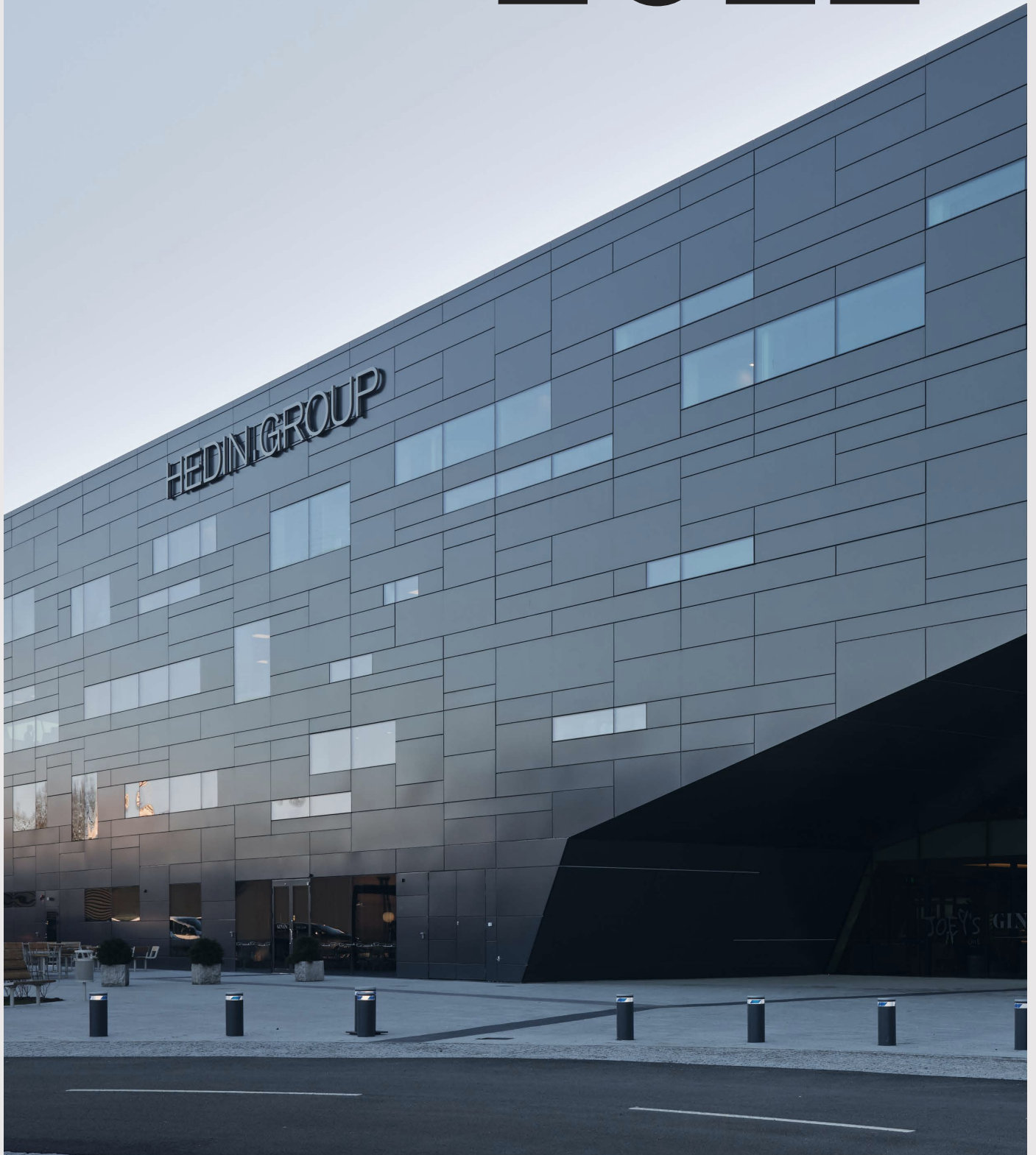


Annual Report  
2022



HEDIN MOBILITY GROUP



We  
enable  
mobility

BYD ATTO 3

# Table of contents

---

## INTRO

The Group and the year in brief.....	4
2022 – a year of growth.....	6
A word from our CEO.....	8

## OUR BUSINESS

Our role in the value chain.....	10
Geographical presence.....	11
Market trends.....	12

## OUR OPERATIONS

Distribution.....	16
Retail.....	24
Mobility solutions.....	28
Investments.....	30

## SUSTAINABILITY

Our sustainability work in brief.....	32
Employees.....	34

Group structure.....	40
Board of Directors and senior executives.....	42
Five-year summary.....	44

Director’s report.....	46
Financial statements, Group.....	54
Notes to the Group’s financial statements.....	60
Financial statements, Parent company.....	82
Notes to the Parent company’s financial statements.....	86

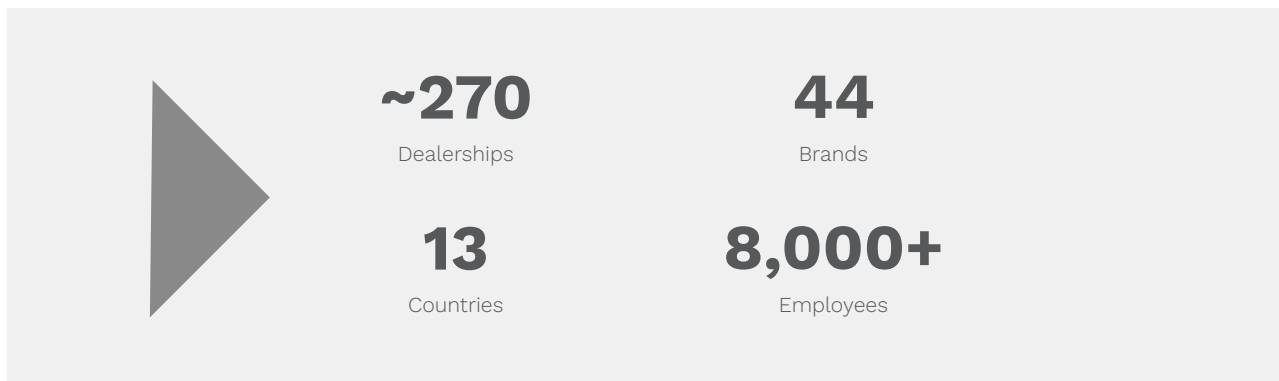
The Board’s signatures.....	93
Auditor’s Report.....	94

This document is a translation of the Annual Report 2022 for Hedin Mobility Group AB (publ) in Swedish that was published on April 28, 2023. In the event of any inconsistency between this English version and the original Swedish versions, the latter shall prevail.

## 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, western Sweden. 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 automotive and mobility industry. By importing and distributing high-quality vehicles and providing retailing 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.



### 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 operations also comprise 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.



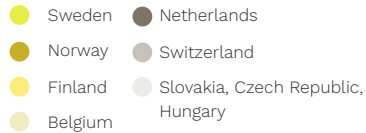
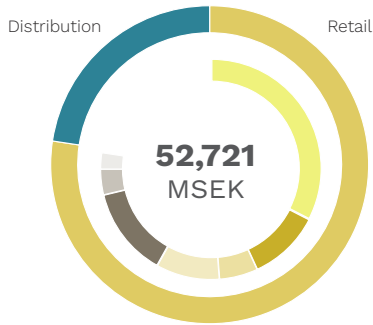
#### Mobility solutions

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

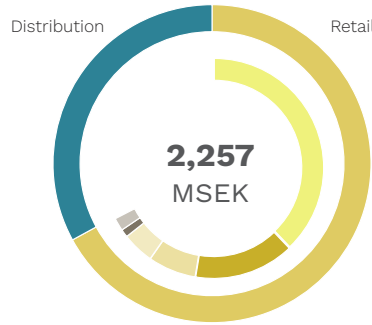
Our business also comprises Hedin IT, which provides the Group with high-end operations, support and digital development, as well as strategic investments in Pendragon PLC, Lasingoo Sverige, Casi (formerly Imove) and Mercedes-Benz Financial Services Slovakia.

## 2022 in brief

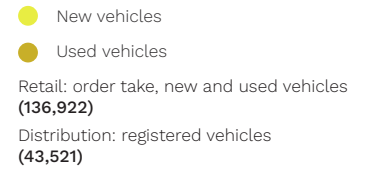
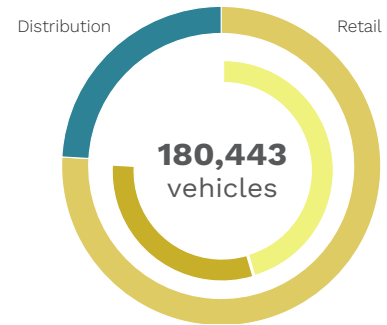
## NET SALES



## OPERATIONAL EARNINGS



## VEHICLES SOLD



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).

## GROWTH IN NET SALES

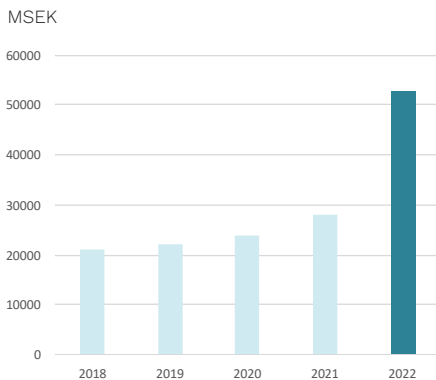
Including acquisitions and transferred operations

**+87%**

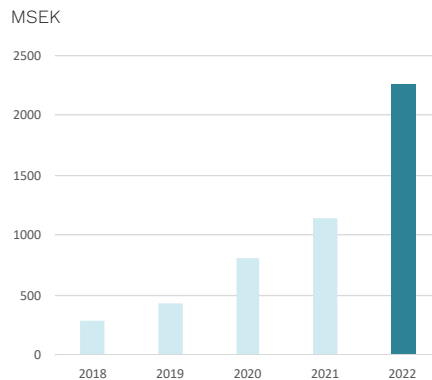
Adjusted for currency effects and items affecting comparability

**+15%**

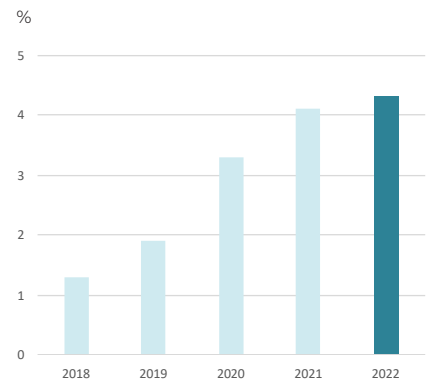
## NET SALES



## OPERATIONAL EARNINGS



## MARGIN



## 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 completed 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 in 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.

# 122

Acquired dealerships

# 4,500+

New employees

# 7

New geographic markets

# 11

New brands

Alpine, BYD, Hongqi, Hyundai, INEOS Grenadier,  
Mazda, Skoda, Lexus, LEVC, Peugeot, Volvo



HEDIN GROUP

”

The best year  
in our almost  
40-year history



## A word from our CEO

---

Last year 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 2022 in order to serve our customers, pursue collaborations with our partners and support and develop the Group's various functions and businesses in various ways. A big thank you to all of you for your hard work!

### **A strong foundation and diversified 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.

When this is being written at the end of March 2023, there is great uncertainty both in the world around us and concerning the economic development. 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.

### **Creating the best conditions for continued success**

Extensive work is underway to integrate the Hedin family's new operations, employees and customers in order to create the best possible economies of scale and find development opportunities to maintain the highest quality in our deliveries to our customers. We strive to create clear group-affiliation without compromising our entrepreneurial identity that is characterised by short decision-making paths, new thinking and drive.

As we grow we continuously review how best to organise the operations. During the year we have taken our first steps in introducing a new organisational structure in Retail where we intend to move towards geographical clusters and higher coordinated management of the activities. The aim is to strengthen the opportunities for strategic and operational coordination in order to increase efficiency and bring about even more synergies within the Group.

At the start of 2023 we moved into Hedin Group's new head office in Mölndal, Sweden. Here we have gathered Hedin Mobility Group's corporate functions and several of our companies. This 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 value for our customers and the communities we are active in.



**Anders Hedin**

## A broad and diversified vehicle business

What was once a Swedish car dealer in I.A. Hedin Bil today is an significant European automotive group in Hedin Mobility Group. As our operations have grown strongly and broadened in recent years, we have also significantly expanded our presence in the value chain: from import and distribution of new vehicles to recycling parts from cars that have reached the end of their lifecycle.

### HEDIN MOBILITY GROUP'S PRESENCE IN THE AUTOMOTIVE INDUSTRY'S VALUE CHAIN



Today we are importer and/or distributor for eleven brands in a number of European markets. In these roles, we import and distribute vehicles both to our own as well as external retailers.

In addition we are active in distribution, wholesales and logistics services in spare parts, accessories as well as tyres and rims.

We are one of Europe's largest automotive retailers with more than 550 sales points. In this part of the value chain we act both as a traditional retailer as well as a sales agent for certain brands.

We also offer a number of mobility services for modern and flexible car usage.

In most of our car dealerships we also provide a complete range of service and repair options.

In addition, we have a large number of independent body and paint shops for damage repair.

By also being active in car dismantling we can supply both our own workshops and external customers with recycled parts.

## Geographical presence














































Distribution



Retail



Mobility solutions

 Sweden	  
 Norway	  
 Finland	 
 Denmark	
 Belgium	  
 Germany	 
 Netherlands	  
 Switzerland	  
 Slovakia	
 Hungary	
 Czech Republic	
 UK	 
 USA	
 Luxembourg	<i>Under establishment</i>
 Estonia	<i>Under establishment</i>
 Latvia	<i>Under establishment</i>
 Lithuania	<i>Under establishment</i>



Read more about our business areas:



Distribution page 16



Retail page 24



Mobility solutions page 28

## A changing market

The automotive industry is undergoing rapid change, fuelled both by industry-specific and global trends. Below we have compiled some of these and how we deal with them in order to continue to develop and maintain our position as a leading mobility provider.

### ELECTRIFICATION

Sales of electrified vehicles have increased strongly in recent years, to a large part fuelled by government subsidies aimed at accelerating the transition to an emission-free vehicle fleet. Demand is expected to continue being strong as a result of future bans on the sale of fossil-fuelled vehicles and more and more customers requesting more sustainable mobility.

Electrification affects all parts of the industry's value chain and creates both challenges and new business opportunities. For example, companies are including more brands in their vehicle fleets while the service requirement per car will drop as the share of electric cars in the car fleet increases.

#### *Our approach:*

*With one of Europe's largest brand portfolios we offer a large range of electrified vehicles in various segments and price ranges already today. As a distributor we represent a number of brands selling only electric cars. We work continuously on developing and strengthening our aftermarket business, with everything from training in handling electric cars to new work procedures for delivering a high level of customer service and at the same time creating upselling opportunities.*

### DIGITISATION

Just like in society at large the automotive industry is undergoing rapid digitisation in everything from cars' technical contents and connectivity to sales and service. This puts new requirements on work procedures and offers – not least a seamless customer experience between digital channels and physical showrooms becomes ever more important for creating and maintaining good relations with customers.

#### *Our approach:*

*Since several years, we have put great focus on digital business support. Our internal IT company Hedin IT works group-wide with high-end development of digital services and systems. With proprietary technology we make it possible for customers to lease and buy vehicles, spare parts, tyres and rims and much more online. In addition we pursue and invest in innovative solutions to meet modern mobility requirements and ways for booking and completing visits to workshops.*

## NEW DISTRIBUTION AND SALES MODELS

In pursuit of increased efficiency, greater brand focus and higher growth and profitability, car manufacturers are testing new ways and business models for distributing and selling their products to end customers, such as through an agent model or by private importers who also represents a significant part of total retail sales. New types of distribution models place high requirements on optimised sales networks and the ability to create new customer experiences across various channels.

### *Our approach:*

*In the last two years, we have grown significantly in our role as an importer and distributor and today have a strong presence in the value chain from distribution to aftermarket. Combined with our extensive presence as a retailer in eleven European markets, we are well positioned to compete for business both in traditional and new distribution models.*

## SHIFTING CUSTOMER NEEDS

While many still want to own their vehicle, an increasing number of customers are requesting alternatives to traditional car ownership to meet their mobility needs – everything from leasing to car sharing. In addition, customers' requirements on aspects such as safety, comfort and fuel efficiency/climate impact are getting higher. The shift in customer needs affects both product development as well as the development of new mobility services.

