Annual Report 2023

HEDIN MOBILITY GROUP

We enable mobility

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A LEADING EUROPEAN MOBILITY PROVIDER

The history of Hedin Mobility Group dates back to 1985 when father and son Ingemar and Anders Hedin acquired Philipsons Bil in Borås. I.A. Hedin Bil was founded and in the first year the company sold some 800 vehicles with net sales of SEK 45 million. Almost 40 years later we are now one of Europe's largest mobility providers, with more than BSEK 80 in net sales and more than 218,000 vehicles sold in the past year.

Our vision is to be a transformative force in the 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.

330+
Dealerships

14
Countries

40+
Brands

12,500+
Employees

OUR BUSINESS AREAS

Distribution

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

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

Retail

With more than 330 own dealerships in twelve 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.

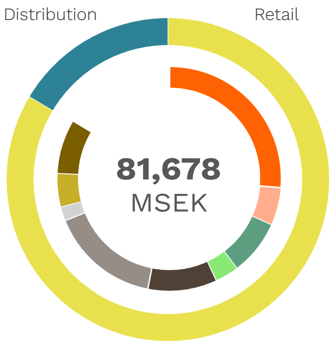
Mobility solutions

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

Our business also includes Hedin IT, which provides the Group with advanced operation, support and digital development, as well as strategic investments in Lasingoo Sweden, Casi (formerly Imove) and Mercedes-Benz Financial Services Slovakia.

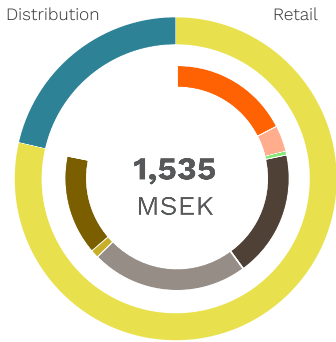
2023 IN BRIEF

Net sales



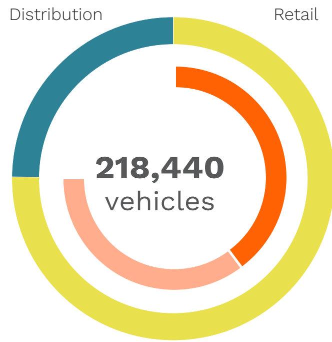
- Sweden
- Norway
- Finland
- UK
- Belgium, Luxembourg
- Netherlands
- Germany
- Switzerland
- Slovakia, Czech Republic, Hungary

Operational earnings



- Sweden
- Norway
- Finland
- UK
- Belgium, Luxembourg
- Netherlands
- Germany
- Switzerland
- Slovakia, Czech Republic, Hungary

Vehicles sold



- New vehicles
- Used vehicles

Retail: order take, new and used vehicles
(164,235)

Distribution: registered vehicles
(54,205)

The charts above cover operations after transferred acquisition in 2023: for Germany, four months of operations are included; Luxembourg seven months of operations; The UK nine months of operations.

Growth in net sales

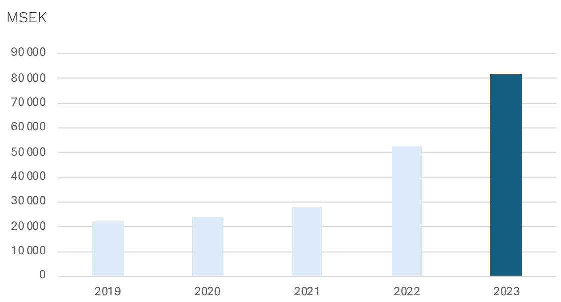
Including acquisitions and transferred operations

+56%

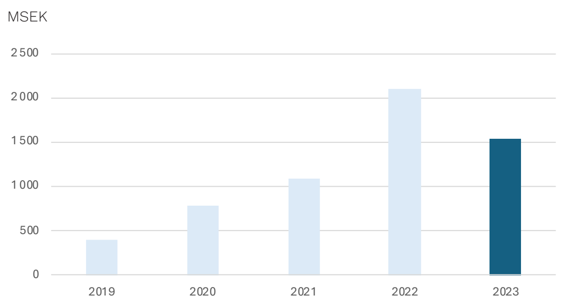
Adjusted for currency effects and items affecting comparability

+9%

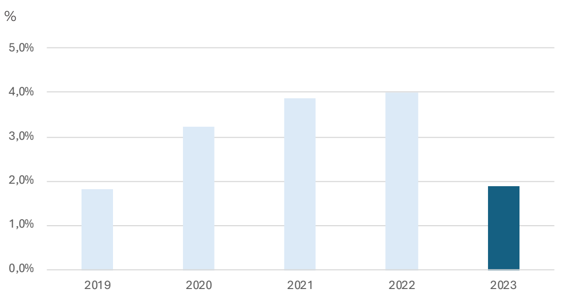
Net sales



Operational earnings



Margin



EVENTS DURING THE YEAR

2023 was a year characterized by continued strong growth for Hedin Mobility Group. The pace of acquisitions has been high and we have further strengthened our position as a leading mobility provider in the European market.

ACQUIRED DEALERSHIPS

- Torpedo-Gruppe, now Hedin Automotive – one of Germany's largest dealer groups with 21 dealerships.
- Four Mercedes-Benz dealerships in London.
- Stephen James Alliance Ltd, with five BMW dealerships in London.
- Three Peugeot dealerships in the Netherlands.
- Janssen-Kerres with 13 dealerships in the Netherlands.
- Renova, with 5 BMW dealerships in the Netherlands.
- Establishment in Luxembourg through the acquisition of a Mazda dealership.
- Delta Motor Oy, one of Finland's major dealers.
- A Ford dealership in Finland.
- Three BMW dealerships and one Jaguar and Landrover dealership in Sweden.
- A BMW dealership in Switzerland.
- Partnership with Lotus for vehicle sales in Sweden.
- Official agent for the car brand smart in Sweden.
- RRT Ltd, a specialist in wheel refurbishment in the UK.

ACQUIRED BUSINESSES IN DISTRIBUTION AND SPARE PARTS

- Onwheels Bildemontering AB, now Hedin Recycled, with car dismantling and recycling of spare parts.

ONGOING

In addition, up to and including the beginning of April 2024, we had completed or agreed on, or signed a letter of intent for the acquisition of:

- Iveco Group's distribution and retail operations in Sweden, Norway, Finland and Denmark.
- Distribution of MG in Finland
- Distribution of Ford in Finland
- Mercedes-Benz Försäljnings AB with a dealership in Malmö

A WORD FROM OUR CEO

Strong growth in retail and new distribution markets

In recent years, we have continued to expand our business both geographically and with new business areas. We have expanded our partnership with several of the largest manufacturers in both existing geographic markets and new ones. With Mercedes Benz, we have expanded our cooperation by establishing ourselves in Europe's largest automotive markets, Germany and the UK. With BMW, we have expanded the partnership in the Netherlands, Sweden, Switzerland and the UK, and with Kia and Nissan in Finland and the Netherlands.

We have also launched new car brands in the Swedish and European markets such as BYD, Hongqi, Ineos Grenadier and Ford F-150. This means that we now have a broad geographical presence in Europe and are well positioned to take advantage of the opportunities that tomorrow's mobility business brings. Net sales increased by 56% and exceeded BSEK 80. In the short term, both earnings and tied-up capital will be encumbered by this expansion. Earnings are also being squeezed by lower margins due to lower demand, currency effects and start-up costs in our new distribution operations and market establishments. We are working intensively on various initiatives to integrate operations, increase volumes and improve profitability.

We continue to take an active role in the green transition

The mobility market continues to evolve and requires us to evolve with it. In recent years, several countries have withdrawn the subsidies that previously existed for electric cars, which has created a drop in order take for new electric cars in several markets. At the end of 2023, we could see a clear decrease in order take for electric cars. Hedin Mobility Group wants to continue to be a leader in the green transition and we have decided to expand the charging infrastructure for electric cars by building at least 100 superchargers for the general public directly adjacent to our dealerships. By making everyday life easier for electric car customers, we also welcome them in to us for new ideas.

