

NOTE 9 TAX ON PROFIT FOR THE YEAR

	2022	2021
Current tax on profit for the year	-4	0
Deferred tax	-3	-21
	-7	-21
Reconciliation of effective tax		
Profit before tax	36	478
Tax according to applicable tax rate for the Parent company (20.6%)	-7	-99
Non-deductible costs	-3	0
Non-taxable income	3	78
	-7	-21

NOTE 10 CONCESSIONS, PATENTS, LICENCES AND SIMILAR RIGHTS

	31/12/2022	31/12/2021
Acquisition cost		
Opening balance	1	0
Purchase	0	1
Closing balance	1	1
Accumulated depreciation		
Opening balance	0	0
Depreciation for the year	0	0
Closing balance	0	0
Book value	1	1

NOTE 11 EQUIPMENT, TOOLS AND INSTALLATIONS

	31/12/2022	31/12/2021
Acquisition cost		
Opening balance	30	0
Purchase	0	30
Closing balance	30	30
Accumulated depreciation		
Opening balance	0	0
Depreciation for the year	0	0
Closing balance	0	0
Book value	30	30

NOTE 12 SHARES IN GROUP COMPANIES

	31/12/2022	31/12/2021
Accumulated acquisition costs:		
At beginning of the year	1,004	502
Purchases	3	138
New share issue	0	532
Disposals	0	-168
Carrying amount at year-end	**1,007**	**1,004**

Specification of the Parent company's and group's participations in group companies
The ownership share of the capital also corresponds to the percentage of votes for the total number of shares.

Subsidiary / Corp. ID no. / Registered office	*in %*	**Carrying amount**
Hedin Mobility Group AB, 556065-4070, Mölndal	71.5	818
Tuve Holding AB, 559010-4419, Mölndal	99	189
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		1,007

NOTE 13 SHARES IN ASSOCIATED COMPANIES

	Share of equity	**Voting share**	**Carrying amount**	
Associated company / Corp. ID no. / Registered office			**31/12/2022**	**31/12/2021**
Consensus Asset Management, 556474-6518, Mölndal	22%	28%	12	12
Ripam Invest AB, 556870-7540, Mölndal	50%	50%	0	0
			12	12
Accumulated acquisition costs:				
Opening carrying amount			12	10
Purchases			0	2
Closing carrying amount			12	12

NOTE 14 RECEIVABLES FROM GROUP COMPANIES

	31/12/2022	**31/12/2021**
Opening carrying amount	350	417
Repayment by installment	-90	-67
Closing carrying amount	260	350

NOTE 15 DEFERRED TAX ASSET

	31/12/2022	**31/12/2021**
Opening carrying amount	13	33
Reported in the income statement	-3	-20
	10	13

NOTE 16 INVESTMENTS IN SECURITIES

	31/12/2022	**31/12/2021**
Listed shares	45	22
	45	22
Accumulated acquisition costs:		
Opening carrying amount	22	16
Investments	36	0
Unrealised changes in value in securities	12	6
Disposals	-25	0
Closing carrying amount	45	22

NOTE 17 UNTAXED RESERVES

	31/12/2022	31/12/2021
Tax allocation reserve fiscal year 2016	0	21
Tax allocation reserve fiscal year 2020	19	19
	19	40

NOTE 18 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	31/12/2022	31/12/2021
Pledged assets		
Shares in subsidiaries	0	48
Securities	0	22
Contingent liabilities		
Guarantee for subsidiaries	68	1,232
Guarantee for associated companies	230	230

During the financial year, significant guarantees relating to subsidiaries have been assumed by Hedin Mobility Group AB whereupon Hedin Group AB has been discharged from these guarantees.

NOTE 19 CASH FLOW

Items not affecting cash flow	2022	2021
Depreciation	0	0
Result from participations in group companies	0	-364
Write-down securities	-12	-116
Capital loss from sales of fixed assets	-3	0
	-15	-480

Financial liabilities	2022	2021
Opening carrying amount	35	519
Cash flow	-35	-434
Business acquisitions	0	-50
	0	35

Interest payments	2022	2021
Interest paid	-8	-25
Interest received	17	11

NOTE 20 GROUP INFORMATION

Of the Parent company's total purchases and sales measured in SEK, 0% (0%) of the purchases and 100% (100%) of the sales relate to other companies in the entire company group the Company belongs to.

NOTE 21 PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

At the disposal of the Annual General Meeting in the Parent company is.

Accumulated profit or loss	SEK 1,394,990,316
Net profit for the year	SEK 29,174,516
Total	**SEK 1,424,164,832**

The Board proposes that unappropriated earnings be distributed as follows:

Dividend	SEK 100,000,000
Balance carried forward	SEK 1,324,164,832
Total	**SEK 1,424,164,832**

Dividend, subject to approval by the annual general meeting, will be provided at SEK 100,000,000, which means that unrestricted equity after paying dividend amounts to SEK 1,324,164,832. The proposed value transfer in form of dividend reduces the Parent company's equity ratio to 77%. The equity ratio is, against the backdrop of the Company's operations continuing to be run with profitability, assuring. Liquidity in the Company is assessed as being able to be maintained on a similarly assuring level. The Board's opinion is that the proposed dividend does not prevent the Company from meeting its obligations in the short or long term, nor from completing required investments. The proposed value transfer can thus be justified with regard to what is stated in the Swedish Limited Companies Act chap. 17 § 3 sect. 2-3 (prudence rule)

The Board 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 accounting standards referred to in the European Parliament's and Council's Regulation (EC) No 1606/2002 of the European Parliament and of the Council on 19 July 2002 on the application of international accounting standards.