### *Our approach:*

*Our operations in Mobility solutions offer both private and corporate customers modern and flexible ways of using vehicles. In addition, we work continuously on developing new mobility services in own operations and through strategic investments.*

## INCREASED CONSOLIDATION

Partly as a result of manufacturers testing new distribution models, consolidation in the retailer link has accelerated in recent years. Another influencing factor is the increasing brand competition in the car industry, which drives more retailers towards a multi-brand business for increased efficiency and profitability. Here large dealer groups can benefit from economies of scale to keep a strong brand focus, deliver customer value and create good returns in the operations.

### *Our approach:*

*Last year we had the highest acquisition rate of all dealer groups in the European market and are one of the very largest retailers in the continent. In addition, we have significantly strengthened our position as a strong partner for vehicle manufacturers by expanding our distribution business.*





## Distribution

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

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

### Countries



### Vehicles



### Spare parts, accessories, tyres and rims, and logistics solutions





# 13,274

Net sales (MSEK)

# 700

Employees

# 43,521

Registered vehicles

## Vehicles

BYD 

bydauto.se | bydauto.de

BYD is the world's largest manufacturer of electrified vehicles. In mid-2022 Hedin Mobility Group was appointed "Dealerplus+" for BYD which means that we are distributor and retailer of the brand's electric cars in Sweden and Europe's largest market, Germany. In Sweden, Hedin Bil is the exclusive retailer, while sales in the German market take place through a nationwide network consisting of six leading dealer groups.

At the end of the year we successfully launched three models at 20 dealerships in Sweden and in just a couple of months received confirmed orders for 1,400 cars. At the start of 2023, customer deliveries began in the German market. During the coming year the focus is on increasing brand awareness and further develop the BYD business as a whole in both our markets. In addition, the launch of another three new electric car models is planned for the year.

**BYD**

### Hedin Electric Mobility

Distributor for BYD passenger cars in Sweden and Germany

**Net sales:** MSEK 545\*

**Employees:** 12

**Registered vehicles:** 1,088\*

**Retailers:** 7

**Sales points:** 22\*

**Workshops:** 21\*

\*Refers to Sweden, Germany being set up. The dealer network in both markets is being gradually expanded during 2023.



### Klintberg & Way Automotive

Importer for Dodge and RAM in Europe

**Net sales:** MSEK 1,656

**Employees:** 98

**Registered vehicles:** 2,670

**Retailers:** 130

**Sales points:** 131

**Workshops:** 193

### Dodge & RAM



kwauto.com

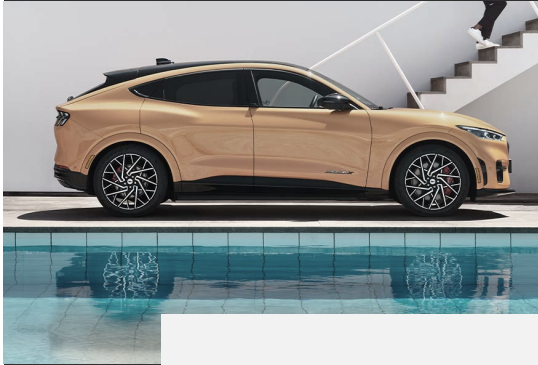
Our European import operations with Dodge and RAM had a record year in 2022 both in terms of sales and profitability. In order to allow increased homologation of cars in Bremerhaven, investments were made during the year both in form of recruitments and buying land. The aim is to expand capacity to allow us to convert up to 6,000 cars per year.

During 2023 the focus will be on increasing sales with the target of 3,500 cars for the year. Major investments in systems and marketing are planned ahead of a massive drive from 2024 and on.

**DODGE**



**RAM**



### Hedin HMC Motor Company

Importer of Ford passenger cars and commercial vehicles in Sweden

**Net sales:** MSEK 6,000

**Employees:** 38

**Registered vehicles:** 17,106

**Retailers:** 8

**Sales points:** 66

**Workshops:** 91

## Ford

ford.se

Despite challenging external factors, Ford increased its market share in Sweden by 12% during 2022 to a total market share of 5.3%. Restructuring of the dealer network was completed during the year and is now gathered in five major geographic clusters. This has contributed to good development thanks to more efficient processes and decision-making channels, and creates conditions for continuing to grow both volume and profitability and deliver a high level of customer value. Ford Kuga became the country's second bestselling plug-in hybrid electric vehicle in 2022 and order take for commercial vehicles was very good.

In 2023 the focus will be on continuing the journey with Ford in Sweden by strengthening local brand perception and achieving continued growth in volume despite a challenging market. Several new commercial vehicle models will be launched during 2023 and towards the end of the year the all new Ford Explorer is launched, a crossover SUV in the high-volume segment, the brand's second fully electric passenger car to reach the Swedish market.

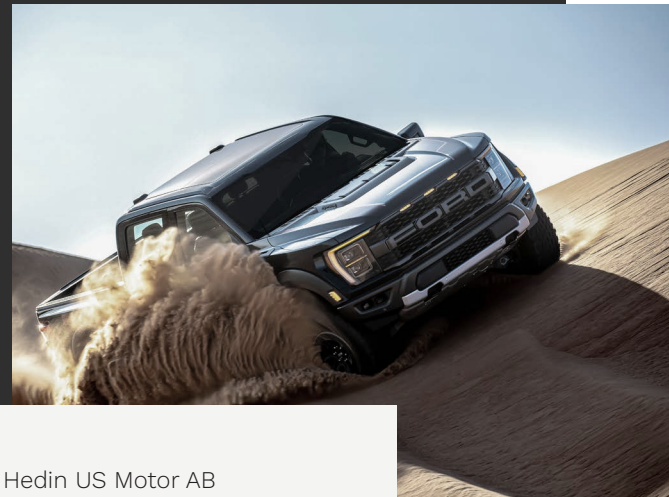


## Ford F-150

hedinusmotor.com

In 2022 Hedin Mobility Group was appointed importer for Ford F-150 – the world's most sold pickup truck – in Europe. The first launch takes place in Sweden and Germany, with other European markets to follow. Since the collaboration began focus has been on establishing the central importer organisation and for the Swedish market a nationwide network of authorised Ford dealers was established in 2022. We received official sign-off from Ford Motor Company for European homologation of F-150, which will be carried out by the Group company KW Automotive.

During 2023 the focus is on product launch, beginning sales and first deliveries. Estimated volume in the first phase is approx. 2,000 vehicles. In Germany, establishing the dealer network will be completed to then start launches in the next geographic market, the Netherlands.



Hedin US Motor AB

Importer for Ford F-150 in Europe

**Employees:** 13

**F-150**

## Hongqi



hongqi.se | hongqi.nl

Since 2022 we act both as importer and exclusive retailer of the prestigious brand Hongqi in Sweden and the Netherlands. During the year the focus has been on establishing the organisation and distribution network. At the end of 2022 and early 2023, the fully electric luxury SUV Hongqi E-HS9 was introduced with sales beginning and first customer deliveries in both markets.

During 2023 the focus is on continuing to develop the import organisation and expanding the dealer network in order to increase brand awareness and fully benefit from the unique model's potential in the electric car market to expand sales. A central aspect is also to ensure a first-class owner experience.



### Hedin Premium Car

Importer and distributor for Hongqi in Sweden and the Netherlands

**Employees:** 8

**Retailers:** 2

**Sales points:** 18\*

**Workshops:** 18\*

\*The dealer network is being gradually expanded during 2023.



### Hedin Adventure Car

Distributor for INEOS Grenadier in eleven European countries.

**Employees:** 5

**Retailers:** 2

**Sales points:** 7\*

**Workshops:** 7\*

\*The dealer network is being gradually expanded during 2023.



## INEOS Grenadier

ineosgrenadier.com

During 2022, Hedin Mobility Group was appointed distributor and retailer in eleven European countries for the new car brand INEOS Automotive and its uncompromising 4x4 INEOS Grenadier. During the year a central distribution organisation was established as well as sales and service organisations in strategic locations for the markets that are launched in the first phase.

Even during the start-up phase without any major marketing efforts, customer interest in INEOS Grenadier has been great and at the beginning of 2023 more than 350 orders had been placed. In the spring of 2023 deliveries will start in several of our markets and the focus during the year is on positioning and rollout of the brand as well as establishing additional dealerships.

**INEOS | GRENADIER**



mg.se

MG successfully launched two new electric car models in 2022: MG4 and MG5. Just 18 months after the brand's market introduction in Sweden, the milestone of 10,000 cars delivered was achieved in October. The brand has attracted great media attention during the year and also increased the MG network with additional dealerships.

During 2023, two new versions of MG4 will be launched. The focus is also on further expanding the distribution network with a focus on the northern east coast as well as increasing corporate sales. MG aims to become one of the three largest electric car brands in Sweden and to achieve a 10% share in the segment for 2023. The target of delivering car number 20,000 in the Swedish market during the year is part of this.



### Hedin MG Sweden

Distributor for MG in Sweden

**Net sales:** MSEK 3,339

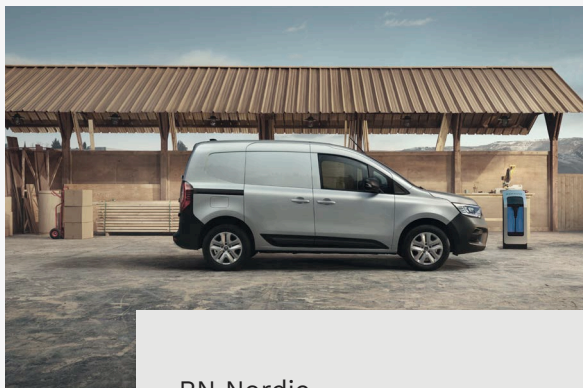
**Employees:** 16

**Registered vehicles:** 8,456

**Retailers:** 3

**Sales points:** 50

**Workshops:** 48



### RN Nordic

Importer and distributor for Renault, Dacia and Alpine in Sweden and Denmark

**Net sales:** MSEK 3,695\*

**Employees:** 91

**Registered vehicles:** 14,194\*

**Retailers:** 20\*\*

**Sales points:** 136\*\*

**Workshops:** 164\*\*

RN Nordic AB is owned to 50% by Hedin Mobility Group

\*Refers to the period May – December 2022 (after completed acquisition)

\*\*As of December 31, 2022

## Renault, Dacia & Alpine



renault.se / .dk | dacia.se / .dk

In 2022 we acquired, together with Salvador Caetano Group, the distribution operations for Renault, Dacia and Alpine in Sweden and Denmark. Since the takeover on May 2 the main focus has been on transferring the operations to a new importer model under the new name RN Nordic AB.

A central strategic focus is to create higher dedicated brand focus and increasing efficiency in the distribution network. During the year, the organisation has been restructured with commercial responsibility for the respective country and separated brand teams. Furthermore, restructuring of the dealer network was also initiated, which apart from more efficient distribution is expected to result in higher customer satisfaction and stronger market shares.

Two new fully electric models were successfully launched during the year, which resulted in 1,760 customer orders for the passenger car Megane E-Tech and 1,773 customer orders for the commercial vehicle Kangoo E-Tech.

During 2023 the focus is on establishing the new distribution network to ensure maintained volume and customer satisfaction. There is also a drive to further develop the IT environment in order to increase efficiency even more and strengthen the operations' digital capability.



DACIA

ALPINE

## Spare parts, accessories, tyres and rims, logistics solutions

### Hedin Parts and Logistics

**Net sales:** MSEK 207\*

**Employees:** 228

Hedin Parts and Logistics (HPL) is active in spare parts distribution and logistics services and is part of the Group since mid-2022 when former Orio was acquired. Since the acquisition work is underway on uniting all distribution of parts and products within Hedin Mobility Group's aftermarket business to HPL, with the ambition to become a leading European spare parts distributor.

Interwheel, one of Sweden's largest companies in the tyre sector and distributor for Alutec rims, Kumho tyres and Cooper's tyre range, became a subsidiary of Hedin Parts and Logistics in early 2023. The ambition is to expand the activities in distribution and sales of wheels and tyres to Europe.

In addition, HPL has also been running operations in car dismantling since early 2023 and will during the year launch more product groups, including recycled spare parts, to further strengthen the company's offer and the Group's aftermarket business.

**HEDIN PARTS AND LOGISTICS**  

\*Refers to the period June – December 2022 (after completed acquisition)

### KW Parts

**Net sales:** MSEK 370

**Employees:** 91

KW Parts is an authorised partner for GM and Mopar (Chrysler, Dodge, Jeep and RAM) and the market leader in Europe in selling spare parts and accessories for American cars and pickups. The business saw its best year ever in 2022 in terms of both net sales and profitability. During the year a relocation of the warehouse to Hedin Parts and Logistics began, which will result in an improved delivery rate to customers and allow a further increase in sales.

The strategic focus for 2023 is to complete the relocation of warehouse operations within spare parts, with as little negative effect on customers as possible. At the same time, the product range will be gradually expanded in the last three quarters of the year to allow a strong increase in sales from mid-2023 onward.



## GS Bildeler, Koed, BNC Nordic Distribution

**Net sales:** MSEK 450

**Employees:** 99

GS Bildeler is Scandinavia's largest independent supplier of parts and accessories for BMW and MINI, with presence in eight locations in Norway and Denmark as well as digital sales. By cooperating with more than 200 partner workshops, follow-up and superior technical support is ensured in both Norway and Denmark.

The company cooperates closely with BMW and MINI spare parts specialist Koed with presence in both Norway and Denmark. Hedin Mobility Group's ownership share in Koed A/S is 60%.

For our spare parts division in GS Bildeler, 2022 meant re-establishing contact with customers as Covid-restrictions were being lifted. The result was 18 new partners during the year. We merged our brake and car parts company Conlogo with Brakes Norway under the new name BNC and continue preparations to expand from Norway with BNC. In Denmark we continued our positive development in Koed and increased net sales of used car parts by 20%. Here we are planning to significantly ramp up the disassembly and sales of used cars during 2023 and onward.



## Retail

In the business area Retail we run one of Europe's largest retail operations with presence in a total of eleven European markets. We provide private and corporate customers with a comprehensive range of services with the sale of new and used vehicles, financing and insurance solutions, as well as a full range of after-market services. Sales include both passenger and commercial vehicles and in several of our markets we also sell heavy-duty trucks.

The operations are run in the dealer groups Hedin Bil, Hedin Automotive, Bavaria and Motor-Car Group. In addition, we also run a dedicated used vehicle business through the retailer Carstore.

### Countries



### Brands





## Market development 2022

Development in our markets during the year was characterised by continued limited vehicle deliveries, a result of the lack of components and disruptions to the supply chain caused by continued pandemic restrictions and the war in Ukraine. Access to new vehicles increased gradually during the year but all of our total markets dropped over the whole year. Despite that, we increased net sales in retail by 72% during the year and even when adjusted for acquisition we surpassed the total market's development in most of our geographic markets. Our sales of new vehicles increased by 20% during the year.

As interest rates, inflation and uncertainty surrounding the economic development rose during the second half of the year, demand and order take for new vehicles dropped – a development that continued into early 2023. The focus going forward is on delivering the large order book to customers and to continue working hard and with new thinking in order to deliver the best possible customer value and drive vehicle and aftermarket sales.

## Used vehicles

The market for used vehicles was volatile during the year with demand and prices skyrocketing during the first six months as a result of the long delivery times for new vehicles. In autumn this development subsided significantly with a drop in second-hand prices as a result. We increased sales of used vehicles by 8% in total over the year.

We work with different approaches to manage the shifting demand and move cars in stock in the used vehicle business. One example of this is digital auctions. We have been

running Hedin Auction in Sweden since several years and in early 2023 Carstore Auction was launched in the Norwegian market. Furthermore, Carstore expanded operations during 2022 and early 2023 with new dealerships in both Norway and Sweden.

## The aftermarket business

In the aftermarket we offer a full-service concept that includes workshop services, spare parts, accessories and tyres and rims. During 2022 our aftermarket business developed strongly and continues to show good profitability while we have kept a strong focus on expanding the business. The number of service agreements increased by some 26% compared to the previous year and we have also increased both revenue per working hour as well as net sales per checkup in the workshop.

The business activity in the aftermarket is less dependent on the economic situation than, for example, sales of new cars, and we believe the market will continue to be strong in the coming year. We work continuously on growing and strengthening the business quality in the aftermarket. To ensure increased profitability and meet the shift towards more battery electric vehicles in the fleet, we need, apart from cornerstones such as customer satisfaction and availability, to have great focus on needs-based selling.