During the year, we have invested in new business areas by acquiring a car dismantling company, the name of which we changed to Hedin Recycled. We have also acquired a wheel refurbishment company in the UK. Both of these business areas create synergies with our existing service business by recycling, repairing and reselling existing car parts.

Focus on the second-hand and service business

Our venture into used vehicles continues and we are actively working to match supply and demand in our various geographic markets. We always want to sell a used vehicle in the local market if possible, but by moving cars between our dealers in different markets, we can increase the turnover rate and at the same time keep the opportunities for service business and the next car purchase to remain within the Group. To make this clear, we are launching the Carstore concept in our various markets with a dedicated organization that focuses only on used vehicles.

The aftermarket is more stable compared to car sales and is growing organically with improved profitability. Increased demand, better processes and sustainable strategies are various factors behind the development, where the organization has a strong focus on quality, availability and customer satisfaction.

Pendragon

At the end of the year, we reduced our ownership in the British dealer group Pendragon following the company's divestment of its automotive business, and in February 2024 the remaining part of the holding was sold. The net proceeds from the holding, which has been an associated company since 2021, amount to approximately MSEK 1,690, and generated a total profit of approximately MSEK 700 during the holding period.

Consolidation to further strengthen our position

We have now established ourselves in the strategically important markets we intended to establish ourselves in, and will now place great emphasis on consolidation of companies and markets to take advantage of economies of scale in our various businesses, build a unified group and strengthen our position as a leading mobility provider in the European market.

Anders Hedin

INCREASED FOCUS ON CIRCULAR 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

With a prominent position in our sector and our local markets, we see our responsibility and opportunity to contribute to sustainable development through circular business.

Electrified range
With one of Europe's broadest brand portfolios, our EV product range meets the needs of sustainable transportation for both individuals and businesses.

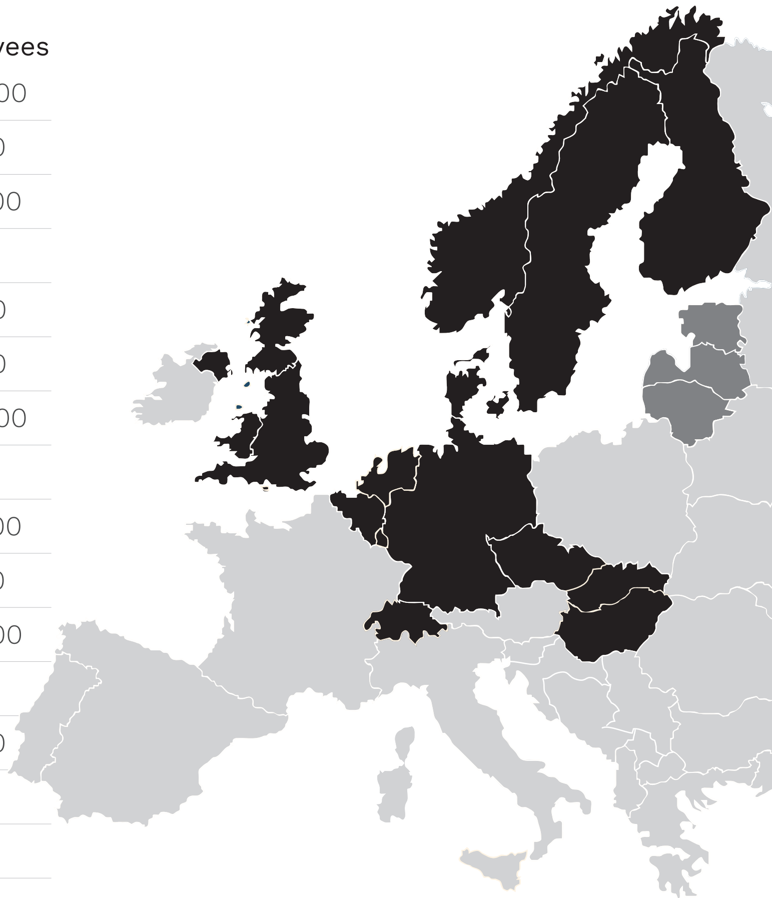
Electric vehicle charging
Through our investment in Hedin Supercharge, we contribute to the important expansion of public DC charging infrastructure in Europe, while generating additional customer value and loyalty.

Lifecycle management
Through car dismantling and recycling of parts, we contribute to the efficient use of resources throughout the vehicle's life cycle – which creates both sustainability and business value.

GEOGRAPHIC MARKETS

Distribution | Retail | Mobility solutions

	Distribution	Retail	Mobility solutions	Employees
Sweden	●	●	●	3,600
Norway	●	●	●	500
Finland	●	●	●	1,200
Denmark	●			70
UK	●	●	●	800
Belgium	●	●	●	800
Netherlands	●	●	●	2,300
Luxembourg	●	●		20
Germany	●	●	●	1,400
Switzerland	●	●	●	450
Slovakia		●		1,000
Hungary		●		100
Czech Republic		●		200
Estonia	*Under establishment*			
Latvia	*Under establishment*			
Lithuania	*Under establishment*			
USA	●			10



Total employees **12,500+**

Read more about our business areas:

Distribution page 14 | Retail page 26 | Mobility solutions page 32

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.

01.
Electrification

Sales of electrified vehicles have increased significantly in recent years, and continue to increase globally, but at different rates depending on geography and vehicle type. Battery electric heavy-duty trucks, for example, have been manufactured in series since 2023, making them a new market segment. 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. Continued development of charging infrastructure is necessary to allow more customers to drive electric vehicles.

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. Since the end of 2023, we offer fast and easy charging at Hedin Supercharge's charging stations in Sweden and the Netherlands, *read more about our new venture on page 35.*

02.
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.

03.
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 (the customer buys the car directly from the importer and the car dealer only brokers the deal) or by private importers who also represent 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 twelve European markets, we are well positioned to compete for business both in traditional and new distribution models.

04.
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.

05.
Increased consolidation

Partly as a result of manufacturers testing new distribution models, consolidation in the retailer link has accelerated in recent years. Another factor with great impact is the increasing brand competition in the car industry, which drives more dealers 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:

We've had a high acquisition rate during the year in the European market and are one of the largest retailers on the continent. In addition, we have significantly strengthened our position as a strong partner for vehicle manufacturers by expanding our distribution business.

01

DISTRIBUTION

DISTRIBUTION

We are an importer and/or distributor for eleven vehicle manufacturers in markets around Europe where distribution goes to both our own and external dealers.

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

COUNTRIES

VEHICLES

SPARE PARTS, ACCESSORIES, TYRES AND RIMS, AS WELL AS LOGISTICS SOLUTIONS

14,495

Net sales (MSEK)

700

Employees

54,205

Registered vehicles

BYD

bydauto.se | byd-auto.de

BYD is the world's largest manufacturer of rechargeable vehicles. In mid-2022, Hedin Mobility Group was appointed "Dealer+" for BYD, which means that we are both a distributor and retailer of the brand's electric cars in Sweden and in Europe's largest car market, Germany. In 2023, Hedin Electric Mobility was also appointed a distributor for BYD's commercial vehicles. In Sweden, Hedin Bil and Bavaria are exclusive dealers, while sales in the German market are conducted through a nationwide network consisting of seven leading dealer groups.

During the past year, the BYD business has been further developed in its entirety in both of our markets. Sales have increased and in 2023 BYD became the fastest growing car brand in Sweden. Business is also increasing in Germany with a focus on brand building and expansion to create availability across the country.

After a series of launches in 2023, there are a total of seven electric car models for sale. The product portfolio will continue to grow during the year. In February 2024, Hedin Electric Mobility in Sweden also became a distributor of BYD Trucks – all-electric heavy-duty trucks – which will be launched in 2024.