The annual report and consolidated accounts give a true and fair view of the position and profit or loss of the Company and the Group, and that the director's report for the Company and for the Group gives a fair view of the development and performance of the business, position and profit or loss and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Signatures

Mölndal, May 31, 2023

Anders Hedin
CEO
Chairman of the Board

Jan Litborn
Board member

Hampus Hedin
Board member

Helena Hedin
Board member

My auditor's report was submitted on May 31, 2023

Johan Palmgren
Authorised public accountant

Auditor's Report

To the general meeting in Hedin Group AB, Corp. ID no. 556702-0655

Report on the annual accounts and consolidated accounts

Opinions

I have conducted an audit of the annual accounts and consolidated accounts for Hedin Group AB for the year 2022. The company's annual accounts and consolidated accounts are included on pages 28-72 in this document.

In my opinion the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and in all significant respects give a true and fair view of the parent company's financial position as of 31 December 2022 and of its financial performance and cash flow for the year in accordance with the annual accounts act. The consolidated accounts have been prepared in accordance with the annual accounts act and in all significant respects give a true and fair view of the Group's financial position as of 31 December 2022 and of its financial performance and cash flow for the year in accordance with the International Financial Reporting Standards (IFRS), as they have been adopted by the EU, and the annual accounts act. The director's report is consistent with the annual accounts' and consolidated accounts' other parts.

I thus recommend that the general meeting adopt the report on the results and comprehensive income and balance sheet for the Group and the income statement and balance sheet for the parent company.

Basis for the opinions

I have conducted the audits in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the section Auditor's responsibilities. 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 includes information other than the annual accounts and consolidated accounts and can be found on pages 1-27 and 76-77. It is the board and the CEO who are responsible for this other information.

My opinion regarding the annual accounts and consolidated accounts does not include this information and I do not utter an opinion with confirmation regarding this other information.

In connection with my audit of the annual accounts and consolidated accounts it is my responsibility to read the information identified above and to consider whether this information to a significant extent is incompatible with the annual accounts and consolidated accounts. During this review I also consider the knowledge I have obtained in other regards during the audit and assess whether information otherwise contains any material errors.

If I, based on the work that has been conducted regarding this information, conclude that the other information contains a material error, I am obligated to report this. I have nothing to report in this regard.

Responsibilities of the board and the CEO

It is the board and CEO who have responsibility for the annual accounts and consolidated accounts to be prepared and that they give a true and fair view in accordance with the annual accounts act and, with regard to the consolidated accounts, in accordance with IFRS, as they have been adopted by the EU, and the annual accounts act. The board and CEO are also responsible for the internal control they deem to be necessary for preparing annual accounts and consolidated accounts that do not contain any material errors, whether these are due to irregular conduct or mistakes.

When preparing the annual accounts and consolidated accounts, the board and CEO are responsible for the assessment of the company's and group's ability to continue the operations. They inform of, when applicable, circumstances that may affect the ability to continue the operations and to use the going concern assumption. The going concern assumption is, however, not applied if the board and CEO 1 of 3 intend to liquidate the company, cease operations or do not have any realistic alternative to doing any of these.

The auditor's responsibility

My objective is to achieve a reasonable degree of certainty about whether the annual accounts and consolidated accounts as a whole do not contain any material errors, whether these are due to irregular conduct or mistakes, and to submit an auditor's report that contains my opinions. Reasonable certainty is a high degree of certainty, but no guarantee, that an audit carried out in accordance with ISA and generally accepted auditing standards in Sweden always detects a material error if such exists. Errors can occur due to irregular conduct or mistakes and are considered to be material if individually or together they can reasonably be expected to affect the economic decisions that users make based on the annual accounts and consolidated accounts.

Further details of my responsibility for the audit of the annual accounts and consolidated accounts can be found on the Swedish Inspectorate of Auditors 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 carried out an audit of the board's and CEO's management for Hedin Group AB for the year 2022 and of the proposal to deal with the company's profit or loss.

I recommend that the general meeting deal with the profit in accordance with the proposal in the management report and discharge the board's members and CEO from liability for the financial year.

Basis for the opinions

I have conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the section Auditor's responsibilities. 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 and the CEO

The board is responsible for the proposal to deal with the company's profit or loss. When proposing 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' equity, consolidation requirements, liquidity and position in general.

The board is responsible for the company's organisation and the administration of the company's affairs. This includes continuous assessment of the company's and the Group's financial situation and ensuring that the company´s organisation is designed so that the accounting, management of funds and the company's financial affairs otherwise are controlled in a satisfactory manner. The CEO shall manage the ongoing administration according to the board's guidelines and instructions and among other matters take measures that are necessary to complete the company's accounting in accordance with the law and handle the management of funds in a satisfactory manner.

The auditor's responsibility

My objective with the audit of the management, and with that my opinion on discharge from liability, is to obtain auditing evidence so that with a reasonable level of certainty I can assess whether any board member or the CEO to any significant regard:

- has taken any measures or is guilty of any negligence that may cause an obligation to compensate the company
- has in any other way acted in breach of the Limited Companies Act, the Annual Accounts Act or the articles of association.

My objective concerning the audit of the proposal for dealing with the company's profit or loss, and thus my opinion on this, is to with a reasonable level of assurance assess whether the proposal is consistent with the Limited 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 measures or negligence that may cause an obligation to compensate the company, or that a proposal to deal with the company's profit or loss is not consistent with the Limited Companies Act.

Further details of my responsibility for the audits of management can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Gothenburg, May 31, 2023

Johan Palmgren
Authorised public accountant

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

CORPORATE GOVERNANCE Anders Hedin
EDITOR Magnus Matsson och Per Mårtensson
DESIGN Susanna Ander
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