For example, in 2022 we began Group-wide implementation of the digital tool CitNOW, a video service that makes customers workshop visits easier and provides staff with more options for creating confidence and trust through transparency.














Sold vehicles  
(order take) - Retail

	2022	2021
New passenger cars	71,295	56,151
New commercial vehicles	14,048	9,407
New trucks	409	491
Used passenger cars	47,368	32,701
Used commercial vehicles	3,560	2,270
Used trucks	242	203
<b>Total</b>	<b>136,922</b>	<b>101,223</b>






## Our retail markets

With some 270 own dealerships and more than 550 sales points we are one of Europe's largest automotive retailers. We have retailing operations in a total of eleven markets. The table below lacks the operations in the UK, which are included in Hedin Mobility Group as of April 2023, and Germany where we run a dealership in Bremerhaven – KW Autohaus – selling Dodge and RAM.

	 SWEDEN	 NORWAY	 FINLAND
BRANDS	27	5	9
DEALERSHIPS	122	17	21
SALES POINTS	330	22	46
NET SALES (MSEK) 2022*	19,107	6,210	3,310*
VEHICLES SOLD 2022*	76,204	8,238	9,894*
EMPLOYEES	2,000	375	800
DEALER GROUPS	 HedIn Bil  Bavaria ▶  CARSTORE  HEDIN PERFORMANCE CARS	 HEDIN AUTOMOTIVE  Bavaria ▶  CARSTORE  HEDIN PERFORMANCE CARS	 HEDIN AUTOMOTIVE  Bavaria ▶

\* Refers to operations after completed acquisition during 2022: Finland seven months of operations; Netherlands ten months of operations; Slovakia, Czech Republic and Hungary three months of operations

\*\* Order take, new and used vehicles

			
BELGIUM	NETHERLANDS	SWITZERLAND	SLOVAKIA, CZECH REPUBLIC, HUNGARY
5	26	6	14
24	51	6	19
30	94	14	37
5,482	7,722 <sup>*</sup>	2,204	1,397 <sup>*</sup>
11,159	26,438 <sup>*</sup>	2,815	2,174 <sup>*</sup>
700	1,600	375	1,100
<b>HEDIN AUTOMOTIVE</b>	<b>HEDIN AUTOMOTIVE</b>	<b>HEDIN AUTOMOTIVE</b>	

## MOBILITY SOLUTIONS

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

Our business in modern and sustainable mobility services is mainly run through the wholly-owned businesses Carplus, Unifleet and MABI, which you can read more about on this spread. In addition, we are collaborating with Schysst, a Swedish service offering car subscriptions without fixed contracts, and we are partner in Casi (formerly Imove) who provides technology for custom-made car subscription services. Read more about Casi on page 30.

### CARPLUS & UNIFLEET



Through Carplus and Unifleet we provide services for modern car use to private and corporate customers. Both these mobility services continued their growth journey during 2022 and saw strong development with a total growth in net sales of 171%.

Carplus, which is active in private leasing, has noticed a significantly higher level of competition and has developed its business from acting only as a contracts broker to now also providing its own services to a larger extent. Unifleet has been selling its own services to companies in the Swedish market since the start, and 2022 was the first year when the first vehicles went through the entire contract cycle, which contributed to higher sales and profit. The long delivery times have led to Carplus and Unifleet also amassing order stock during the year.

Thanks to the subscription model with longer contracts which both companies have, the businesses stand on a stable foundation even in uncertain global economy and state of the market. During 2023 the focus is on delivering continued growth and improved key figures. There is also great potential for growing the activities internationally in line with the Group's geographic expansion.

For Carplus, which is active in consumer leasing, 2023 is expected to be a challenging year but we are confident that the business will still continue to grow. The focus is primarily on converting contracts that are expiring during the year into new contracts. For Unifleets the focus is on continuing to grow mainly in the Swedish metropolitan areas and to continue working with the company's offers as a tool in the sales process for all of Hedin Mobility Group's business in Retail.

# 151

Net sales (MSEK) 2022

# 12,249

Active contracts

# 26

Brands online

# 25

Employees



With sustainability and the customer in focus, MABI meets various mobility needs regardless of whether by the hour, day or longer periods. The range of services includes rental of passenger cars, commercial vehicles and trucks, carpools and flexible corporate leasing through the separate brand Flexilease.

MABI increased the number of rental days sold in 2022 by 31% and the vehicle fleet reached approx. 5,400 vehicles by the end of the year, which is the highest number in the company's history. The aim is to continue this positive development in 2023 by continuing investments in the network of stations, profitable business models and system support.

Also completed during the year was an integration with the global booking system Amadeus and development on improving the payment methods for business travellers linked to the travel account, which allows higher booking volumes for this segment. Thanks to this, the company will become an even more attractive supplier both in upcoming procurements as well as for existing contract customers.

MABI today has a market share of 12% of the rental car market in Sweden. As a result of the connection to Amadeus and new volumes from business travel we see great opportunities to increase the market share in coming years. In addition, establishment in the European market continues and MABI is now, in addition to Belgium, also active in Switzerland and the Netherlands under the trademark MABI Mobility.




---

# 848

Net sales (MSEK) 2022\*

# 1,385,623

Sold rental days\*

# 157

Stations\*\*

# 5,405

Vehicles\*\*

# 33

Brands

# 45

Employees\*\*

---

\* Refers to the full franchise network

\*\* Refers to MABI's own operations in Sweden and Belgium



## INVESTMENTS

Apart from the wholly-owned operations our business also comprises strategic investments in companies and services in the automotive and mobility industry.

### PENDRAGON PLC

**Our ownership share: 27.6%**

Pendragon is one of Europe's major dealer groups and a leading operator in the British automotive market. Under the trademarks Evans Halshaw and Stratstone, Pendragon runs more than 160 dealerships and represents more than 20 car brands. The company's operations also comprise a dedicated used car business, software development and an extensive range of services in corporate leasing.

### LASINGOO SVERIGE AB

**Our ownership share: 24.5%**

Lasingoo is an industry-owned online-portal, mainly focused on passenger cars, which makes it possible for customers to easily search for, compare and book services in a transparent way. The service is open for all types of vehicle workshops and today more than 2,000 workshops across the country are connected to Lasingoo.

### CASI (FORMERLY IMOVE)

**Our ownership share\*: 10.5%**

Casi provides a cloud-based digital platform which covers all aspects of a car subscription from digital distribution, subscription and vehicle management to data-driven optimisation. The technical platform is aimed at the white label customer segment such as vehicle manufacturers, importers, retailers and leasing and rental companies who want to build their own custom-made service.

Casi is owned by Mama Holding Company AS who also owns the rights to the technology, which is used by the car subscription service Imove, among others.

\*Ownership share in Mama Holding Company AS.

### MERCEDES-BENZ FINANCIAL SERVICES SLOVAKIA S.R.O.

**Our ownership share: 25%**

Mercedes-Benz Financial Services Slovakia (MBFS) offers an extensive range of vehicle-related financial services to all Mercedes-Benz retailers in Slovakia. This includes innovative leasing and financing options for both retailers and end customers, as well as insurance.

The investment in MBFS was made as part of the establishment in the Slovakian market in 2022 through the acquisition of Motor-Car Group, to add further synergies and earnings opportunities for our operations in Slovakia.



# Sustainability

As one of Europe's largest companies in our sector, we have great responsibility to contribute to sustainable development. On the following pages we provide a summary of our sustainability work. The Sustainability Report 2022 for Hedin Mobility Group AB (publ) is available for download on our 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 to the Group in matters of environment and quality, among others.

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 and activities in the areas that are assessed as being the most material based on our business and our stakeholders' needs, such as:

**Reduced emissions from the transport sector.** Electrification needs to continue for global and national climate targets to be achieved. With one of Europe's largest ranges of rechargeable vehicles in various price ranges, we are a contributing force in the transition to a fossil-free vehicle fleet.

**Reduced climate impact in the own operations.** Energy efficiency, minimising waste and fuel are areas in which we have the opportunity to make a great impact. Work for improvement has been continuously underway for several years in order to reduce our climate footprint. This includes activities such as

environmental certification for new construction projects, installing solar cells, high recycling targets, and an ongoing collaboration with AFRY for increased energy efficiency.

**Full use of resources and safety throughout the vehicle's lifecycle.** By offering service and repairs in almost 300 workshops and body and paint shops all around Europe, as well as operations in car dismantling and recycling of spare parts, we contribute to that the existing vehicle fleet can be used as resource-efficiently and safely as possible during the entire lifecycle.

**A responsible and attractive employer.** Ensuring a safe, secure and developing workplace for our employees is a matter of priority within the entire Group. This includes good working conditions, strong leadership, skills development, work procedures to minimise accidents in the operations, equality and zero tolerance to all forms of discrimination.

**Economic growth.** With operations in 13 countries we are an influential actor in the industry as a whole and in the local markets where we are active. By continuing to maintain good business quality and profitability we get the conditions for continuing to create value through direct and indirect job opportunities and payments to financiers and the public sector.

## Sustainability work under development

Hedin Mobility Group has grown strongly in recent years and our sustainability reporting thus does not yet include all the Group's activities. The strategic focus does, however, apply to our entire Group and we work continuously on developing the sustainability work and to gradually incorporate our various companies and activities and their sustainability data into this.

During 2022 we began work on a new materiality analysis of our various stakeholder groups, and systematic collection of ESG data from the Group's activities has already begun. Going forward we zero in on Agenda 2030 and to follow global frameworks in sustainability reporting to a higher extent in order to further increase transparency and strengthen our sustainability work.



## Development in 2022 in brief

# 42,205

Rechargeable vehicles delivered in Sweden (Retail)

# 6,172

Job opportunities, average number of employees\*

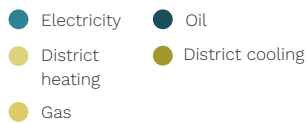
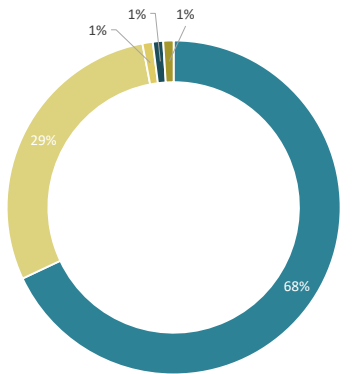
# 348

Tax expense for the year, MSEK\*

\*Refers to the entire Hedin Mobility Group

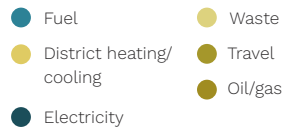
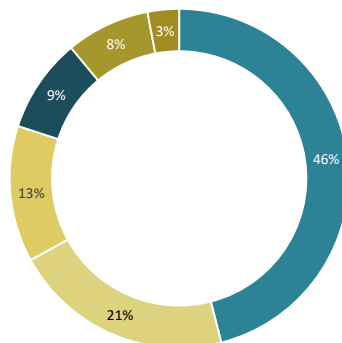
# 120

Consumed energy, kWh/m<sup>2</sup>



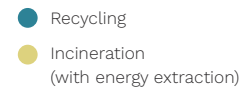
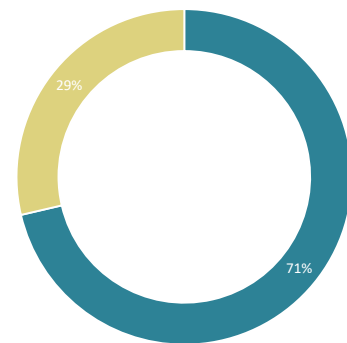
# 10,128

Tonnes emissions, CO<sub>2</sub>e



# 5,504

Tonnes waste



Added to the above treatment methods are biological treatment (0.3%) and landfill (0.2%).

Unless otherwise indicated, numbers refer to the operations that are included in Hedin Mobility Group's Sustainability Report 2022. Which operations this includes can be seen in the Sustainability Report.

### Sustainability Report 2022

The complete Sustainability Report for 2022 can be found on our website: [www.hedinmobilitygroup.com](http://www.hedinmobilitygroup.com)

## 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.

Hedin Mobility Group offers the opportunity to get to know the automotive industry inside and out and work with the best brands in the entire market. We work in an open-minded environment with international resources and local decision-making close to our cooperation partners and customers.

With operations in 13 countries in various business areas, there are many different career paths in our group. We aim to provide people with the opportunity to realise their potential and grow together with us.

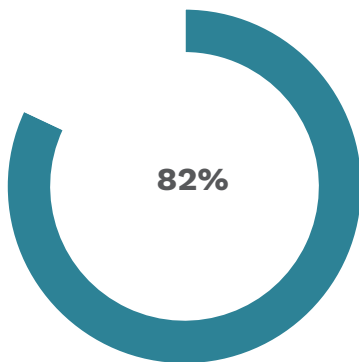
In 2022, the project **Employer of the Future** was introduced with the aim of creating an even more sought-after, developing and inclusive workplace, and with a continued focus on efforts to attract both today's workforce and tomorrow's talents.

An extensive Engagement Survey was carried out to kick off the project, where the areas *Motivation & Development*, *Leadership*, *Work environment & Health* as well as *Inclusion & Communication* were evaluated. A digital learning platform was launched with great opportunities for improving on-boarding and skills development in training sessions adapted to the target group.

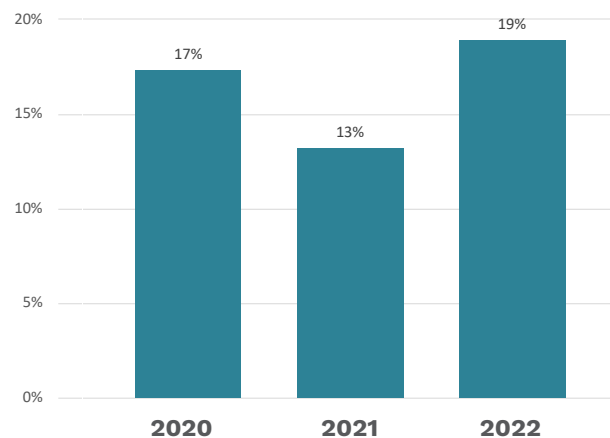
Work on core values was initiated to create a joint course of conduct and a joint platform to clarify which behaviours will make us succeed in achieving our overall strategy. Local and central commitments bring up good examples and "local heroes" in the organisation.

Employer of the Future has given us a good platform for continued opportunities to further develop both the organisation and the business.

### EMPLOYEE SATISFACTION



### STAFF TURNOVER



Scope of operations included in the above charts is stated in Hedin Mobility Group's Sustainability Report 2022.



## COOPERATION TO STRENGTHEN FUTURE COMPETENCE PROVISION

The automotive industry is undergoing rapid and great change. As demand for electrified vehicles is setting new records, this gives rise to a great need for a properly trained workforce.

As an enabler in the electrification of Sweden's vehicle fleet and one of the country's largest employers in service and workshop, having access to competent personnel now and going forward is an important strategic issue for us. As part of the work on securing a competent workforce in the future, we initiated a corporation with the Motorbranschcollege (automotive industry college) at the start of 2023.

The cooperation involves a commitment from Hedin Mobility Group in a few select upper secondary school automotive engineering qualifications that are certified Motorbranschcolleges. We will offer skills development to vocational studies teachers, access to vehicles and take up positions in local steering groups in order to together with other companies, politics and unions develop the training courses.

Motorbranschcollege is an initiative between employers and unions in Sweden that aims to meet the skills requirements in the automotive industry, further increase quality in vehicle technician training and get more youth to enter the vehicle and transport programme at upper secondary school.



---

## GREAT PLACE TO WORK

During 2022, six of our subsidiaries gained the prestigious certification Great Place to Work – recognition of the hard work of creating a culture and environment where employees enjoy their work, are given opportunities to grow and express their individuality.