Hedin Electric Mobility

Distributor for BYD passenger car and commercial vehicles in Sweden and Germany. Distributor for BYD trucks in Sweden

Net sales: MSEK 2,735
Employees: 8 (Sweden) 23 (Germany)
Registered vehicles: 3,450 (Sweden) 4,140 (Germany)
Retailers: 2 (Sweden) 7 (Germany)
Sales points: 28 (Sweden) 22 (Germany)
Workshops: : 28 (Sweden) 20 (Germany)

DODGE & RAM

kwauto.com

Our European import business with Dodge and RAM had a record year in terms of net sales in 2023, with sales exceeding BSEK 2 for the first time. The business is expected to grow further in the coming years with the aim of more than doubling the business by 2026. To make this possible, major investments have been made in the conversion business and sales organization in 2023. The import business is thus already well-equipped for future expansion.

In 2024, Dodge and RAM will make a significant change to their powertrains, which will provide more power and less environmental impact, and the current HEMI engine program will be upgraded to the new Hurricane program. This will attract new customers to our growing network of American car enthusiasts.

DODGE RAM

Klintberg & Way Automotive

Importer for Dodge and RAM in Europe

Net sales: MSEK 2,204
Employees: 104
Registered vehicles: 2,978
Retailers: 129
Sales points: 130
Workshops: 191

Hedin HMC Motor Company

Importer of Ford passenger and commercial vehicles in Sweden

Net sales: MSEK 5,031
Employees: 39
Registered vehicles: 12,933
Retailers: 8
Sales points: 67
Workshops: 92

FORD

ford.se

In 2023, Ford strengthened its presence with several strategic initiatives to improve its position in the Swedish market. Ford experienced a decline in sales during the year, primarily as a result of declining demand, postponed launches and a challenging currency situation. Despite these challenges, Ford maintained its second place in the commercial vehicle segment and continued to focus on delivering high-quality products and services. To better meet the needs of corporate customers, Ford undertook a strategic reorganization to strengthen corporate sales. A further example of Ford's continued confidence was the opening of new sales and service facilities in Malmö and Bromma, respectively. These facilities act as a hub in their geographic areas to offer customers even better service and availability. To make it even easier for customers to find and buy their cars, Ford introduced a new online sales platform for cars in stock. Ford also introduced three new models, the Bronco, Ranger and Transit Custom, with the latter two being named Pickup Truck of the Year and Commercial Vehicle of the Year, respectively.

Ford looks forward to 2024 with confidence, with the introduction of several long-awaited electrified models such as the Explorer, complementing an already strong lineup.

Hedin US Motor

Net sales: MSEK 399
Employees: 15
Registered vehicles: 386
Retailers: 30
Sales points: 102

FORD-F150

hedinusmotor.com

During the past year, Hedin US Motor achieved several important goals and built up and strengthened its presence in the European market. The first sale of the Ford F-150 in Sweden was a milestone for the entire organization and a first step on our growth journey. In 2023, the company focused on positioning and expansion. In Sweden, the dealer network has been expanded at the same time as operations have also been established in Germany, the Netherlands and Estonia.

In 2024, the focus will be on recruiting more dealers in existing markets to strengthen our presence and be close to customers. Furthermore, the goal is to establish operations in new geographic markets in Europe, with a focus on market-adapted distribution. The Ford F-150 will be continuously introduced in new markets to build the brand, strengthen the position and meet customer needs and expectations.

HONGQI

hongqi.se | hongqi.nl | hongqi.be | hongqi.lu

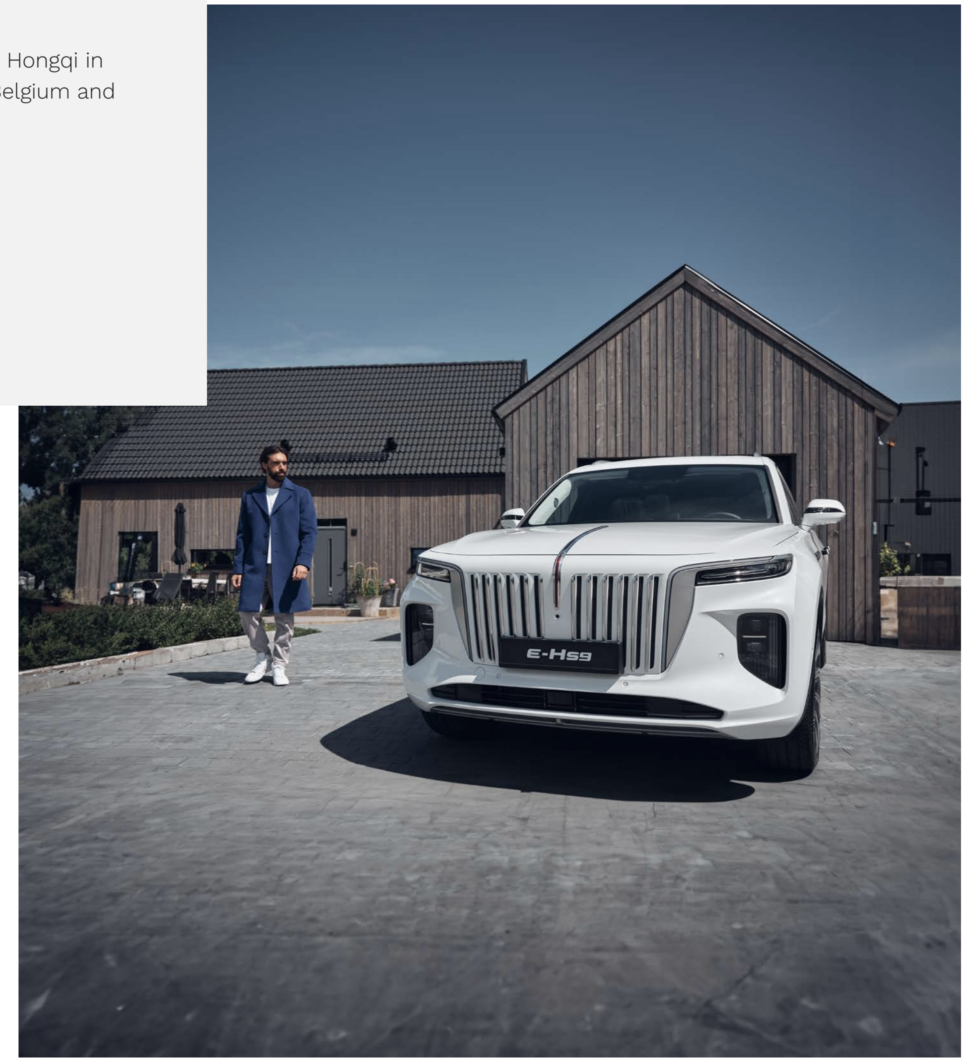
Since 2022, we are the importer and exclusive dealer of the Chinese premium brand Hongqi in Sweden and the Netherlands. In 2023, the brand was also launched in Belgium and Luxembourg, with sales launched for the all-electric Hongqi E-HS9 luxury SUV. During the year, the sales network was further expanded in Sweden, and in October Hongqi's first brand store in Europe was officially opened by Hongqi's design director Giles Taylor in central Gothenburg.

In 2024, the focus will be on continuing to build the brand long-term and strengthen the sales network in all four markets, as well as on further streamlining import and distribution operations to the four markets. During the year, the model range will also be expanded to appeal to a broader customer group.

Hedin Premium Car

Importer and distributor for Hongqi in Sweden, the Netherlands, Belgium and Luxembourg

Net sales: MSEK 164
Employees: 7
Registered vehicles: 156
Retailers: 3
Sales points: 25
Workshops: 23



Hedin Adventure Car

Distributor for INEOS Grenadier in eleven European countries

Net sales: MSEK 426
Employees: 9
Registered vehicles: 345
Dealers: 8
Sales points: 11
Workshops: 11

INEOS GRENADIER

ineosgrenadier.com

In 2023, Hedin Adventure Car continued its important role as a distributor and dealer of the innovative car brand INEOS Grenadier and its first model.