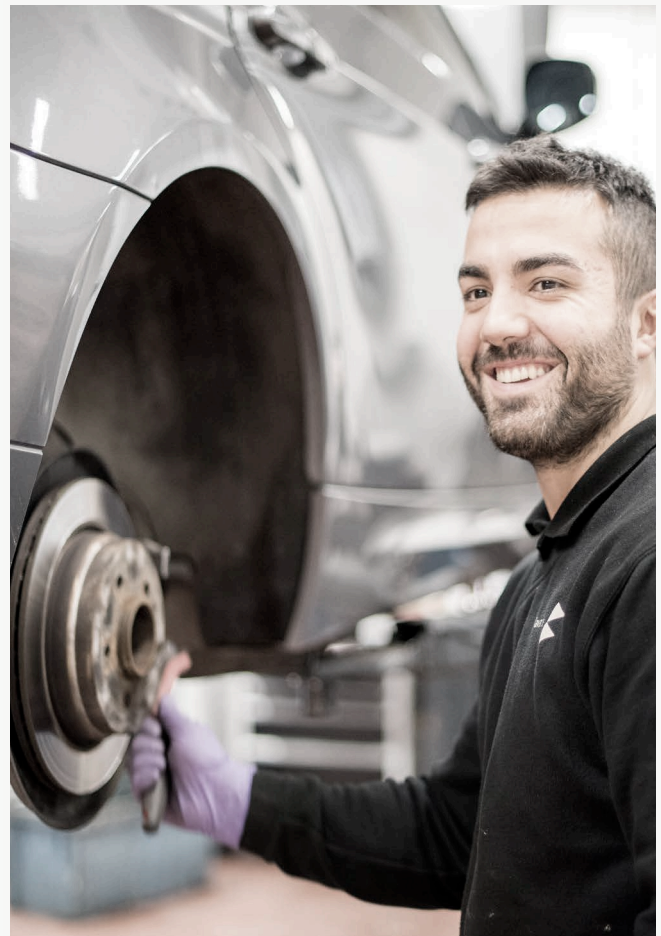
Great Place to Work surveys how employees experience their workplace using an extensive situation analysis based on anonymous staff surveys in five areas. Of the employees that participated in this year's survey, 82 percent in Hedin Automotive – and 91 percent in Hedin Performance Cars – replied that "Altogether this is a very good workplace".

Several companies in the Hedin Mobility Group have previously received the distinction. In 2022, Hedin Automotive Switzerland was added to the list. For Hedin Performance Cars, which is a retailer of Porsche in Sweden and Norway, this was the sixth consecutive year the company was certified as a Great Place to Work.

Hedin Performance Cars and Bavaria Bil were given further confirmation of their good work environments in 2022, when Great Place to Work named both companies one of Sveriges bästa arbetsplatser™ (Sweden's best workplaces). Bavaria also received a corresponding distinction in Norway during the year.

The companies in the Hedin Mobility Group that were awarded Great Place to Work 2022:

- **Bavaria Sweden**
- **Bavaria Norway**
- **Hedin Automotive Switzerland**
- **GS Bildeler (Norway)**
- **Koed (Denmark)**
- **Hedin Performance Cars (Sweden and Norway)**



”

# I have always been given the trust to try new things and develop

The plan was never to work with cars, but with aeroplanes. Despite this, Victor Liljenberg is now CEO of the company that distributes the world's largest electric car brand in Sweden.

Victor Liljenberg has worked in Hedin Mobility Group since 2014. He started as a controller in spare parts and then proceeded to work on more wide-ranging tasks with business development in the aftermarket, where together with a colleague he developed and implemented the programme Verkstadslyftet (Workshop lift) in 2015, as a means to generate additional sales and more workshop hours.

Following this, he has also held several other positions such as brand manager for Nissan, site manager and regional manager before in 2022 a new career path opened in Hedin when the Group was appointed distributor for BYD – the world's largest manufacturer of electrified vehicles – in Sweden and Germany. Victor was given and took the opportunity to shoulder responsibility for BYD distribution in the Swedish market in the role as CEO for Hedin Electric Mobility AB.

That Victor Liljenberg would be working with cars at all, however, was never a given to start with.

– I was interested in the aviation industry and got qualified as an aerospace engineer. But when I graduated, the terror attacks of September 11, 2001 had just occurred and the industry came to a grinding halt. Some I had studied with took jobs as dishwasher repairmen, which wasn't exactly what I had in mind.

Instead, Victor continued his training in automotive engineering and began working on advanced troubleshooting as a car mechanic. After a few years he proceeded to business

development in customer reception and in his free time studied business administration and leadership.

The first contact with Hedin came when Victor was regional manager in Nissan Sweden and had Hedin Bil as a customer, and that's how almost ten years ago he joined the Hedin group.

## What's it like to run a company in the Hedin group?

– Well, now I'm in charge of a separate company in Hedin's distribution business, but in my previous roles in the Group I also always ran all my departments and business areas as if they were my own company. This is something that is really encouraged in the Group – you get lots of freedom under responsibility to run and develop your activities and your staff in order to achieve the results you have agreed on.

## What are Hedin Mobility Group's main strengths as an employer, in your opinion?

– The opportunity to be able to work in various roles with various types of activities in one and the same group is something I consider a great strength. And the opportunities to develop as a person. I have always had strong ambition and will and my managers have always put trust in me to try out new roles and tasks. And then I really like the approach of always finding solutions and ways forward. It's in our DNA to dare to try out and be fleet-footed. Once we have taken a decision we implement it – I think that's really cool, Victor concludes.



#### QUICK FACTS – VICTOR LILJENBERG

---

**Age:** 38

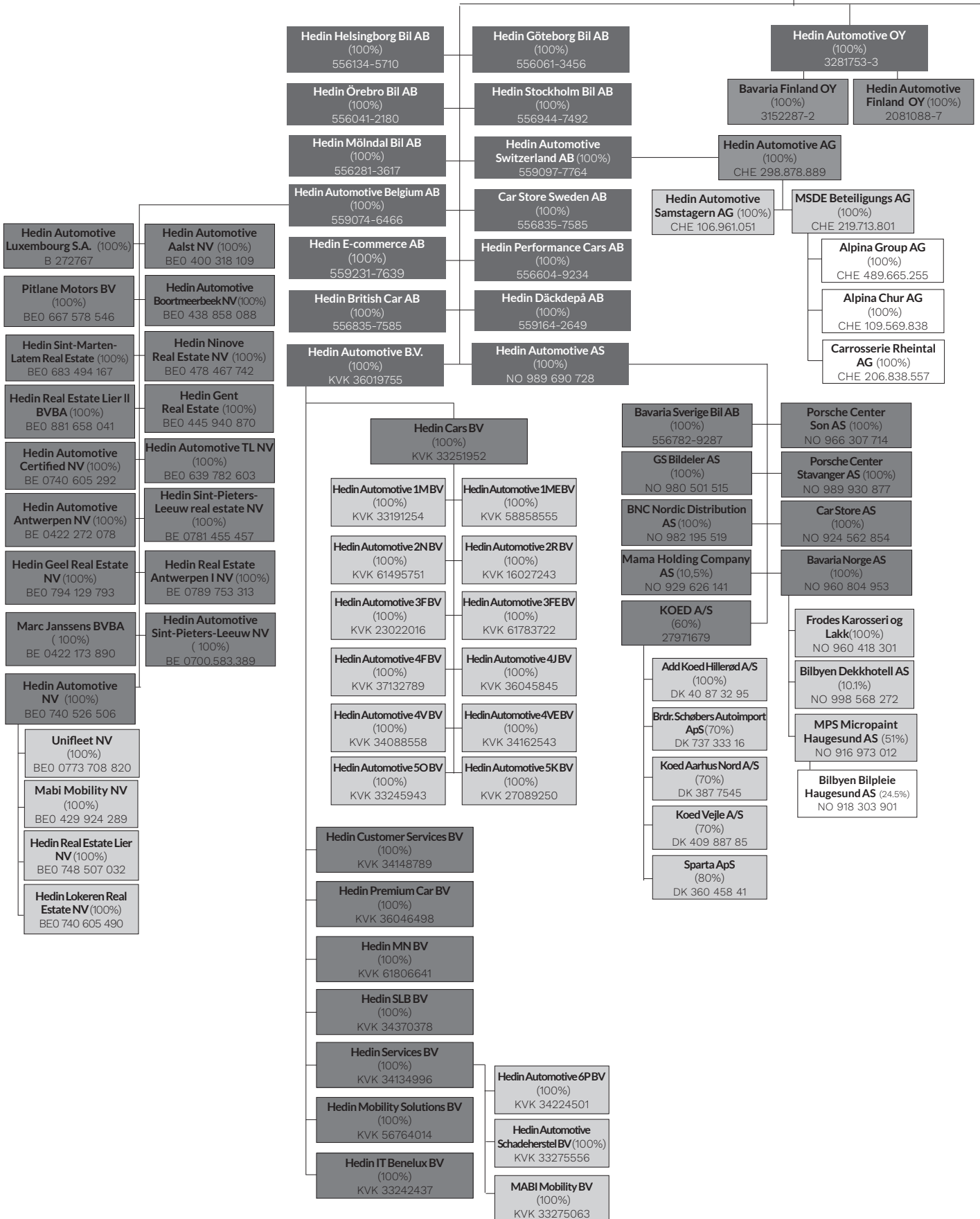
**Role:** CEO for Hedini Electric Mobility AB, distributor for BYD in Sweden

**Hobbies:** boat trips on the sea, travelling, and good food

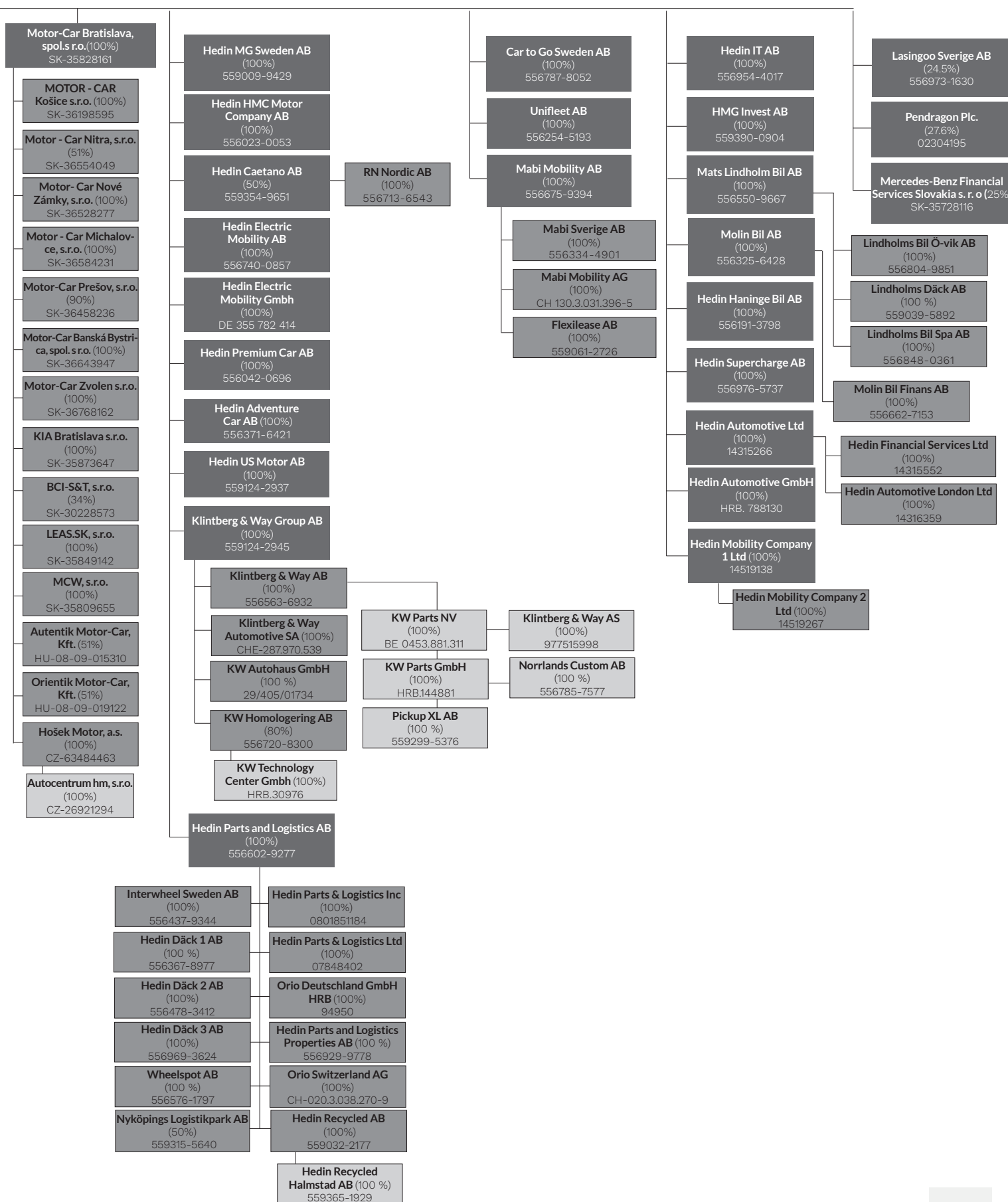
**Favourite car:** Several, am very happy with my BYD TANG – but otherwise Porsche 911 is a clear favourite

# Group structure

## Hedin Mobility Group AB 556065-4070







# Board of Directors and senior executives

---

## **JAN LITBORN**

Chairman of the Board

## **ERIK SELIN**

Board member

## **ANDERS HEDIN**

CEO

Board member

## **KLAUS KIBSGAARD**

Board member

## **HAMPUS HEDIN**

Board member

## **BJÖRN HAUBER**

Board member

---

## **HEDIN MOBILITY GROUP**

Anders Hedin, President and CEO

Hampus Hedin, Vice President

Per Mårtensson, CFO

Victor Bernander, Finance & Treasury Manager

Andreas Joersjö, General Counsel

Charlotte Martinsson, HR Director

Jørn Heiersjø, Real Estate Director

Rasmus Hansen, Procurement Director

Magnus Matsson, PR and Communication Manager

## **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 AB

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

Anderz Larqvist, 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



## 5-YEAR SUMMARY

MSEK	2022	2021	2020	2019	2018
Net sales	52,721	28,191	24,064	22,301	21,043
Operating profit	2,496	1,069	729	360	227
Financial items	-302	-230	-217	-212	-114
Profit before tax	2,194	839	511	148	113
Taxes	-348	-195	-125	-45	-26
Net profit for the year	1,846	644	386	103	87
Intangible fixed assets	3,124	2,109	1,695	1,877	1,522
Tangible fixed assets	22,562	12,676	7,475	7,563	2,003
Financial fixed assets	1,947	1,086	82	71	57
Inventories	13,647	4,363	2,775	3,089	2,736
Accounts receivables	3,483	1,534	909	970	717
Other current assets	2,333	2,579	605	753	646
Total assets	47,096	24,347	13,540	14,323	7,682
Equity	8,200	6,058	1,197	931	796
Non-current liabilities	17,052	10,077	7,633	7,877	2,892
Accounts payable	7,036	2,556	1,510	1,713	1,258
Other liabilities	14,808	5,656	3,200	3,802	2,736
Total equity and liabilities	47,096	24,347	13,540	14,323	7,682
Cash flow from operating activities	1,861	2,209	1,707	1,508	460
Cash flow from investing activities	-8,465	-5,009	-680	-1,475	-1,239
Cash flow from financing activities	5,531	4,473	-1,045	23	825
Cash flow for the year	-1,073	1,673	-18	56	46
Equity ratio	17%	26%	11%	9%	15%
Return on equity	26%	18%	36%	12%	12%
Average number of employees	6,172	3,569	2,651	2,733	2,450

MEUR	2022	2021	2020	2019	2018
Net sales	4,738	2,757	2,397	2,137	2,048
Operating profit	224	105	73	35	22
Financial items	-27	-22	-22	-20	-11
Profit before tax	197	82	51	14	11
Taxes	-31	-19	-12	-4	-3
Net profit for the year	166	63	39	10	8
Intangible fixed assets	281	206	169	180	148
Tangible fixed assets	2,027	1,239	745	725	195
Financial fixed assets	175	106	8	7	6
Inventories	1,226	427	276	296	266
Accounts receivables	313	150	91	93	70
Other current assets	210	252	60	72	63
Total assets	4,232	2,381	1,349	1,373	748
Equity	737	592	119	89	77
Non-current liabilities	1,532	985	760	755	281
Accounts payable	632	250	150	164	122
Other liabilities	1,331	553	319	364	266
Total equity and liabilities	4,232	2,381	1,349	1,373	748
Cash flow from operating activities	167	216	170	145	45
Cash flow from investing activities	-761	-490	-68	-141	-121
Cash flow from financing activities	497	437	-104	2	80
Cash flow for the year	-97	164	-2	5	4
Equity ratio	17%	26%	11%	9%	15%
Return on equity	26%	18%	36%	12%	12%
Average number of employees	6,172	3,569	2,651	2,733	2,450
Exchange rate SEK/EUR	11.13	10.23	10.04	10.43	10.28

## Director's report

The Board and CEO for Hedin Mobility Group AB (publ), corp. ID no. 556065-4070 herewith submit the Annual Report and consolidated accounts for the fiscal year 01/01/2022 – 31/12/2022.

### GENERAL INFORMATION ABOUT THE BUSINESS

Hedin Mobility Group AB is a family-owned company active mainly in sales and service of new and used vehicles, import and distribution of vehicles, spare parts and tyres as well as leasing and short-term rentals of vehicles.

#### RETAIL

In the business segment 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 the business segment Distribution, import and distribution of vehicles, spare parts and tyres is conducted. The vehicles are distributed both through own 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, light 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.

#### PARENT COMPANY

Hedin Mobility Group AB's business essentially consists of administering and developing ownership in existing subsidiaries, and providing shared functions such as finance, HR, marketing, procurement, vehicle administration, etc.

The Company is a subsidiary to Hedin Group AB, corp. ID no. 556702-0655 with registered office in Mölndal, which also prepares consolidated accounts.

## Key Figures

Amounts in MSEK	2022	2021	2020	2019	2018
Net sales	52,721	28,191	24,064	22,301	21,043
Operational earnings	2,257	1,146	805	428	281
Margin	4.3	4.1	3.3	1.9	1.3
Operating profit	2,496	1,069	729	360	227
Profit after financial items	2,194	839	511	148	113
Total assets	47,096	24,347	13,540	14,323	7,682
Return on equity, %	26	18	36	12	12
Equity ratio, %	17	26	11	9	15
Equity ratio, % excluding IFRS 16	21	33	17	13	15
Average number of employees	6,172	3,569	2,651	2,733	2,450

### Definitions

**Return on equity:** Net profit for the year in relation to average equity

**Equity ratio:** Equity and subordinated loans to Parent company in relation to the total assets

**Operational earnings:** Operating profit excluding items affecting comparability and amortisation of consolidated surplus values.

**Margin:** Operational earnings in relation to net sales

## EVENTS DURING THE YEAR

- On January 6, the acquisition of Toyota de Laet in Belgium was completed. On January 7, the Toyota and Lexus dealer Klaasen & Co, located in Turnhout, Belgium, was acquired. On 13 January the Toyota-dealer Trullemans, located in Dilbeek, Belgium, was acquired.
- On March 16, the acquisition of all shares in Stern Facilitair BV from the listed retailer 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.
- On September 15, the acquisition of MB Antwerpen NV from the Mercedes-Benz Group was completed. The company's activities include sales and workshops at four Mercedes-Benz dealerships in Antwerp, Belgium.
- 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 services and car parts. The businesses were transferred during May and June.
- 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.
- Hedin Mobility Group entered the Finnish market for the first time through the acquisition of the renowned Laakkonen Group's automotive business. Laakkonen represents eight brands and is one of the largest car dealers in Finland. During 2021 Laakkonen had a turnover of MEUR 615 and had a total of 855 employees at 21 dealerships in 15 cities. 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 dealer network 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 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 retailers in Slovakia.
- 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's subsidiary Hedin Automotive B.V. acquired five Citroën- and DS dealerships in Northern Netherlands. The five dealerships together employ some 30 people in vehicle sales, workshops and car parts. With the acquisition, Hedin Automotive is expanding its brand portfolio in the Dutch market and adding MEUR 38 per year in net sales. Transfer of business was on July 15.
- 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 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 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, 2022.
- 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.
- 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 aftermarket services in both companies, which are run at three full-service dealerships in Umeå, Örnköldsvik 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 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.
- Hedin Performance Cars acquired the remaining shareholdings in Porsche Center Son, where Hedin Performance Cars owned 91% since previously, and with that consolidated its position as a significant representative of the leading sports car brand in Scandinavia.

#### 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, 2023.
- Hedin Automotive Belgium AB continued to grow with Toyota thanks to the acquisition of Toyota dealer Van Dijk i 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, 2023.
- On February 17, 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 retailers of BMW.
- Hedin Automotive B.V. acquired the Peugeot business at three Dutch retailers. The acquisition concerns three Peugeot dealerships run by Nefkens, part of Emil Frey, 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 retailers in the northern Netherlands and thus strengthens its position in the Dutch automotive market. Transfer of business was on April 3, 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 retailer 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 April 1, 2023.

### 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, credit 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. The expansion in recent years with several new brands and in new markets makes it possible to spread the risks.

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.

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.
- 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.
- 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 long-term cooperation.

## CORPORATE GOVERNANCE REPORT

The highest decision-making body in Hedin Mobility Group is the shareholders' General Meeting. The General Meeting appoints the Board, which has ultimate responsibility for internal control working satisfactorily so that quality in the financial reporting can be ensured. It is the Board's responsibility to ensure that the Company's organisation is designed in such a way that accounting, funds management and the Company's financial condition in other respects are controlled in a satisfactory manner. The Board continuously evaluates the CEO's work. It is incumbent upon the CEO to together with the CFO review and ensure quality in the financial reporting. Clear guidelines are communicated to the subsidiaries in order to ensure that the rules and principles that are applied are shared by the Group's companies. The Group's external auditor reports to the Board when required, but at least once a year.

## Shareholders' General Meeting

the Company's largest shareholder is Hedin Group AB, which holds 71.5% of the shares. Hedin Group AB is owned to 100% by Anders Hedin, who is also CEO of Hedin Mobility Group AB. Skandrenting AB owns 25%, with Erik Selin being principal owner, and the remaining 3.5% are owned by Ingemar Hedin. There are 11,138,800 Class A shares with each share entitling to ten votes, and 274,460,032 Class B shares with each share entitling to one vote. There are no limits with regard to how many votes each shareholder can cast at a General Meeting. All Class A shares are held by Hedin Group AB.

There are no special provisions in the Articles of Association for appointing or dismissing Board members, or amendments to the Articles of Association.

## SUSTAINABILITY REPORT

In accordance with the Annual Accounts Act 6 chap. 11§ the Sustainability Report is prepared as a report separate from the Annual Report.

The Sustainability Report is available from the Company, or on the website [www.hedinmobilitygroup.com](http://www.hedinmobilitygroup.com).

A summary of Hedin Mobility Group's sustainability work can be found on pages 32-39.

## NET SALES AND RESULT

**Net sales** increased by 87% to MSEK 52,721 (28,191), Restructuring in autumn 2021, where operations were transferred from other parts of Hedin Group, added net sales of MSEK 5,910. In the fourth quarter, operations were added in Slovakia, Czech Republic and Hungary, and the operations in Switzerland and Belgium expanded. Earlier in the year additional new markets such as the Netherlands were added and operations in Sweden and Belgium expanded. Organic growth amounted to 15% adjusted for currency effects and items affecting comparability. For more information on the acquisitions, please refer to note 28.

**Operational earnings** increased by MSEK 1,111 to MSEK 2,257 (1,146). The margin increased to 4.3% (4.1%). Retail increased the operational earnings by MSEK 537, both through higher volumes and profitability in the older operations and through additional acquisitions. The margin dropped to 3.4% (3.8%) due to relatively lower profitability in the acquired businesses. Distribution increased operational earnings by MSEK 603 through increased volume in existing operations and new import brands.

**Operating profit increased to MSEK 2,496 (1,069).** The difference to the operational earnings consists of negative goodwill of MSEK 349 (0) and amortisation of goodwill on consolidation MSEK 110 (77).

**Net financial items** amounted to MSEK -302 (-229). Profit from participations in associated companies amounts to MSEK 188 which refers to the holding in Pendragon PLC.

**Cash flow** from operating activities amounted to MSEK 1,861 (2,209). Investments in fixed assets excluding leasing vehicles and right-of-use assets amounted to MSEK 590 (189). Available liquidity including unused overdraft facilities amounts to MSEK 1,995.

<i>Net sales</i>	2022	2021	Change
Retail	45,432	26 392	72%
Distribution	13,274	2,807	373%
Segment reconciliation	-5,985	-1,008	
<b>Total</b>	<b>52,721</b>	<b>28,191</b>	<b>87%</b>

<i>Operational earnings</i>	2022	2021	Change
Retail	1,540	1,003	54%
Distribution	757	154	392%
Segment reconciliation	-40	-11	
<b>Total</b>	<b>2,257</b>	<b>1,146</b>	<b>97%</b>

<i>Margin</i>	2022	2021
Retail	3.4%	3.8%
Distribution	5.7%	5.5%
<b>Total</b>	<b>4.3%</b>	<b>4.1%</b>

## Retail

Net sales increased by 72% to MSEK 45,432 (26,392). Sales of new and used vehicles increased by 20% and 8%, respectively. In Sweden, net sales increased by 15%. Including cars sold with repurchase agreements (private leasing) and adjusted for acquisitions, invoicing increased by 14% in comparable units, with an increase in both new and used vehicles. The total market for passenger vehicles, measured in number of registered vehicles, increased by 4% during the same period. Sales in Norway increased by 29%, where sales of new vehicles were very strong. The total market decreased 1%. Operations in Finland are included from June 2022 and net sales amounted to MSEK 3,310 for seven months' business. The total market in Finland has been at a historically low level during 2022.

In Belgium, sales increased by 23%. Adjusted for acquisitions, sales increased 6%, while the total market decreased 4%. Sales of new vehicles increased by 13%, while sales of used cars decreased somewhat. The operations in the Netherlands were added during the year and sales amounted to MSEK 7,722 for ten months' business. Net sales in the operations increased by 7% compared to the year before, while the total market dropped 3%.

Switzerland has been part of the Group since October 2021. Compared to the full year 2021, sales increased by 12%. Adjusted for acquisitions and exchange rates net sales dropped by 13%, with the availability of cars having been a major cause for the decline. The total market has dropped by 5%. Operations in Slovakia, Czech Republic and Hungary were added in October. Sales amounted to MSEK 1,397 in the fourth quarter. Sales were strong at the end of the year when we received large deliveries of vehicles.

<i>Net sales</i>	2022	2021	Change
Sweden	19,107	16 635	15%
Norway	6,210	4 806	29%
Finland	3,310	–	–
Belgium	5,482	4 444	23%
Netherlands	7,722	–	–
Switzerland	2,204	507	335%
Slovakia, Czech Republic, Hungary	1,397	–	–
<b>Total</b>	<b>45,432</b>	<b>26 392</b>	<b>72%</b>

Operational earnings increased by MSEK 537, corresponding to an increase of 54%, to MSEK 1,540 (1,003). The margin dropped somewhat to 3.4% (3.8%). Both Sweden and Norway have had very positive development with large deliveries of vehicles, which accelerated further at year-end ahead of changes in tax legislation in both countries. Finland shows a negative result partly due to a weak market, but also as a result of one-off costs related to efficiency improvements and changes in the business. Belgium also reports an improved result thanks to focusing on used vehicles and rental car business. The Netherlands show a relatively good result which is encumbered by certain one-off costs related to efficiency improvements and changes in the business. Switzerland shows an improved result thanks to efficiency improvements and cost savings that started in 2021. Slovakia, Czech Republic and Hungary are included as of October and show a result of MSEK 44, after a strong finish to the year.

<i>Operational earnings</i>	2022	2021	Change
Sweden	880	665	32%
Norway	343	284	21%
Finland	-27	–	–
Belgium	164	74	122%
Netherlands	109	–	–
Switzerland	27	-20	100%
Slovakia, Czech Republic, Hungary	44	–	–
<b>Total</b>	<b>1,540</b>	<b>1,003</b>	<b>54%</b>

<i>Margin</i>	2022	2021
Sweden	4.6%	4.0%
Norway	5.5%	5.9%
Finland	-0.8%	–
Belgium	3.0%	1.7%
Netherlands	1.4%	–
Switzerland	1.2%	-3.9%
Slovakia, Czech Republic, Hungary	3.1%	–
<b>Total</b>	<b>3.4%</b>	<b>3.8%</b>

## Distribution

Net sales increased to MSEK 13,274 (2,807). Imports of vehicles have been characterised by delayed deliveries, mainly due to the global shortage of semiconductors, but transports have also been affected by the war in Ukraine and the lockdown in China due to the pandemic. Adjusted for the restructuring that took place in 2021, net sales have increased 56%. The electric car brand MG, which was launched in 2021, and BYD, which was launched in November 2022, have contributed to the increase, but the traditional brands such as Ford, Dodge and RAM are also increasing during the year. In Sweden, the total market for passenger vehicles was down 4% compared to the previous year. Ford increased sales of passenger vehicles by 12% during the period and MG increased 88%. For commercial vehicles the market declined by 5% while Ford had unchanged sales.

Distribution of Renault, Dacia and Alpine is carried out in RN Nordic AB, where Hedin Mobility Group owns 50%. The holding is reported as an associated company according to the equity method.

Net sales of spare parts and tyres increased by 25%. In June, Orio AB was acquired, which had sales of MSEK 207 over seven months. Orio AB stocks and distributes spare parts for Saab on the global market. To mark the change in ownership and that the company is now a central part of our spare parts distribution, the company is now called Hedin Parts and Logistics AB. Adjusted for acquisitions, net sales increased by 9%.

Operational earnings amounted to MSEK 757 (154), largely due to the increased import operations.

## FINANCIAL POSITION

As of December 31, 2022 cash and cash equivalents amounted to MSEK 790 (1,813). Together with unutilised overdraft facilities the available liquidity amounts to MSEK 1,995 (3,018)

The Group's total assets as of the balance sheet date amounted to MSEK 47,096 (24,347). Investments for the year in fixed assets excluding leasing vehicles and right-of-use assets amounted to MSEK 590 (189).

### Parent company

Hedin Mobility Group AB's business essentially consists of managing and developing its existing subsidiaries, as well as providing groupwide services. Profit after financial items amounted to MSEK 428 (13) and net profit for the year amounted to MSEK 689 (255).

## PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

Share premium reserve	SEK 4,100,597,412
Profit and loss brought forward	SEK 909,105,268
Net profit for the year	SEK 688,912,333
<b>Total</b>	<b>SEK 5,698,615,013</b>

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

Balance carried forward	SEK 5,698,615,013
<b>Total</b>	<b>SEK 5,698,615,013</b>

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



## CONSOLIDATED INCOME STATEMENT AND TOTAL COMPREHENSIVE INCOME

Amounts in MSEK	Note	2022	2021
<b>Operating income</b>			
Net sales	4	52,721	28,191
Other operating income	5	708	34
		53,429	28,225
<b>Operating expenses</b>			
Finished products and goods for resale		-40,849	-21,951
Other external expenses	7.8	-2,595	-1,313
Employee benefit expenses	6	-4,547	-2,387
Profit from participations in operational associated companies	15	7	-
Depreciation and amortisation of tangible and intangible fixed assets	13.14	-2,634	-1,493
Other operating expenses		-315	-12
<b>Operating profit</b>		<b>2,496</b>	<b>1,069</b>
<b>Profit/loss from financial items</b>			
Profit from participations in associated companies	15	188	-
Financial income	9.11	27	38
Financial expenses	10.11	-517	-268
<b>Profit before tax</b>		<b>2,194</b>	<b>839</b>
Taxes	12	-348	-195
<b>Net profit for the year</b>		<b>1,846</b>	<b>644</b>
<b>Net profit for the year attributable to:</b>			
Parent company's shareholders		1,836	634
Holdings with non-controlling interests		10	10
<b>Net profit for the year</b>		<b>1,846</b>	<b>644</b>
<b>Comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of pensions obligations, net after taxes		46	41
Share of other comprehensive income from associated companies		67	-
<i>Items that may be reclassified to profit or loss</i>			
Cash flow hedging		-46	39
Share of other comprehensive income from associated companies		1	-
Translation differences		210	97
<b>Total comprehensive income for the period</b>		<b>2,124</b>	<b>821</b>
<b>Comprehensive income attributable to:</b>			
Parent company's shareholders		2,114	809
Holdings with non-controlling interests		10	12
<b>Comprehensive income for the year</b>		<b>2,124</b>	<b>821</b>