The main focus during the year was to strengthen the distribution organization through the establishment of new sales and service units in strategic locations. This made it possible to meet the growing demand in markets introduced in the first phase, while at the same time expanding the regional presence. The spring of 2023 began with a number of regional test drives for the press, which received very positive reviews. Furthermore, we actively participated in several strategic customer events to meet potential customers and partners, as well as to increase brand awareness for a broader target group.

Towards the end of the year, INEOS also launched the Grenadier Quartermaster, a pickup-version, which expanded the product range to appeal to new customer segments. Initial interest has been strong, and we see positive demand from specific customer groups.

The goal for 2024 is to build on the previous year's success, continuously strengthen the distribution organization and establish the brand in new markets.

INEOS | GRENADIER

MG

mg.se

In 2023, MG continued its growth journey in Sweden with new models and maintained its position as the 11th largest car brand in the country. During the year, the network expanded to include 48 dealerships and 51 workshops. As confirmation of the successful work, Hedin MG Sweden was awarded the prestigious award "Best Distributor Worldwide" by SAIC Motor (MG's holding company).

As more and more MG cars drive on Swedish roads, we have worked hard to streamline spare parts management. Through our new third-party solution with Hedin Parts, we have managed to maintain a very high level of service and availability towards the workshops.

During the year, we were also awarded the distribution rights for MG in Finland. The Finnish operations will start up in 2024. In Sweden, MG's sales network will expand northwards in 2024 with workshops and sales facilities in Luleå, Umeå, Skellefteå and Kiruna.

In January 2024, MG passed another milestone by registering a total of over 20,000 cars in Sweden.

Hedin MG Sweden

Distributor for MG in Sweden

Net sales: MSEK 1,530
Employees: 17
Registered vehicles: 6,889
Retailers: 4
Sales points: 48
Workshops: 51

RENAULT, DACIA & ALPINE

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

In 2023, there was strong focus on streamlining the dealer network in both Sweden and Denmark. The restructuring of the dealer network already started back in 2022 and the Swedish work was completed during the year, which meant that 60% of dealers are now more focused on the Renault, Dacia & Alpine brands. In Denmark, work has some way to go and is expected to be completed in May 2024.

2023 was initially characterized by long lead times caused by production disruptions in the factory, this particularly affected the LCV segment. The situation improved in the fourth quarter. In addition, the supply of spare parts was negatively affected by stoppages at the new main warehouse in France.

Sales of electric cars in the LCV market are increasing in general, and our Kangoo EV and Trafic models are gaining market shares in the segment. Sales of the Dacia Sandero and Renault Clio passenger cars developed well, and are the second and third best-selling car models in their segment in Sweden.

In Denmark, sales of Megane E-Tech developed strongly in the growing electrified market during autumn.

RN Nordic

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

Net sales: MSEK 6,753
Employees: 90
Registered vehicles: 22,929
Retailers: 57
Sales points: 130
Workshops: 226

RN Nordic AB is 50% owned by Hedin Mobility Group and is reported as an associated company.

RENAULT DACIA ALPINE

Spare parts, accessories, tyres and rims, as well as logistics solutions

HEDIN PARTS

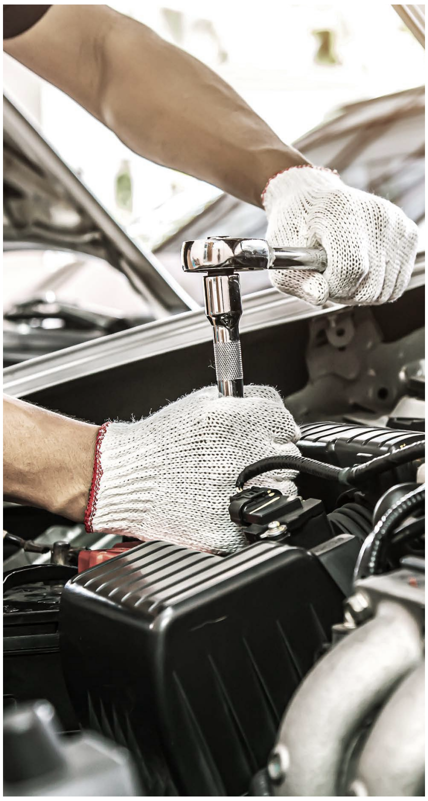
Net sales: MSEK 448
Employees: 226

Hedin Parts provides spare parts and logistics services, and has been part of the Group since mid-2022. Since then, work has been underway to centralise logistics and distribution of vehicle parts for the Group's companies in Hedin Parts, with the ambition to thereby also become a leading European spare parts distributor.

In 2023, Hedin Parts installed the automated inventory system AutoStore, which will significantly increase warehouse efficiency and service level for smaller vehicle parts. At the beginning of the year, Interwheel became a subsidiary of Hedin Parts. Interwheel is one of Sweden's largest companies in the tire sector, and a distributor of well-known brands such as Kumho, Cooper and Alutec. The ambition is to expand the activities in distribution and sales of wheels and tyres to Europe. During the year, the business was expanded to also include car dismantling through the subsidiary Hedin Recycled. The goal is to strengthen our range of services through car dismantling and sales of recycled spare parts.

HEDIN PARTS HEDIN RECYCLED Interwheel

KW PARTS



Net sales: MSEK 427
Employees: 48

Klintberg & Way Parts (KW Parts) is the market-leading wholesaler of spare parts, accessories and oils for American vehicles in Europe. The company is an official partner of leading industry giants such as General Motors and Stellantis, which includes reputable brands such as Cadillac, Corvette, Dodge, RAM, Jeep, and Chrysler. In addition, KW Parts has strategic partnerships with the most prominent U.S. aftermarket brands.

2023 marked an exceptional year for KW Parts, which had its best year in terms of net sales and profitability since 1975. This success can be directly attributed to a significant increase in sales of Original Equipment (OE) parts across Europe, as well as to expansion into other growing product segments. Looking ahead to 2024, we are turning our focus to further develop our digital presence, with particular emphasis on improving our e-commerce platform as well as strengthening our sales capabilities in strategically important markets in Europe.