## CONSOLIDATED BALANCE SHEET

Amounts in MSEK	Note	31/12/2022	31/12/2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>	13		
Intangible rights		167	82
Customer relations		783	304
Goodwill		2,174	1,723
		3,124	2,109
<i>Tangible fixed assets</i>	14		
Land and buildings		1,799	559
Costs incurred on others' property		691	295
Equipment, tools and installations		773	335
Leasing vehicles		10,871	6,406
Right-of-use assets		8,428	5,081
		22,562	12,676
<i>Financial fixed assets</i>			
Shares in associated companies	15	1,530	923
Other long-term securities	16	37	35
Deferred tax asset	22	367	119
Other long-term receivables	17	13	9
		1,947	1,086
<b>Total fixed assets</b>		<b>27,633</b>	<b>15,871</b>
<b>Current assets</b>			
<i>Inventories</i>			
Finished products and goods for resale		11,259	3,436
Goods in transit		2,388	927
		13,647	4,363
<i>Current receivables</i>			
Accounts receivables	18	3,483	1,534
Receivables from Group companies		2	1
Tax assets		17	–
Other current receivables		669	279
Prepaid expenses and accrued income	19	855	486
		5,026	2,300
<i>Cash and cash equivalents</i>	20	790	1,813
<b>Total current assets</b>		<b>19,463</b>	<b>8,476</b>
<b>TOTAL ASSETS</b>		<b>47,096</b>	<b>24,347</b>

## CONSOLIDATED BALANCE SHEET

Amounts in MSEK	Note	31/12/2022	31/12/2021
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital		3	3
Other contributed capital		4,100	4,100
Reserves		202	38
Balanced earnings, including profit for the year		3,818	1,891
<b>Equity attributable to the Parent company's owners</b>		<b>8,123</b>	<b>6,032</b>
Holdings with non-controlling interests		77	26
<b>Total equity</b>		<b>8,200</b>	<b>6,058</b>
<i>Non-current liabilities</i>			
Provisions for pensions	21	137	162
Deferred tax liabilities	22	386	205
Liabilities to the Parent company	29	260	350
Other liabilities to credit institutions	29	1,976	461
Lease liabilities	29	7,190	4,363
Other non-current liabilities	23	7,103	4,536
<b>Total non-current liabilities</b>		<b>17,052</b>	<b>10,077</b>
<i>Current liabilities</i>			
Overdraft facilities	29	787	–
Liabilities to credit institutions	29	3,390	346
Lease liabilities	29	1,238	636
Accounts payable		7,036	2,556
Liabilities to Group companies		207	311
Tax liabilities		389	193
Other liabilities	23	6,082	2,904
Accrued expenses and deferred income	24	2,715	1,266
<b>Total current liabilities</b>		<b>21,844</b>	<b>8,212</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,096</b>	<b>24,347</b>



## CONSOLIDATED REPORT OF CHANGES IN EQUITY

Amounts in MSEK	Share capital	Other contributed capital	Reserves	Balanced earnings, including profit for the year	Total	Holdings with non-controlling interests	Total equity
<b>Opening Equity 01/01/2021</b>	<b>1</b>	<b>–</b>	<b>-96</b>	<b>1,256</b>	<b>1,161</b>	<b>36</b>	<b>1,197</b>
Net profit for the year				634	634	10	644
Change in translation reserve for the year			95		95	2	97
Cash flow hedging			39		39		39
Revaluation of provisions for pensions				41	41		41
Other comprehensive income for the year			134	41	175	2	177
<i>Transactions with owners</i>							
New share issue	2	4,100			4,102	–	4,102
Changes in non-controlling interests				-40	-40	-19	-59
Dividend to owners with non-controlling influence						-3	-3
<b>Closing balance 31/12/2021</b>	<b>3</b>	<b>4,100</b>	<b>38</b>	<b>1,891</b>	<b>6,032</b>	<b>26</b>	<b>6,058</b>
Net profit for the year				1,836	1,836	10	1,846
Change in translation reserve for the year			210		210		210
Cash flow hedging			-46		-46		-46
Share of other comprehensive income from associated companies				68	68		68
Revaluation of provisions for pensions				46	46		46
Other comprehensive income for the year			164	114	278		278
<i>Transactions with owners</i>							
Acquisitions						54	54
Changes in non-controlling interests				-23	-23	-12	-35
Dividend to owners with non-controlling influence						-1	-1
<b>Closing balance 31/12/2022</b>	<b>3</b>	<b>4,100</b>	<b>202</b>	<b>3,818</b>	<b>8,123</b>	<b>77</b>	<b>8,200</b>

## CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	Note	2022	2021
<b>Operating activities</b>			
Profit after financial items		2,194	839
Adjustments for non-cash items	27	2,083	1,492
Income tax paid		-209	-152
<b>Cash flow from operating activities before changes in working capital</b>		<b>4,068</b>	<b>2,179</b>
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in inventories		-5,615	-663
Increase(-)/Decrease(+) in operating receivables		-1,007	-73
Increase(+)/Decrease(-) in operating liabilities		4,415	766
<b>Cash flow from operating activities</b>		<b>1,861</b>	<b>2,209</b>
<b>Investing activities</b>			
Acquisition of subsidiaries	28	-2,765	116
Purchase of intangible and tangible fixed assets		-590	-189
Sale of tangible assets		86	28
Purchase of leasing vehicles		-6,309	-4,698
Sale of leasing vehicles		1,396	633
Changes in financial assets		-283	-899
<b>Cash flow from investing activities</b>		<b>-8,465</b>	<b>-5,009</b>
<b>Financing activities</b>			
Borrowings	27	6,826	3,205
Repayment of debt	27	-351	-2,197
Repayment of lease liability	27	-944	-637
New share issue	27	-	4,102
<b>Cash flow from financing activities</b>		<b>5,531</b>	<b>4,473</b>
<b>Cash flow for the year</b>		<b>-1,073</b>	<b>1,673</b>
Cash and cash equivalents at the beginning of the year		1,813	132
Exchange rate differences in cash and cash equivalents		50	8
<b>Cash and cash equivalents at year-end</b>	20	<b>790</b>	<b>1,813</b>



# Notes on the Group's financial statements

Amounts in MSEK, unless otherwise stated.

## NOTE 1 MATERIAL ACCOUNTING PRINCIPLES

The Consolidated accounts 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 accounts for publication on 27 April 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 Mobility Group AB and all companies in which the Parent company, directly or indirectly, holds more than 50% of voting rights, or otherwise has a 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 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. In the consolidated income statement, associated companies are distributed by strategic holdings and other holdings where strategic holdings are recorded as "Result from participations in associated companies" in the net financial items and other holdings are recorded as "Result from participations in operational associated companies" in the operating profit. When the Group's share in an associated company's losses amount to or exceed 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 carried directly to equity and reported 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 reported in the income statement.

Exchange gains and losses that are related to loans and cash and cash equivalents are reported 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

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 reported 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 amount 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

##### Classification

As of 1 January 2018 Hedin Mobility Group AB (publ) breaks down its financial instruments into the following categories in accordance with IFRS 9; amortised cost and fair value via the income statement. The classification is based on the character of the asset's cash flows and the business model the asset is covered by.

##### 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 impairment 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 long-term securities holdings 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.

### *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 and 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, does not affect the recorded or 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 Alec-ta. Defined benefit pension commitments via insurance taken out with Alec-ta are recorded as defined contribution pension plans. All pension premiums are thus carried as an expense during the period they were earned.

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 to end users*

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 recognised over the residual value commitment period in accordance with operational leasing. An asset, a residual value debt and a prepaid lease income are recognised 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 recognised when control has been transferred to the customer, which is normally when the Company has performed service and cost for the performance has arisen so that the customer can benefit from the service delivered. For spare parts, revenue is recognised 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.

*Car rental*

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.

**Bonus from suppliers**

Bonus from suppliers on cars sold is recorded as a reduced cost for goods for resale.

**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 cash and cash equivalents. Changes in blocked funds are recorded in the investing activities.

**Operating segments**

Reporting of operating segments is consistent with the internal reporting to the highest executive decisionmaker. The highest executive decision maker has been defined as group management which is responsible for distributing resources to the operating segments and assessing their performance and is also the one to make strategic decisions.

*Retail*

Retail sales of new and used vehicles including sales of financing and insurance solutions are recorded under Retail. Aftermarket, which includes service, workshop services and workshop products as well as spare parts is also included in this segment.

*Distribution*

Import and distribution of vehicles, tyres, spare parts and other car accessories is recorded under Distribution.

*Segment reconciliation*

The business area Mobility Solutions, which includes leasing of vehicles, leasing services and the IT activities is recorded under segment reconciliation, together with the Parent company's groupwide services.

**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 events 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. 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 reported as operational leasing.

**NOTE 2 FINANCIAL RISK MANAGEMENT****Financial risk factors**

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

### Currency risk

the Group is exposed to currency risks that arise as a result of exposure to foreign currencies. The main currency risk for the Group is the currency fluctuations that arise when the assets and liabilities of the foreign subsidiaries are translated. Decisions have 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 operations purchases are made in USD and EUR, and some sales in 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 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 are 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 on borrowings in Euro had been 1 percentage point higher/lower, with all other variables constant, profit after tax for the financial year 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 risks in accounts receivable are specified in note 18.

### 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.

<i>Maturity structure Financial liabilities - Group</i>	< 1 year	1-2 years	> 2 years
Liabilities to Group companies	231	274	–
Liabilities to credit institutions	3,621	533	1,662
Overdraft facilities	818	–	–
Lease liabilities	1,390	1,367	6,865
Accounts payable	7,036	–	–
Other liabilities	5,033	4,094	3,181
Accrued expenses	269	–	–
<b>Total</b>	<b>18,398</b>	<b>6,267</b>	<b>11,708</b>

<i>Maturity structure Financial liabilities - Parent company</i>	< 1 year	1-2 years	> 2 years
Liabilities to Group companies	1,260	274	–
Liabilities to credit institutions	1,121	352	824
Overdraft facilities	804	–	–
Accounts payable	31	–	–
<b>Total</b>	<b>3,216</b>	<b>625</b>	<b>824</b>



## 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 established by calculating the value in use. Certain estimates must be made for these calculations (note 13).

### 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 23.

### 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
<i>Net sales distribution</i>		
Retail	45,432	26 392
Distribution	13,274	2,807
Mobility Solutions	495	310
Elimination, other	-6,480	-1,318
	52,721	28,191
<i>Net sales by geographic market</i>		
Sweden	24,174	17,126
Norway	6,717	5,198
Finland	3,376	30
Belgium	5,552	4,475
Netherlands	7,954	145
Switzerland	2,245	467
Germany	718	451
Slovakia, Czech Republic, Hungary	1,490	-
Other countries	494	299
	52,721	28,191

**Retail** includes retail sales of new and used vehicles including sales of financing and insurance solutions, as well as aftermarket that includes service, workshop services and products, as well as spare parts.

**Distribution** includes the import and distribution of vehicles, tyres, spare parts, and other car accessories.

**Segment reconciliation** includes the rental car business, leasing services and the IT business. Certain group-wide functions in the Parent company, as well as the effects of IFRS16, are also included in this item.

**Operational earnings** refer to operating profit excluding items affecting comparability and amortisation of surplus values.

Amounts in MSEK	Retail		Distribution		Segment reconciliation			Group
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Net sales</b>	<b>45,432</b>	<b>26 392</b>	<b>13,274</b>	<b>2,807</b>	<b>-5,985</b>	<b>-1,008</b>	<b>52,721</b>	<b>28,191</b>
EBITDA	3,030	1,788	784	167	967	607	4,781	2,562
Depreciation	-1,490	-785	-27	-13	-1,007	-618	-2,524	-1,416
<b>Operational earnings</b>	<b>1,540</b>	<b>1,003</b>	<b>757</b>	<b>154</b>	<b>-40</b>	<b>-11</b>	<b>2,257</b>	<b>1,146</b>
<i>Margin</i>	3.4%	3.8%	5.7%	5.5%			4.3%	4.1%
Negative goodwill					349		349	
Amortisation of surplus values	-110	-77					-110	-77
<b>Operating profit</b>	<b>1,430</b>	<b>926</b>	<b>757</b>	<b>154</b>	<b>309</b>	<b>-11</b>	<b>2,496</b>	<b>1,069</b>
<i>Operating margin</i>	3.1%	3.5%	5.7%	5.5%			4.7%	3.8%
Financial items							-302	-230
<b>Profit before tax</b>							<b>2,194</b>	<b>839</b>
Tax expense							-348	-195
<b>Net profit for the year</b>							<b>1,846</b>	<b>644</b>
Investments in								
- fixed assets	521	174	37	8	32	7	590	189
- leasing vehicles	6,309	4,698					6,309	4,698

## NOTE 5 OTHER OPERATING INCOME

	2022	2021
Rental income	33	22
Support/contributions received	5	1
Exchange rate differences	319	8
Profit on sales of fixed assets	2	3
Negative goodwill	349	–
<b>Total</b>	<b>708</b>	<b>34</b>



## NOTE 6 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

<i>Average number of employees</i>	2022	Of which men	2021	Of which men
Sweden	2,518	85%	2,221	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	84%		
Slovakia	211	82%		
Hungary	26	69%		
Czech Republic	39	86%		
UK	2	50%		
USA	7	57%		
<b>Group total</b>	<b>6,172</b>	<b>86%</b>	<b>3,569</b>	<b>86%</b>

<i>Salaries, other remuneration and social security costs</i>	2022	2021
Board of Directors, CEO and other senior executives	47	29
<i>(of which bonuses)</i>	<i>(10)</i>	<i>(6)</i>
Other employees	3,208	1,679
<b>Total Salaries and other remuneration</b>	<b>3,255</b>	<b>1,707</b>
Social security costs	657	443
Pension costs	229	173
	4,141	2,323

The number of senior executives is 22 (11) persons. The Parent company's CEO, Anders Hedin and board member Hampus Hedin are employed in Hedin Group AB. No remuneration is paid to board members. Board members who are not employed invoice for the services they render.

## NOTE 7 REMUNERATION TO AUDITORS

	2022	2021
<i>PwC</i>		
Audit assignment	11	6
Tax consulting	1	–
Other assignments	13	–
	25	6
<i>Other</i>		
Audit assignment	3	1
Other assignments	1	–
	4	1
<b>Total</b>	<b>29</b>	<b>7</b>

The audit assignment involves examination of the Annual Report and financial statements as well as the administration by the Board of Directors and the CEO, other 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. All other items are classified as Other assignments.

## NOTE 8 LEASES

### Amounts recorded in the balance sheet in accordance with IFRS 16

In the balance sheet the following amounts are reported related to leases:

	31/12/2022	31/12/2021
<b>Right-of-use assets</b>		
Properties	8,340	5,016
Equipment and vehicles	88	65
	8,428	5,081
<b>Lease liabilities</b>		
Short-term	1,238	608
Long-term	7,190	4,374
	8,428	4,982

### 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
<b>Depreciation of right-of-use assets</b>		
Properties	-909	-644
Equipment and vehicles	-32	-21
	-941	-665
<b>Interest expenses (included in financial expenses)</b>		
Properties	-98	-77
Equipment and vehicles	-2	-1
	-100	-78

Total cash flow relating to leases was MSEK 1,025 (658). Expenses attributable to short-term contracts, or lease contracts of low value, are insignificant and are reported in Other external expenses.

## The Group as a lessor

Assets that are leased under 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).