KW PARTS MOPAR gm

GS BILDELER, KOED, BNC NORDIC DISTRIBUTION

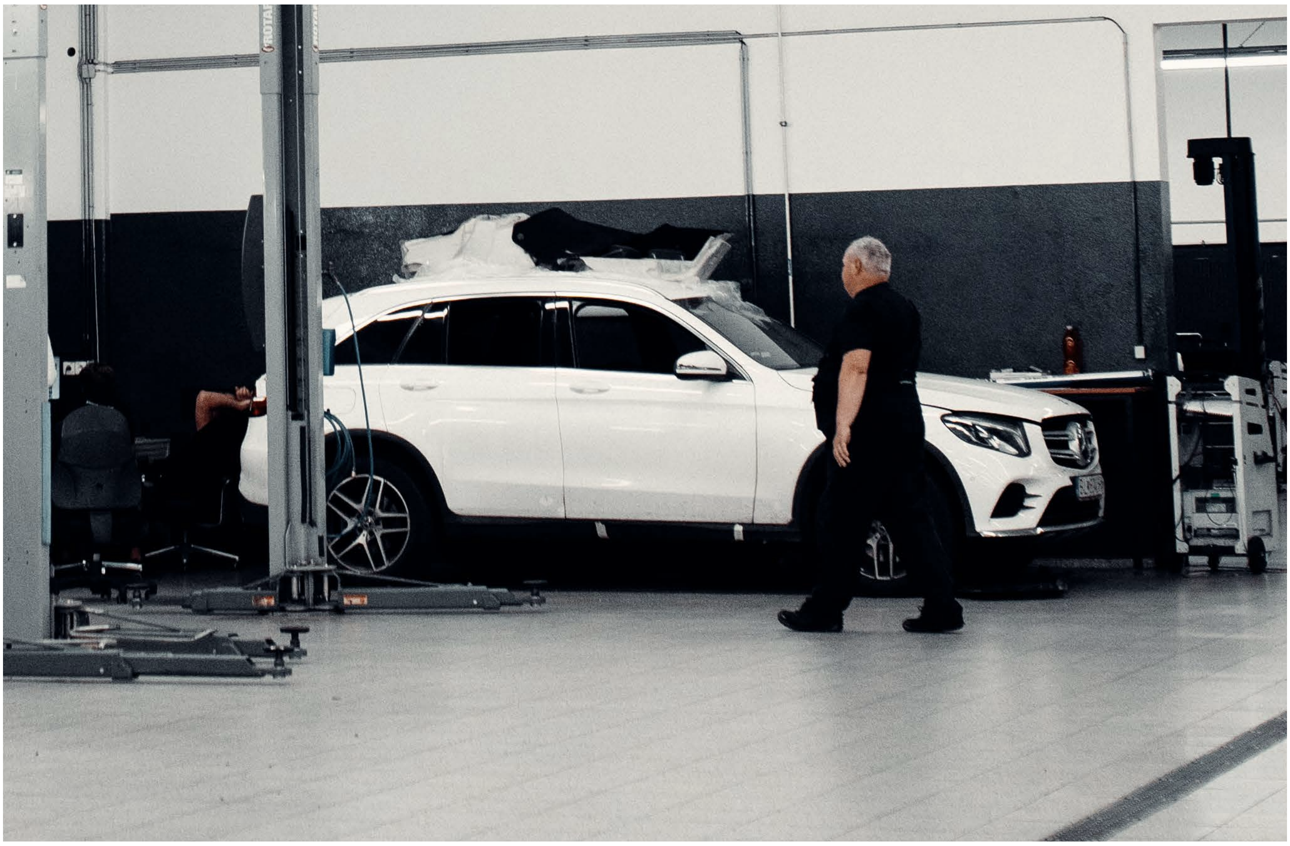
Net sales: MSEK 376
Employees: 91

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

GS Bildeler works closely with BMW and MINI spare parts specialist Koed, with operations in Norway and Denmark. Hedin Mobility Group's ownership share in Koed A/S is 60%.

Despite a downturn in the retail customer market GS Bildeler had a successful year in 2023, thanks to good growth in the corporate market. BNC Nordic, which sells consumables to workshops and private individuals, has also seen growth in the corporate market. At the end of the year, BNC established itself in Sweden, a strategically important expansion for the future.

In 2023, Koed succeeded in scaling up and doubling the production of used parts. The company has intensified its cooperation with eBay and Ovoko, targeting the European market. Used parts and recycling remain key focus areas, and the goal is to further increase production in 2024.



02 RETAIL

RETAIL

In the business area Retail we run one of Europe's largest retail operations with presence in a total of twelve European markets. We provide private and corporate customers with a comprehensive range of services, including sales of new and used vehicles, financing and insurance solutions, as well as a full range of aftermarket services.

Sales include both passenger and commercial vehicles and in several of our markets we also sell heavy-duty trucks.

Operations are conducted through the dealer groups Hedin Bil, Hedin Automotive, Bavaria, Motor-Car Group, Stephen James, and Torpedo Gruppe.

In addition, we also run a dedicated used vehicle business through the retailer Carstore.

COUNTRIES

BRANDS

MARKET DEVELOPMENT 2023

After a few years of strong impact from limited vehicle deliveries, a result of the component shortage and supply chain disruptions caused by continued pandemic restrictions and the war in Ukraine, the availability of new vehicles increased during the year. The higher production rate resulted in a high level of customer deliveries and thus a high level of new cars sold at the beginning of the year.

In the latter part of 2022, rising interest rates, inflation and uncertainty about economic developments already affected demand and order take for new vehicles. This trend continued in most markets in 2023. Reduced subsidies on all-electric cars combined with higher interest rates have had a negative impact on overall demand.

In the Swedish market, 1 percent more passenger cars were registered than in the previous year, while light trucks increased by 27 percent. In Norway, the market for passenger cars decreased by 27 percent, while other European markets important to the Group showed an increase in registrations of between 10 – 30 percent.

In the second half of the year, the increased availability of cars began to have a negative impact on sales margins. An increased supply of both new and used cars created stronger competition for customers. This meant that sales prices were pushed down for orders for new cars as well as for new and used cars in stock. All-electric cars in particular have been affected by pricing pressure resulting from declining demand, a pattern that is repeated in most European markets.

Thanks to a strong order book at the start of the year, additional operations and a good rate of sales compared to our competitors in the vast majority of markets, 2023 was a new record year for cars delivered to customers. Our deliveries of passenger cars increased by 29 percent during the year and after a few years of challenging availability of cars, deliveries of light trucks increased by 71 percent compared to 2022.

Used vehicles – sold through our existing retail dealership and Carstore

For the continued business growth of Hedin Mobilty Group, the sale of used vehicles is an area of prioritised strategy. That's why our brand for dedicated used car sales, Carstore, has expanded during the year. After successful establishments in several locations in Norway and Sweden, we also opened new dealerships in both Finland and Slovakia at the beginning of 2024.

The used vehicle market was affected in 2023 by the increased availability of new cars and by breaking the trend of increasing prices in the used car market. Especially in the last months of the year, the increased supply of cars became evident and prices were squeezed as demand did not match the supply of cars. During the year, we managed to increase sales of used vehicles by 54 percent as a result of better availability of vehicles.

We work with various approaches to manage the shifting demand and move cars in stock to end customers and between markets. For our used car customers it is important to get quick and qualitative information about the car's value. That's why we have a centralized online valuation support that is open every day of the week. In addition, we have been conducting Hedin Auction and Carstore Auction for several years with targeted sales of used cars in the business-to-business segment.

The aftermarket business

In the aftermarket, we offer a full-service concept that includes services, repairs, spare parts, accessories, tires, tire hotels, rims, wheel refurbishment, car care, recycling, refurbishment and sales of car parts from dismantled cars. During 2023 our aftermarket business continued to develop strongly and shows good profitability while we have kept a strong focus on expanding the business. The number of service agreements increased by some 22 percent compared to the previous year and we have also increased both revenue per working hour as well as sales per checkup in the workshop.

The business activity in the aftermarket is less dependent on economic trends than, for example, sales of new cars, and we believe the market will continue to be strong in the coming year. We are continuously working to grow and strengthen business quality in the aftermarket. To ensure increased profitability and deal with the shift towards more and more electric cars in the vehicle fleet, we have a strong focus on offering products and services for everything related to car ownership throughout the car's life cycle, in addition to the pillars of proud employees, customer satisfaction and availability.

Sold vehicles (order take) - Retail	2023	2022
New passenger cars	68,387	71,001
New commercial vehicles	17,827	14,048
Used passenger cars	70,792	47,275
Used commercial vehicles	5,485	3,560
Trucks, new and used	899	651
Motorcycles, new and used	845	387
Total	**164,235**	**136,922**

OUR RETAIL MARKETS

With some 330 own dealerships and more than 770 points of sale we are one of Europe's largest automotive retailers. We run retailing operations in a total of twelve markets.

	SWEDEN	NORWAY	FINLAND	GREAT BRITAIN
BRANDS	28	6	18	4
DEALERSHIPS	126	19	38	8
SALES POINTS	353	27	137	14
NET SALES (MSEK) 2023*	23,225	4,765	7,036	3,011*
VEHICLES SOLD 2023**	65,995	7,328	19,814	6,524*
EMPLOYEES	2,806	513	883	417
DEALER GROUPS	Hedin Bil Bavaria CARSTORE HEDIN PERFORMANCE CARS	HEDIN AUTOMOTIVE Bavaria CARSTORE HEDIN PERFORMANCE CARS	HEDIN AUTOMOTIVE Bavaria	HEDIN AUTOMOTIVE STEPHEN JAMES

* Refers to operations after completed acquisition during 2023
** Order take, new and used vehicles

BELGIUM, LUXEMBOURG	NETHERLANDS	SWITZERLAND	GERMANY	SLOVAKIA, CZECH REPUBLIC, HUNGARY
8	28	6	9	13
26	73	7	22	17
38	138	16	30	39
8,788*	14,028	4,244	1,771*	6,907
11,100	35,847	3,990	3,445*	10,192
797	1,754	431	537	1,170
HEDIN AUTOMOTIVE	HEDIN AUTOMOTIVE	HEDIN AUTOMOTIVE		MOTOR CAR

03

MOBILITY SOLUTIONS

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 conducted partly through the wholly-owned businesses Carplus, Unifleet, MABI and Hedin Supercharge, which you can read more about in this section. In addition, we are a partner of Schysst, which offers flexible car subscriptions without binding contracts, and co-owner of Casi (formerly Imove), which provides technology for custom-made car subscription services. Read more about Casi on page 36.