<i>Future minimum lease income as of year end was:</i>	31/12/2022	31/12/2021
Within one year	1,128	752
Between one and five years	1,480	1,047
Later than five years	-	-
	2,608	1,799

## NOTE 9 FINANCIAL INCOME

	2022	2021
Interest income, other	–	3
Profit from other securities	3	–
Exchange rate differences	24	35
<b>Total</b>	<b>27</b>	<b>38</b>

## NOTE 10 FINANCIAL EXPENSES

	2022	2021
Interest expenses	-202	-128
Interest expenses IFRS 16	-100	-78
Interest expenses repurchase agreements	-199	-62
Interest expenses Group companies	-16	–
<b>Total</b>	<b>-517</b>	<b>-268</b>

## NOTE 11 EXCHANGE RATE DIFFERENCES

	2022	2021
Other operating income	319	8
Other operating expenses	-313	-11
Financial income	24	35
<b>Total</b>	<b>30</b>	<b>32</b>

## NOTE 12 TAX ON PROFIT FOR THE YEAR

	2022	2021
<i>Current tax</i>		
Current tax on profit for the year	-382	-213
Tax attributable to previous years	-4	-6
	-386	-219
Deferred tax	38	24
<b>Total</b>	<b>-348</b>	<b>-195</b>
<i>Reconciliation of effective tax rate:</i>		
Profit before tax	2,194	839
Tax according to applicable tax rate for the Parent company (20.6%)	-452	-173
Effect of foreign tax rates	-32	-6
Non-deductible costs	-12	-9
Non-taxable income	130	–
Utilised tax losses carried forward, previously not recognised	21	–
Other permanent differences	-3	-7
	-348	-195

## NOTE 13 INTANGIBLE FIXED ASSETS

	Intangible assets	Customer relations	Goodwill	Total
<i>Acquisition costs</i>				
Opening balance January 1, 2021	32	522	1,337	1,892
Purchase	19			19
Business acquisitions	53	30	322	406
Sales/disposals	-3			-3
Transfers	3			3
Translation differences	3	27	64	95
Closing balance, December 31, 2021	108	580	1,723	2,411
Purchase	57			57
Business acquisitions	67	553	363	983
Sales/disposals	-1			-1
Translation differences	9	49	88	146
Closing balance, December 31, 2022	239	1,183	2,174	3,595
<i>Accumulated depreciation</i>				
Opening balance January 1, 2021	-9	-187	-	-196
Depreciation for the year	-13	-77		-90
Sales/disposals	3			3
Transfers	-2			-2
Translation differences	-4	-12		-16
Closing balance, December 31, 2021	-25	-276	-	-302
Depreciation for the year	-42	-110		-152
Sales/disposals				-
Translation differences	-5	-13		-18
Closing balance, December 31, 2022	-72	-400	-	-472
Carrying amount December 31, 2021	82	304	1,723	2,109
<b>Carrying amount December 31, 2022</b>	<b>167</b>	<b>783</b>	<b>2,174</b>	<b>3,124</b>

### *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 need to write down 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 Solutions	48	48
<b>Total</b>	<b>2,174</b>	<b>1,723</b>

## NOTE 14 TANGIBLE FIXED ASSETS

	Land and buildings	Cost incurred on others' property	Equipment, tools and installations	Leasing vehicles	Right-of-use assets	Total
<i>Acquisition costs</i>						
Opening balance January 1, 2021	310	297	728	2,639	5,754	9,728
Purchase	18	63	89	4,698	601	5,469
Business acquisitions	271	40	98	913	311	1,633
Sales/disposals	-1	-12	-73	-1,088	-	-1,174
Transfers	-9	-3	10	-	-	-2
Translation differences	25	8	12	94	85	224
Closing balance, December 31, 2021	614	393	864	7,256	6,751	15,878
Purchase	122	234	178	6,309	1,320	8,163
Business acquisitions	1,085	230	447	663	2,788	5,213
Sales/disposals	-13	-24	-72	-1,994	-79	-2,182
Transfers	-7	-	-10	-	-	-17
Translation differences	85	55	40	213	198	591
Closing balance, December 31, 2022	1,886	888	1,447	12,447	10,978	27,646
<i>Accumulated depreciation</i>						
Opening balance January 1, 2021	-34	-63	-479	-624	-1,054	-2,253
Depreciation for the year	-14	-35	-92	-651	-612	-1,404
Sales/disposals	1	3	39	443	-	486
Transfers	-7	-1	10	-	-	2
Translation differences	-1	-2	-7	-18	-4	-32
Closing balance, December 31, 2021	-55	-98	-529	-850	-1,670	-3,201
Depreciation for the year	-30	-67	-179	-1,269	-935	-2,480
Sales/disposals	7	2	32	598	78	717
Transfers	3	-	10	-	-	13
Translation differences	-12	-34	-8	-55	-23	-132
Closing balance, December 31, 2022	-87	-197	-674	-1,576	-2,550	-5,083
Carrying amount December 31, 2021	559	295	335	6,406	5,081	12,676
<b>Carrying amount December 31, 2022</b>	<b>1,799</b>	<b>691</b>	<b>773</b>	<b>10,871</b>	<b>8,428</b>	<b>22,562</b>



## NOTE 15 SHARES IN ASSOCIATED COMPANIES

<i>Associated company / Corp. ID no. / Registered office</i>	<i>Capital share</i>	<i>Voting share</i>	<i>Carrying amount</i>	
			<b>31/12/2022</b>	<b>31/12/2021</b>
Hedin Caetano AB, 559354-9651, Mölndal	50%	50%	131	–
Lasingoo Sverige AB, 556973-1630, Stockholm	24.5%	24.5%	8	8
Pendragon PLC, UK 2304195, Nottingham, UK	27.6%	27.6%	1,290	915
Mercedes-Benz Financial Services Slovakia s.r.o	25.0%	25.0%	97	–
BCI-S&T s.r.o, 30228573, Slovakia	34.0%	34.0%	4	–
			1,530	923
<i>Accumulated acquisition costs:</i>				
Opening carrying amount			923	–
Share of profits in associated companies, after tax			195	–
Share of other comprehensive income, after tax			68	–
Conversion differences			55	–
Purchases			289	923
<b>Carrying amount at year end</b>			<b>1,530</b>	<b>923</b>

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 16 OTHER LONG-TERM SECURITIES

	<b>31/12/2022</b>	<b>31/12/2021</b>
Unlisted shares	37	35
	37	35
<i>Accumulated acquisition costs:</i>		
Opening carrying amount	34	21
Business acquisitions	2	–
Purchases	–	14
Conversion difference	1	1
Depreciation for the year	–	-1
<b>Carrying amount at year end</b>	<b>37</b>	<b>35</b>

## NOTE 17 OTHER LONG-TERM RECEIVABLES

	<b>31/12/2022</b>	<b>31/12/2021</b>
<i>Accumulated acquisition costs:</i>		
Opening carrying amount	9	–
Business acquisitions	2	9
Purchases	3	1
Conversion difference	1	–
Repayments	-2	-1
<b>Carrying amount at year end</b>	<b>13</b>	<b>9</b>

## NOTE 18 ACCOUNTS RECEIVABLE

Due date	31/12/2022	31/12/2021
Not due	2,304	1,010
Past due up to 30 days	911	383
Past due 30-60 days	141	60
Past due more than 60 days	127	81
	3,483	1,534

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 25. The credit loss provision amounts to MSEK 27 (22).

## NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2022	31/12/2021
Accrued bonus from suppliers	375	200
Accrued income	200	100
Currency hedging	–	49
Other items	280	137
	855	486

## NOTE 20 CASH AND CASH EQUIVALENTS

	31/12/2022	31/12/2021
Cash and cash equivalents	790	1,813
	790	1,813

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 December 31, 2022.

## NOTE 21 PENSIONS

	2022	2021
Opening carrying amount	162	86
Business acquisitions	23	123
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
Conversion difference	10	5
	137	162

### 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 it is not 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 36 (33).

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	-	-256	-256
<b>Provisions for pensions</b>	<b>63</b>	<b>74</b>	<b>137</b>	<b>82</b>	<b>80</b>	<b>162</b>
Sensitivity analysis				<b>Assumption</b>	<b>Change</b>	
Discount rate				+0.5%	-25	
Inflation				+0.5%	15	
Life span				+1 year	7	

## NOTE 22 DEFERRED TAX

<i>Deferred tax asset</i>	31/12/2022	31/12/2021
Opening carrying amount	119	61
Reported in the income statement	41	15
Reported in other comprehensive income	-11	-11
Conversion difference	9	3
Business acquisitions	209	51
	367	119

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

<i>Deferred tax liabilities</i>	31/12/2022	31/12/2021
Opening carrying amount	-205	-140
Reported in the income statement	-3	9
Reported in other comprehensive income	46	-8
Conversion difference	-17	-5
Business acquisitions	-207	-61
	-386	-205

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

## NOT 23 OTHER LIABILITIES

	31/12/2022	31/12/2021
<b><i>Other non-current liabilities</i></b>		
Liabilities relating to cars sold with repurchase agreements	6,818	4,514
Other liabilities	285	22
	7,103	4,536
<b><i>Other current liabilities</i></b>		
Value added tax	381	158
Employee's withholding tax	124	46
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	643	110
	6,082	2,904

## NOTE 24 ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2022	31/12/2021
Liabilities relating to employees	669	419
Interest expenses	12	–
Prepaid income	714	44
Currency hedging	9	–
Accrued expenses sold vehicles	383	213
Service agreements	208	156
Other items	720	433
	2,715	1,266

## NOTE 25 PLEDGED ASSETS

	31/12/2022	31/12/2021
Floating charges	2,466	1,662
Inventories, accounts receivable and equipment	3,650	1,920
Land and buildings	2,031	399
Net assets in sub-group	2,242	–
	10,389	3,981

Liabilities for which the collateral has been provided amounted to MSEK 5,629 (645) as of year end.

## NOTE 26 CONTINGENT LIABILITIES

	31/12/2022	31/12/2021
Guarantee commitments FPG/PRI	1	1
Other guarantees	37	8
	38	9

## NOTE 27 SPECIFICATIONS TO THE CASH FLOW STATEMENT

<i>Adjustments for non-cash items</i>	2022	2021
Depreciation	2,634	1,493
Provisions/receivables relating to pensions	-7	-3
Negative goodwill	-349	-
Profit from participations in associated companies	-194	-
Gains/losses on sales of fixed assets	-1	-2
Other non-cash items	-	4
	2,083	1,492

<i>Financial liabilities</i>	31/12/2022	31/12/2021
Opening carrying amount	10,692	8,216
Cash flow	5,531	22
Business acquisitions	4,311	1,684
Lease liabilities	1,288	649
Translation differences	122	121
	21,944	10,692

<i>Interest payments</i>	2022	2021
Interest paid	-290	-268
Interest received	-	3

## NOTE 28 BUSINESS ACQUISITIONS

### *Business acquisitions 2022*

On January 6, the acquisition of Toyota de Laat in Belgium was completed. On January 7, the Toyota and Lexus dealer Klaasen & Co, located in Turnhout, Belgium, was acquired. On 13 January the 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 March 16, the acquisition of all shares in Stern Facilitair BV from the listed retailer 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 car 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, operating in 21 dealerships in 15 cities. Transfer took place on May 31. 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 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. 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 September 15, the acquisition of MB Antwerpen NV from the 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 May 19, 2022, was completed on October 5. Motor-Car is a leading 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 December 16 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 January 1, 2022, the consolidated income statement would show net sales of a total of MSEK 63,218 and operating profit of MSEK 2,890.

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	–	143	370	107	620
Tangible fixed assets	2,351	964	996	903	5,214
Financial fixed 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
<b>Acquired net assets</b>	<b>3,336</b>	<b>1,373</b>	<b>1,659</b>	<b>1,605</b>	<b>7,973</b>
Goodwill	–	104	79	180	363
Negative goodwill	-349	–	–	-10	-359
Provisions	–	-16	-93	-121	-230
Non-controlling interests	–	–	-53	35	-18
Financial liabilities	-1,908	-965	-853	-585	-4,311
<b>Purchase price</b>	<b>1,079</b>	<b>496</b>	<b>739</b>	<b>1,104</b>	<b>3,418</b>
Cash and cash equivalents in acquired businesses	-209	-137	-200	-107	-653
<b>Impact on the Group's cash and cash equivalents</b>	<b>870</b>	<b>359</b>	<b>539</b>	<b>997</b>	<b>2,765</b>

*Business acquisitions 2021*

On February 5, 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.

Hedin Stockholm Bil AB acquired the business in Segeltorp which included sales of Subaru. Transfer took place on May 3. 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 retailers 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 June 9 when 40% of the shares were acquired. Following this, the participating interest amounted to 91%.

On June 22 an agreement was signed to acquire BilGruppen Enköping AB. The company sells Ford in Enköping and transfer of business was on July 1. The purchase price

amounted to MSEK 5, of which MSEK 1 relates to goodwill attributable to our existing Ford operations.

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

On July 13 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 Service-marknad in Stockholm and Uppsala. Transfer of business was on October 1. The purchase price amounted to MSEK 24. Of these, MSEK 15 relates to goodwill attributable to synergies with our existing operations in Stockholm and Uppsala.

On October 27 it was resolved at an Extraordinary General Meeting on a directed share issue of MSEK 3,570 in which Erik Selin, through a company indirectly wholly owned by him, joined as owner of 25% of the shares in the company. In connection with this the meeting also decided on a new Group structure where all automotive-related companies in Hedin Group are transferred to Hedin Mobility Group AB. A directed share issue to Hedin Group AB was decided to offset the purchase price for these companies. The purchase price amounted to MSEK 532 based on the consolidated value in the transfer companies.

	<b>2021</b>
<i>Intangible fixed assets</i>	84
Tangible fixed assets	1,633
Financial fixed assets	96
Inventories	846
Operating receivables	770
Cash and cash equivalents	845
Operating liabilities	-2,057
Acquired net assets	2,217
Goodwill	322
Provisions	-184
Non-controlling interests	59
Financial liabilities	-1,684
Purchase price	730
Cash and cash equivalents in acquired businesses	-845
Impact on the Group's cash and cash equivalents	-116

## NOTE 29 FINANCIAL INSTRUMENTS

The table below shows financial instruments by category.

31/12/2022	Valued at fair value	Valued at amortised cost	Total
<i>Assets</i>			
Long-term securities	37	–	37
Receivables from Group companies		2	2
Accounts receivable and other receivables		3,483	3,483
Cash and cash equivalents		790	790
<b>Total assets</b>	<b>37</b>	<b>4,275</b>	<b>4,312</b>
<i>Liabilities</i>			
Borrowings		6,201	6,201
Loans from Group companies		260	260
Accounts payable		7,036	7,036
Liabilities to Group companies		207	207
Accrued expenses		269	269
<b>Total liabilities</b>		<b>13,973</b>	<b>13,973</b>
<i>Assets</i>			
31/12/2021	Valued at fair value	Valued at amortised cost	Total
<i>Assets</i>			
Long-term securities	34		34
Receivables from Group companies		1	1
Accounts receivable and other receivables		1,534	1,534
Cash and cash equivalents		1,813	1,813
<b>Total assets</b>	<b>34</b>	<b>3,348</b>	<b>3,383</b>
<i>Liabilities</i>			
Borrowings		5,869	5,869
Loans from Group companies		350	350
Accounts payable		2,556	2,556
Liabilities to Group companies		311	311
Accrued expenses		241	241
<b>Total liabilities</b>		<b>9,326</b>	<b>9,326</b>

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

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



## NOT 30 TRANSACTIONS WITH RELATED PARTIES

The CEO and the Vice President are employed in the Parent company Hedin Group AB. In the 2022 fiscal year debiting of MSEK 12 (51) took place.

Of the Group's total purchases and sales measured in Swedish kronor, 0% (0%) of purchases and 0% (0%) of sales relate to sales from, and purchases to, companies in the Hedin Group.

Total receivables from Group companies or liabilities to Group companies are reported in the consolidated balance sheet.

The Company has a commitment to pay leasing fees for a lease agreement entered into by Hedin Group AB, in the event that Hedin Group AB does not fulfil its obligations. The lease payments amount to MSEK 36 distributed straight-line over 1.5 years.

In 2016, the sister company I.A. Hedin Fastighet AB with associated subsidiaries was sold to Fastighets AB Balder. Following this, the properties are rented by Hedin Mobility Group for 12 years. Principal owner Erik Selin has been a board member in Hedin Mobility Group AB since 2017. At the time of sale, this was not a transaction with related parties.

## NOTE 31 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, 2023.

Hedin Automotive Belgium AB continued to grow with Toyota thanks to the acquisition of Toyota dealer Van Dijck i 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, 2023.

On February 17, 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 retailers of BMW.

Hedin Automotive B.V. acquired the Peugeot business at three Dutch retailers. The acquisition concerns three Peugeot dealerships run by Nefkens, part of Emil Frey, 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 retailers in the northern Netherlands and thus strengthens its position in the Dutch automotive market. Transfer of business was on April 3, 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 retailer 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 April 1, 2023.

## INCOME STATEMENT - PARENT COMPANY

Amounts in MSEK	Note	2022	2021
<b>Operating income</b>			
Net sales	1	267	163
Other operating income		–	1
		267	164
<b>Operating expenses</b>			
Other external expenses	2,3	-182	-98
Employee benefit expenses	4	-125	-80
Depreciation and amortisation of tangible and intangible fixed assets	9	-3	-2
<b>Operating profit</b>		<b>-43</b>	<b>-16</b>
<b>Profit/loss from financial items</b>			
Dividends from subsidiaries		332	60
Interest income and similar income items	5	186	36
Interest expenses and similar income items	6	-47	-67
<b>Profit after financial items</b>		<b>428</b>	<b>13</b>
Appropriations	7	354	292
<b>Profit before tax</b>		<b>782</b>	<b>305</b>
Income tax	8	-93	-51
<b>Net profit for the year</b>		<b>689</b>	<b>255</b>

There is no Other comprehensive income in the Parent company.