CARPLUS & UNIFLEET

The Carplus and Unifleet services provide "mobility as a service". Carplus is aimed at private individuals and Unifleet at corporate customers. Both companies own and develop their own IT systems to make the customer journey as smooth and digital as possible.

In 2023, Carplus noticed very low demand in the private leasing market in Sweden, which affected the company's operations during the year. However, 2024 has started strongly and we are optimistic about the coming year.

Unifleet, which provides vehicle leasing for companies and fleet management services, has not noticed the same weak demand, but has continued to grow during the year. On the other hand, the weaker used car market has affected Unifleet. With a larger proportion of vehicles that have gone through the entire contract cycle and thus will be sold, earnings are negatively affected. It is therefore estimated that remarketing of used cars will continue to be challenging, while the core business, leasing and related services, continues to grow and be optimized.

The subscription model with long-term contracts offered by both companies provides a stable foundation for the business even in an uncertain global economy and economic climate. To reduce the impact of cost increases from suppliers, both companies are now increasingly working with various forms of long-term supplier agreements to hedge against future cost increases.

2024 will continue to be a challenging year, but also one full of opportunities. Our online business is constantly growing and our collaboration with other companies within the group is starting to bear fruit. We look to the future with confidence, and have a firm ambition to develop not only our two companies, but also the automotive industry as a whole, by developing services and offers that make life easier for our customers.

172	11,000	32	31
Net sales (MSEK) 2023	Active contracts	Brands online	Employees

Carplus UNIFLEET

MABI MOBILITY

MABI is a leading player in car rental and offers a wide range of vehicles and services for both private individuals and companies. With a focus on quality, service and sustainability, MABI strives to be the obvious choice for anyone who needs flexible, sustainable and reliable transport, regardless of whether it is by the hour, day or for longer periods.

In 2023, MABI increased the number of rentals by 6 percent and the proportion of rental days sold by 7 percent in the Swedish market. The largest increase comes from corporate sales, which increased by 10 percent compared to the previous year.

During the year, the focus has been on strengthening the network of stations, both through operational changes but also through major efforts to boost the brand. A new franchise agreement has been drawn up and a new vision and mission was developed to rally around.

Despite the challenges that the past year has brought, MABI has continued to grow and strengthen its position in the market by offering reliable mobility services. MABI looks forward with confidence to another successful year in which the focus will be on establishing itself in more European markets and improving its accessibility both physically and digitally.

1,432
Net sales (MSEK) 2023*

2,486,004
Sold rental days*

184
Stations

9,390
Vehicles

33
Brands

337
Employees

* Refers to the entire franchise network

HEDIN SUPERCHARGE

Hedin Supercharge offers fast charging of electric vehicles. The company was founded in 2022 with planning and construction of fast charging stations all over Sweden. The business concept is based on easy and fast charging, for all electric vehicles.

In 2023, development gained momentum and several new charging facilities were ordered. Three charging stations, with four outlets each, were completed as early as the last quarter of 2023 adjacent to the Group's car dealerships in Akalla, Danderyd and Östersund. In 2024, more stations will be opened in Sweden. The plan going forward for Hedin Supercharge is to establish operations in more markets in Europe. In December 2023, the first fast charging station was already opened adjacent to a Hedin Automotive dealership in the Netherlands.

Hedin Mobility Group's investment in Hedin Supercharge does not only involve fast chargers, or DC chargers. In addition to fast charging stations, there are also other requirements for electric car charging inside the Group's car dealerships. These will also be incorporated into the system and control offered by Hedin Supercharge.

In addition to DC charging with charging stations, and AC charging at our dealerships, Hedin Supercharge is also starting up a third leg for the business - home charging. In this business area, AC chargers will be sold together with all-electric cars and hybrid cars. We see great potential in this business area, as there are still many first-time buyers of electric and hybrid vehicles who do not have chargers at or near home.

HEDIN SUPERCHARGE

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: 17.8 percent

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 operates 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. In 2024, Pendragon sold its entire automotive business and changed its name to Pinewood Technologies. At the beginning of 2024, we sold our entire holdings.

LASINGOO SVERIGE AB
Our ownership share: 24.5 percent

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 participating interest*: 10.5 percent**

Casi provides a cloud-based digital platform that covers all aspects of car subscriptions from digital distribution, subscription and fleet management, to data-driven optimization. The technical platform is aimed at white label customer segments such as vehicle manufacturers, importers, dealers and leasing and rental companies that want to build their own customized service.

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

*Ownership in Mama Holding Company AS.

MERCEDES-BENZ FINANCIAL SERVICES SLOVAKIA S.R.O.
Our ownership share: 25 percent

Mercedes-Benz Financial Services Slovakia (MBFS) offers an extensive range of vehicle-related financial services to all Mercedes-Benz dealers in Slovakia.
This includes innovative leasing and financing options for both dealers 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 REPORT

General disclosures

Hedin Mobility Group AB's sustainability report is prepared in accordance with the Annual Accounts Act. Our significant growth has led to an expansion of the report's scope from three countries and one business area to the entire group. Previous years' sustainability data is not comparable and therefore left out. In cases where the sustainability report only covers certain parts of the operations, this is described in the text.

The automotive industry's impact and change

To understand Hedin Mobility Group's impact and risks, you need to understand the automotive industry's value chain. Its impact on people and the environment is considerable, mainly due to emissions from internal combustion engines. According to the IEA, the International Energy Agency, passenger cars and commercial vehicles account for a quarter of global oil consumption and for about 10 percent of global energy-related carbon dioxide emissions. In order to achieve the goals of the Paris Agreement, the percentage of electric cars must increase rapidly, according to IEA[1]. This requires both attractive products and charging infrastructure that makes it as easy to drive an electric car as it is to drive a petrol or diesel car.

At the same time, the industry has a broader impact that comes from manufacturing. Dismantling and, as far as possible, reusing or recycling parts and components so that the industry as a whole can become more circular is also a key priority. This is especially true for batteries.

The supply of materials, especially for battery manufacturing, is associated with human rights risks, especially regarding cobalt, which is found in the currently dominant NMC batteries (Nickel, Manganese, Cobalt). Mica, a silicate mineral, which is part of electrical insulation systems, is another example of a hazardous mineral.

Impact and risks for Hedin Mobility Group

Our control over the major impact that the automotive industry as a whole is responsible for is limited. On the other hand, the impact entails risks for our operations, mainly in the form of shifting patterns in demand. For example, a car brand's sales have always varied over time depending on how well the model range has matched the preferences of the local market at the time. But a weighty reason for many car buyers has been the engine – how lively, powerful or economical it has been – and for many brands this has been at the heart of the value proposition. When powertrains are replaced and become electric, that advantage disappears and instead opportunities open up for new players to gain market shares. Customers' preferences can also be influenced by human rights issues. For example, by opting out of cars that have NMC batteries in favour of cars that have LFP (Lithium, Iron, Phosphate).

Hedin Mobility Group manages these risks through diversification, through geographical spread and by offering many different car brands. As one of the major players in Europe, we are also an important partner for new brands that want to expand. By making more attractive electric car models available to European customers and by expanding charging infrastructure, we are helping to reduce the impact of the automotive industry.

We also have operations in used car sales, service and dismantling. In addition to allowing car parts to be reused or recycled, the latter also contributes spare parts to our service operations.