## BALANCE SHEET – PARENT COMPANY

Amounts in MSEK	Note	31/12/2022	31/12/2021
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Intangible rights	9	8	7
		8	7
<i>Tangible fixed assets</i>			
Costs incurred on others' property	9	–	1
Equipment, tools and installations	9	13	2
		13	3
<i>Financial fixed assets</i>			
Shares in Group companies	10	5,123	2,346
Shares in associated companies	11	1,200	923
Other long-term securities	12	11	11
Receivables from Group companies	13	50	354
		6,384	3,634
<b>Total fixed assets</b>		<b>6,405</b>	<b>3,644</b>
<i>Current assets</i>			
<i>Current receivables</i>			
Receivables from Group companies		4,097	1,843
Receivables from associated companies		6	–
Other receivables		2	–
Prepaid expenses and accrued income	17	10	3
		4,115	1,846
<i>Cash and cash equivalents</i>		2	1,573
<b>Total current assets</b>		<b>4,117</b>	<b>3,419</b>
<b>TOTAL ASSETS</b>		<b>10,522</b>	<b>7,063</b>

## BALANCE SHEET – PARENT COMPANY

Amounts in MSEK	Note	31/12/2022	31/12/2021
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital, 285,598,832 (2,564) shares		3	3
Statutory reserve		–	–
		3	3
<i>Non-restricted equity</i>			
Share premium reserve		4,100	4,100
Profit and loss brought forward		909	655
Net profit for the year		689	255
		5,698	5,010
<b>Total equity</b>		<b>5,701</b>	<b>5,012</b>
<i>Untaxed reserves</i>			
Untaxed reserves	15	266	132
<b>Total untaxed reserves</b>		<b>266</b>	<b>132</b>
<i>Non-current liabilities</i>			
Other liabilities to credit institutions	16	1,063	29
Liabilities to the Parent company	16	260	386
<b>Total non-current liabilities</b>		<b>1,323</b>	<b>415</b>
<i>Current liabilities</i>			
Overdraft facilities	16	773	–
Liability to credit institutions		1,031	75
Accounts payable		31	6
Liabilities to Group companies		1,260	1,363
Tax liabilities		104	37
Other liabilities		8	7
Accrued expenses and deferred income	17	25	16
<b>Total current liabilities</b>		<b>3,232</b>	<b>1,504</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,522</b>	<b>7,063</b>

## REPORT OF CHANGES IN EQUITY – PARENT COMPANY

Amounts in MSEK	Share capital	Statutory reserve	Non-restricted equity	Total
<b>Opening equity as of January 1, 2021</b>	<b>1</b>	<b>–</b>	<b>655</b>	<b>656</b>
New share issue	2		4,100	4,102
Net profit for the year			255	255
<b>Closing equity as of December 31, 2021</b>	<b>3</b>	<b>–</b>	<b>5,010</b>	<b>5,012</b>
Net profit for the year			689	689
<b>Closing equity as of December 31, 2022</b>	<b>3</b>	<b>–</b>	<b>5,698</b>	<b>5,701</b>

## CASH FLOW STATEMENT – PARENT COMPANY

Amounts in MSEK	Note	2022	2021
<b>Operating activities</b>			
Profit after financial items		428	13
Adjustments for non-cash items	20	-124	-54
Income tax paid		-26	-18
<b>Cash flow from operating activities before changes in working capital</b>		<b>278</b>	<b>-58</b>
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in operating receivables		-13	2
Increase(+)/Decrease(-) in operating liabilities		35	-10
<b>Cash flow from operating activities</b>		<b>300</b>	<b>-66</b>
<b>Investing activities</b>			
Acquisition of subsidiaries		-2,777	-617
Acquisitions of associated companies		-277	-923
Purchase of intangible and tangible fixed assets		-14	-2
Change in inter-company transactions		-1,564	1,044
<b>Cash flow from investing activities</b>		<b>-4,632</b>	<b>-498</b>
<b>Financing activities</b>			
Borrowings		2,159	50
Repayment of debt		-171	-1,549
Change in overdraft facilities		773	-515
New share issue		–	4,102
<b>Cash flow from financing activities</b>		<b>2,761</b>	<b>2,088</b>
<b>Cash flow for the year</b>		<b>-1,571</b>	<b>1,524</b>
Cash and cash equivalents at the beginning of the year		1,573	48
<b>Cash and cash equivalents at year-end</b>		<b>2</b>	<b>1,573</b>

# Notes to 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

	2022	2021
PwC AB		
Audit assignment	3	1
Tax consulting	–	–
Other assignments	12	–
<b>Total</b>	<b>15</b>	<b>1</b>

The audit assignment involves examination of the Annual Report and financial statements as well as the administration by the Board of Directors and the CEO, other 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. All other items are classified as Other assignments.

## NOTE 3 OPERATING LEASES

Operating leases for the year amounted to MSEK 7 (6).

<i>Future minimum lease payments as of year end amounted to:</i>	2022	2021
Within one year	7	6
Between one and five years	24	22
Later than five years	16	15
	47	44

## NOTE 4 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

<i>Average number of employees</i>	2022	Of which men	2021	Of which men
Sweden	134	38.8%	101	37.6%
<b>Group total</b>	<b>134</b>	<b>38.8%</b>	<b>101</b>	<b>37.6%</b>

The Board consists of 6 (5) persons, of which all men. Other senior executives are 10 (9) persons, of which 1 (1) woman.

<i>Salaries, other remuneration and social security costs</i>	2022	2021
Board of Directors, CEO and other senior executives	7	6
(of which bonuses)	(0)	(0)
Other employees	75	48
<b>Total Salaries and other remuneration</b>	<b>82</b>	<b>53</b>
Social security costs	11	7
Pension costs	29	18
	122	78

## NOTE 5 INTEREST INCOME AND SIMILAR INCOME

	2022	2021
Interest income, external	–	1
Interest income, Group companies	99	28
Exchange rate differences	86	8
<b>Total</b>	<b>186</b>	<b>36</b>

## NOTE 6 INTEREST EXPENSES AND SIMILAR INCOME ITEMS

	2022	2021
Interest expenses, external	-32	-67
Interest expenses Group companies	-15	–
<b>Total</b>	<b>-47</b>	<b>-67</b>

## NOTE 7 APPROPRIATIONS

	2022	2021
Group contribution paid/received	489	362
Provisions for tax allocation reserve	-140	-70
Reversal of tax allocation reserve	6	–
<b>Total</b>	<b>354</b>	<b>292</b>

## NOTE 8 TAX ON PROFIT FOR THE YEAR

	2022	2021
<i>Income tax</i>		
Current tax on profit for the year	-93	-48
	-93	-48
<i>Deferred tax</i>		
	–	-3
<b>Total</b>	<b>-93</b>	<b>-51</b>
<i>Reconciliation of effective tax rate</i>		
Profit before tax	782	305
Tax according to applicable tax rate for the Parent company (20.6%)	-161	-63
Non-taxable income	68	12
	-93	-51

## NOTE 9 INTANGIBLE AND TANGIBLE FIXED ASSETS

	Intangible assets	Costs incurred on other's property	Equipment, tools, fixtures and installations	Total
<i>Acquisition costs</i>				
Opening balance, January 1, 2021	6	2	14	22
Purchase	2	–	–	2
Closing balance, December 31, 2021	8	2	14	24
Purchase	3	–	11	14
Closing balance, December 31, 2022	11	2	25	38
<i>Accumulated depreciation</i>				
Opening balance, January 1, 2021	–	-1	-12	-13
Depreciation for the year	-1	–	-1	-2
Closing balance, December 31, 2021	-1	-1	-13	-15
Depreciation for the year	-2	-1	–	-3
Closing balance, December 31, 2022	-3	-2	-13	-17
Carrying amount December 31, 2021	7	1	1	9
<b>Carrying amount December 31, 2022</b>	<b>8</b>	<b>–</b>	<b>13</b>	<b>21</b>

## NOTE 10 SHARES IN GROUP COMPANIES

	31/12/2022	31/12/2021
<i>Accumulated acquisition costs:</i>		
At beginning of the year	2,346	1,705
Purchases	2,777	617
Shareholders' contributions	–	24
Disposals	–	–
<b>Carrying amount at year end</b>	<b>5,123</b>	<b>2,346</b>



**Specification of the Parent company's and Group's holdings in shares 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	i %	Carrying amount
Hedin Göteborg Bil AB, 556061-3456, Mölndal	100	95
Hedin Helsingborg Bil AB, 556134-5710, Mölndal	100	87
Hedin Stockholm Bil AB, 556944-7492, Mölndal	100	95
Hedin Örebro Bil AB, 556041-2180, Mölndal	100	28
Hedin Mölndal Bil AB, 556281-3617, Mölndal	100	62
Hedin Performance Cars AB, 556604-9234, Mölndal	100	224
Car Store Sweden AB, 556835-7585, Mölndal	100	–
Hedin Automotive Belgium AB, 559074-6466, Mölndal	100	20
Hedin e-commerce AB, 559231-7639, Mölndal	100	–
Hedin Automotive AS, 989 690 728, Stavanger, Norway	100	1,150
Hedin Electric Mobility AB, 556740-0857; Mölndal	100	23
Hedin British Car AB, 559175-1903, Mölndal	100	6
Hedin HMC Motor Company AB, 556023-0053, Stockholm	100	225
Hedin MG Sweden AB, 559009-9429, Gothenburg	100	100
Hedin Automotive Switzerland AB, 559097-7764, Mölndal	100	5
Hedin IT AB, 556954-4017, Mölndal	100	9
Unifleet AB, 556254-5193, Mölndal	100	4
Car to Go Sweden AB, 556787-8052, Mölndal	100	14
Klintberg & Way Group AB, 559124-2945, Stockholm	100	82
Mabi Mobility AB, 556675-9394, Stockholm	100	94
Hedin Premium Car AB, 556042-0696, Uppsala	100	22
Hedin Adventure Car, 556371-6421, Mölndal	100	25
Hedin Automotive BV, 36019755, Amsterdam	100	1,080
Hedin Parts and Logistics AB, 556602-9277, Nyköping	100	388
Hedin Däckdepå AB, 559164-2649, Mölndal	100	3
Hedin US Motor, 559124-2937, Gothenburg	100	–
Hedin Automotive OY, 3281753-3, Joensuu	100	511
Hedin Haninge Bil AB, 556191-3798, Mölndal	100	5
Hedin Electric Mobility GmbH, 355 782 414, Stuttgart	100	–
Motor-Car Bratislava spol.s.ro, 35828161, Bratislava	100	755
HMG Invest AB, 559390-0904, Mölndal	100	–
Hedin Supercharge AB, 556976-5737, Mölndal	100	10
<b>Total</b>		<b>5,123</b>

## NOTE 11 SHARES IN ASSOCIATED COMPANIES

Associated company / Corp. ID no. / Registered office	Capital share	Voting share	Carrying amount 31/12/2022
Hedin Caetano AB, 559354-9651, Mölndal	50%	50%	124
Lasingoo Sverige AB, 556973-1630, Stockholm	24.5%	24.5%	8
Pendragon PLC, UK 2304195, Nottingham, UK	26.1%	26.1%	971
Mercedes Benz Financial Services Slovakia s.r.o, 35728116, Bratislava, Slovakia	25.0%	25.0%	97
			1,200
<i>Accumulated acquisition costs:</i>			
Opening carrying amount			923
Purchases			277
<b>Carrying amount at year end</b>			<b>1,200</b>

## NOTE 12 OTHER LONG-TERM SECURITIES

	31/12/2022	31/12/2021
Unlisted shares	11	11
	11	11
<i>Accumulated acquisition costs:</i>		
Opening carrying amount	11	–
Purchases	–	11
<b>Carrying amount at year end</b>	<b>11</b>	<b>11</b>
	–	–

## NOTE 13 RECEIVABLES FROM GROUP COMPANIES

	31/12/2022	31/12/2021
Opening carrying amount	355	–
Borrowings	–	355
Repayment of debt	-305	–
	50	355

## NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2022	31/12/2021
Prepaid rent	2	2
Transaction cost	5	–
Other	3	1
	10	3

## NOTE 15 UNTAXED RESERVES

	31/12/2022	31/12/2021
Tax allocation reserve fiscal year 2016	–	6
Tax allocation reserve fiscal year 2017	12	12
Tax allocation reserve fiscal year 2018	17	17
Tax allocation reserve fiscal year 2019	9	9
Tax allocation reserve income year 2020	16	16
Tax allocation reserve fiscal year 2021	70	70
Tax allocation reserve fiscal year 2022	140	–
Accumulated difference between tax depreciation and depreciation according to plan	2	2
	266	132

## NOTE 16 FINANCIAL LIABILITIES

	31/12/2022	31/12/2021
<b><i>Non-current borrowings</i></b>		
Other liabilities to credit institutions	1,063	29
Loan from Parent company	260	386
	1,323	415
<b><i>Current borrowings</i></b>		
Overdraft facilities	773	–
	773	–

The Group has been granted a overdraft facility for a total of MSEK 1,755 (1,205) which is renegotiated annually.

The fair value of the loans corresponds to the carrying value, as the discount effect is insignificant. All borrowings are at a variable interest rate, which is approx. 3.7-4.0%.

## NOTE 17 ACCRUED EXPENSES AND PREPAID INCOME

	31/12/2022	31/12/2021
Employee benefit expenses	18	12
Accrued interest expenses	1	–
Other	6	3
	25	16

## NOTE 18 PLEDGED ASSETS

	31/12/2022	31/12/2021
Shares in subsidiaries	1,611	20
	1,611	20

## NOTE 19 CONTINGENT LIABILITIES

	31/12/2022	31/12/2021
Guarantee for subsidiaries	5,452	2,101
Guarantee for associated companies	37	–
	5,489	2,101

## NOTE 20 CASH FLOW

<i>Items not affecting cash flow</i>	2022	2021
Depreciation	3	2
Anticipated dividend	-127	-60
Other non-cash items	–	4
	-124	-54
<i>Interest payments</i>	2022	2021
Interest paid	-47	-69
Interest received	100	38

## NOTE 21 GROUP INFORMATION

Of the Parent company's total purchases and sales measured in SEK, 21% (55%) of the purchases and 100% (100%) of the sales relate to intragroup transactions.

## NOTE 22 PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

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

Share premium reserve	SEK 4,100,597,412
Profit and loss brought forward	SEK 909,105,268
Net profit for the year	SEK 688,912,333
<b>Total</b>	<b>SEK 5,698,615,013</b>

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

Balance carried forward	SEK 5,698,615,013
<b>Total</b>	<b>SEK 5,698,615,013</b>

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international 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 July 19, 2002 on the application of international accounting standards. The Annual Report and consolidated accounts give a true and fair view of the position and profit or loss of the Company and the Group, and that the Director's report for the Company and for the Group gives a fair 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

Möln dal 27/04/2023



Jan Litborn  
Chairman



Anders Hedin  
CEO  
Board member



Hampus Hedin  
Board member



Erik Selin  
Board member



Klaus Kibsgaard  
Board member



Björn Hauber  
Board member

Our Audit Report was submitted on 27/04/2023  
PricewaterhouseCoopers AB



Johan Palmgren  
Authorised public  
accountant

# Auditor's report

To the general meeting of the shareholders of Hedin Mobility Group AB, corporate identity number 556065-4070

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Hedin Mobility Group AB for the year 2022 with the exception of the corporate governance report on page 50. The annual accounts and consolidated accounts of the company are included on pages 46-93 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

### Basis for Opinions

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

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

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

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 3-45. The Board of Directors and the Managing Director are responsible for the other information.

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

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

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

### Responsibilities of the Board of Directors and the Managing Director

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

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

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

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

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

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Hedin Mobility Group AB for the year 2022 and the proposed appropriations of the company's profit or loss.

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

### Basis for Opinions

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

### Responsibilities of the Board of Directors and the Managing Director

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

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

### Auditor's responsibility

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

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

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act. A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Gothenburg April 27, 2023

PricewaterhouseCoopers AB



Johan Palmgren  
Authorised public accountant





**DOMICILE OFFICE OF THE HEAD OFFICE**

Hedin Mobility Group AB (publ)  
Box 2114, 431 02 Mölndal, Sweden  
+46 31 790 00 00  
[www.hedinmobilitygroup.com](http://www.hedinmobilitygroup.com)

**CORPORATE GOVERNANCE** Anders Hedin

**EDITOR** Magnus Matsson and Per Mårtensson

**DESIGN** Susanna Ander

**PRINT** Stema Specialtryck AB, Borås

**DISTRIBUTION** The Annual Report is sent out in printed form on request.  
Digital version is available at [www.hedinmobilitygroup.com](http://www.hedinmobilitygroup.com)