Hedin Mobility Group's impact

Our operations are run from more than 330 dealerships in 14 countries. A significant part of our impact comes from the running of these dealerships, which, in addition to heating, cooling and electricity, also generate waste. We buy transport to and from our facilities and customers, as well as fuel for demo cars, company cars and sold cars, which, together with the facilities, make up a large part of our environmental impact. In our service, distribution and dismantling operations, there are work steps that involve a risk of workplace accidents. We work actively to minimize accidents and incidents and to ensure that our more than 12,500 employees are happy and well at work.

[1] https://www.iea.org/energy-system/transport/cars-and-vans (1 March, 2024)

Area	Risk	Handling
Environment	We are part of an industry that has a big impact on the climate. In addition, our own operations generate greenhouse gas emissions. We handle large amounts of waste, including chemical waste such as oils and other liquids.	Adaptation of range and offer. Work to reduce our own emissions and increase the proportion of waste that is recycled.
Social issues and staff	We have more than 12,500 employees, some of whom carry out hazardous operations with a risk of serious injury. Periodically high workloads in our facilities can pose a risk of stress.	Measures to create a safe and good working environment with a good work-life balance.
Human rights	In our part of the value chain, the risk of human rights violations is limited. Risks occur in the automotive value chain, mainly related to material extraction.	Supplier Code of Conduct.
Anti-corruption	There is a risk of bribery and the like, and sometimes the line between hospitality and bribery may be unclear.	Group-wide Policy and Code of Conduct. Restrictive stance and clear rules for entertainment and hospitality.

Strategy and Policies

The automotive industry is undergoing major changes, which brings with it both risks and opportunities. To manage risks and capture opportunities, we have diversified our business and now work in a larger part of the value chain in more countries with more brands. Our vision is to be a transformative force in the changing automotive and mobility industry. That means taking action where we can to push and enable the greater transformation that the entire industry is going through. At the same time, we are continuously working to reduce the impact of our own operations.

Hedin Mobility Group's strong expansion in recent years has meant that the group-wide sustainability work is under development. This work will be intensified as we prepare for the reporting requirements pursuant to the CSRD. However, all operations follow the same strategic direction – to reduce their own impact. Work to coordinate policies and governing documents at Group level was initiated in 2023. In 2024, group-wide policies and guidelines in several areas will be adopted by the board.

Strategic purchasing

Since a large part of the impact of our own operations comes from purchased materials, products and energy, our strategic purchasing is a key to reducing our negative impact. Strategic purchasing works with procurement and purchasing development of the Group's common product areas such as spare parts and accessories, consumables, transportation, services, energy, equipment and other direct and indirect materials for all markets in which we operate. This responsibility does not extend to original spare parts or vehicles where industry-specific standards and requirements apply. The work is based on our Supplier Code of Conduct, which we are in the process of implementing in our supplier base. We are also working to implement sustainability KPIs for our purchasing work in order to reduce climate impact and increase the proportion of recycled or reused materials.

Materiality assessment and stakeholders

Prior to the introduction of CSRD and the new reporting requirements that follow from it, a double materiality assessment will be carried out in 2024. It will form the basis for our reporting going forward.

We always have an open dialogue with all our stakeholders. In addition to our customers, our most important stakeholders are our employees, owners, general agents, vehicle manufacturers, finance companies, suppliers, municipalities and authorities.

ENVIRONMENT

Impact and control

Hedin Mobility Group's impact comes from running our facilities, logistics and fuel for demo cars, company cars and sold cars. It is linked to energy use, transport and business travel, the management of hazardous waste and waste fractions that are not recycled, and the handling of chemicals.

Our work is conducted with shared values, but due to our rapid growth and geographical expansion, we have not fully implemented group-wide policies in all our companies. Our overall ambition is to reduce the impact of our own operations.

Several of our companies in the Group hold quality and environmental certifications on various levels. Our workshops have the most laws regarding the environment and work environment that they follow. In addition, car manufacturers require us as an authorized dealer to conduct our work with high quality.

Climate emissions

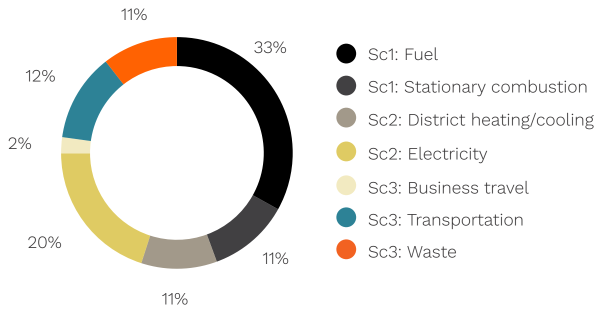
Activity data from the operations have been converted into tonnes of carbon dioxide equivalents (tCO2e) using relevant emission factors. Reporting is done in line with the GHG Protocol, although its guidelines are not fully applied. The reporting of climate data is not fully comprehensive as we have challenges with obtaining data from our suppliers.

Scope 1 refers to fuel for demo cars, company cars and sold cars, as well as oil and gas used in our workshops. Scope 2 refers to purchased electricity, district heating and district cooling. Scope 3 refers to business travel (excluding trips in own cars) and waste. Scope 3 also includes upstream emissions from the production of cars and downstream emissions from cars when they are driven. These emissions are not taken into account.

2023 GHG emissions (tCO2e)

	Location-based	Market-based
Scope 1	17,913	17,913
Scope 2	12,318	29,783
Scope 3	10,118	10,118
Total	**40,350**	**57,814**

Distribution of emissions, tCO2e



Fuel

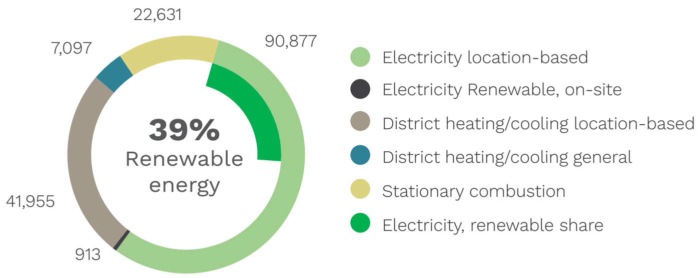
33 percent, 13,346 tonnes CO2e, of our measured emissions come from fuel purchased for demo cars, company cars and sold cars. Since as a retailer we have no influence on our range of brands and models, we have limited control over the choice of fuel.

Energy consumption and efficiency improvement

Energy consumption at our dealerships consists mainly of heating, lighting, ventilation, baseload (electricity for equipment such as computers, tools and the like) and cooling. As the share of rechargeable vehicles in our sales mix increases, more electricity is also used to charge them. We are continuously increasing the number of charging stations at our dealerships to meet the increased demand. Obtaining a comprehensive reading of the electricity consumption for electric car charging is currently not possible, which means that we cannot separate electricity used for charging and that used to run the building in our reporting.

We have identified energy efficiency as an area where we can reduce both our environmental impact and our costs. That is why we measure and continuously monitor our consumption of electricity, district heating and cooling, as well as oil and gas. In Sweden, we have had an energy efficiency program in place since 2016. Today, 49 dealerships are included in that program. During the year, these facilities have saved 10,618 MWh compared to base year.

Energy mix facilities, MWh

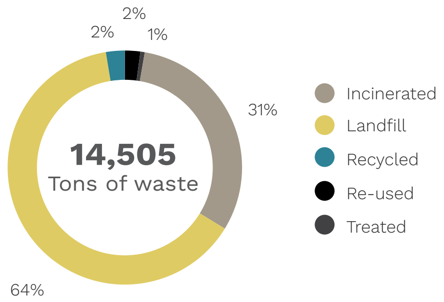


Waste

Our waste consists mainly of the packaging that cars and spare parts come in, as well as the car parts and fluids (e.g. engine oil) that are replaced in our service operations. We only have limited opportunities to control the amount of waste and therefore work actively to ensure the most possible recycling and reuse.

The ambition is to continuously monitor the performance of each dealership through information on collected waste types, including transports and volumes. By reducing the number of partners in waste management, we create the conditions for pushing through improvement measures in each market. The amount of waste is not complete as Germany, Switzerland, and parts of the United Kingdom are missing. In some markets, treatment methods are also lacking from suppliers, where incineration has been used as the primary option.

Treatment methods

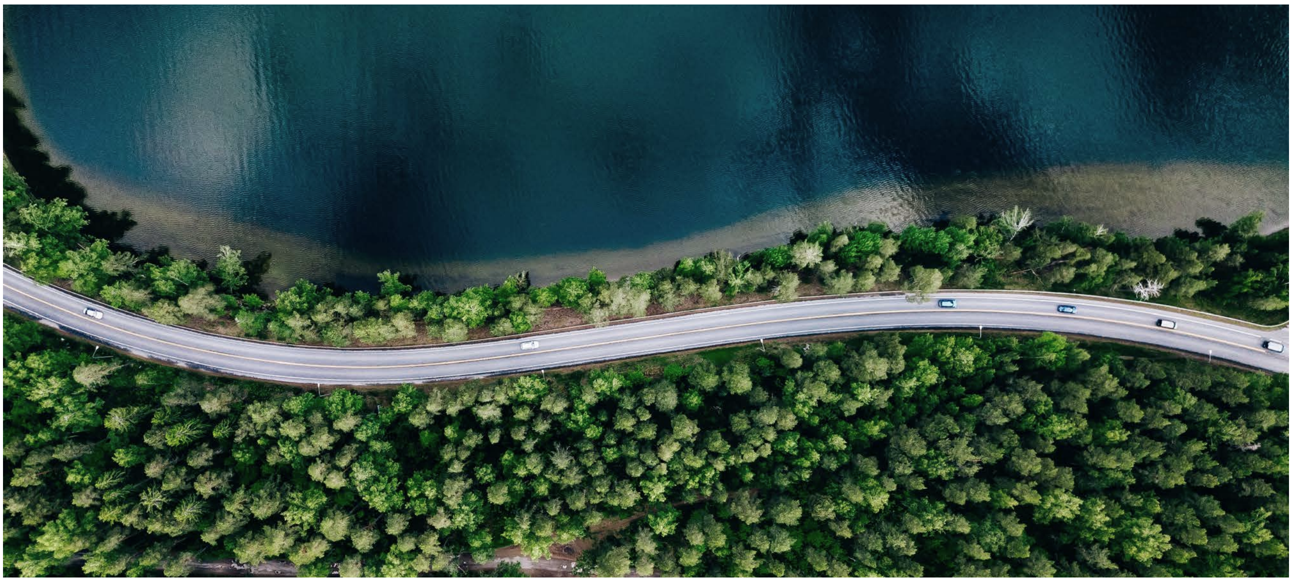


Transport

Emissions from the transport of vehicles and spare parts amount to about 12 percent of our total climate impact. However, it is not our total emissions that are reported as many of our smaller carriers do not have the opportunity to collect their emissions. Strategic purchasing has a strategy of coordinating transport purchases in cases where we have several companies with their own contracts that ship from the same address. Procurements also require emission data to be collected.

Business travel

Our business travel is governed by our group-wide travel policy, which sets out the principles that apply when choosing means of transport. We continuously strive to reduce our climate impact, measured in tonnes of CO2e, from our business travel. At our head office in Sweden, our staff use our carpool with electric cars for business travel. The use of these has resulted in a reduction of scope 1 and 2 emissions of approximately 7.2 tCO2e compared to driving the same distance with conventional fuel.[2]



[2]Calculation based on Sweden's national electricity production mix 2021 (source: IEA, 2023), an assumed energy consumption of 0.2 kWh/km for electric vehicles, and an average emission factor for direct emissions for diesel with a 33 percent bio share (source: DEFRA, 2023, average bio share from the Swedish Energy Agency, 2023).

SOCIAL RESPONSIBILITY

Impact and control

Hedin Mobility Group has grown rapidly and today has over 12,500 employees in 14 countries. Our ambition to be a good employer is partly to ensure that our employees are happy and well, and partly to make sure we have the right skills for our operations. We strive to achieve zero work-related accidents and conduct systematic work environment and safety work with clearly documented procedures in several countries.

Due to our rapid growth, our HR work is not coordinated at group level, but the work has begun. We work with digitization, skills development and have developed tools for recruitment, employee surveys and an e-learning platform. We have also embarked on a journey towards a global infrastructure for HR. Altogether, this aims to contribute to working together to strengthen our organization and achieve our common goal - to be the Employer of the Future.

Employee turnover and employee satisfaction

Satisfied employees who stay for a long time contribute to lower recruitment costs and, above all, less loss of skills, which in turn contributes to higher quality and customer satisfaction. During the year, not enough employee surveys were conducted to provide an overall picture.

External certification is an acknowledgment of us being a good employer. Some of our subsidiaries work together with Great Place to Work®, which bases its certification on employee surveys. Below are the companies that received certification in 2023.

- Bavaria Norway
- Bavaria Sweden
- Hedin Automotive Switzerland
- GS Bildeler
- Koed
- Hedin Automotive Norway
- Carstore Norway
- Hedin Performance Cars Sweden

An important KPI for measuring employee satisfaction, in addition to regular employee surveys, is the employee turnover rate. What is a good level varies between industries and companies, but we believe that a reasonable target is maximum of 12 percent of staff turnover. In 2023 the employee turnover rate was 20,3 percent, excluding the U.S. and Denmark.

In turbulent economic times, the staff turnover rate tends to go up. This is especially true in industries such as ours, where part of the remuneration can consist of commissions on sales.

Many efforts are underway to reduce staff turnover. In 2023, SKILLS – the Group's own knowledge platform – was launched. There, employees can access various training programs and courses to improve their skills and drive their professional development forward. Sweden is the first country to do so, and in 2023 the Onboarding program was introduced with the aim of ensuring a smooth and positive start for new employees and giving them an insight into the company's values, culture and work environment.

The SKILLS platform will offer a variety of training opportunities, including online courses, workshops and webinars tailored to the company's internal needs. Since the launch in August, some 3,500 courses have been completed.

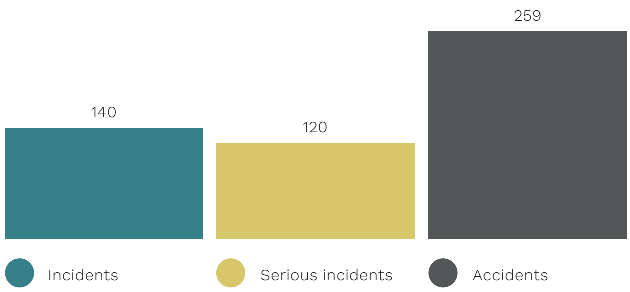
Incidents, accidents and sick leave

We have a vision of zero work-related accidents and strive to provide a healthy and safe work environment for all our employees, including all necessary information and training. In several of our operations systematic work environment management is conducted with clear, documented procedures and internal guidelines. The ambition is for all operations in the Group to conduct systematic work.

Several of our employee groups, mainly in our workshops, are exposed to physical risks at work that may involve a risk of crush injuries, repetitive strain injuries, vibration injuries or injuries when working with high-voltage vehicles. In our workshops, there are also a large number of chemicals that require the right protective equipment.

In our car sales and customer receptions, the workload can be high at times while threatening and violent situations can occur.

A challenge in this work has been that incidents are not registered to the extent that they should, given the size of the operation. Measures such as better and more user-friendly reporting systems and training have been taken. Reporting incidents is important in order to prevent workplace accidents from occurring.



We have a target at group-level of short-term absence of no more than 3 percent. To achieve this, we work to enable our employees to combine private and working life with routines to proactively reduce sick leave. Absence statistics are followed up at an individual level and managers have access to tools to activate rehabilitation measures. Sickness absence for 2023 amounts to 6.1 percent.

Equality, diversity and discrimination

We work at a group level to counteract all forms of discrimination and aim to offer workplaces where everyone treats each other with mutual respect, regardless of gender, age, origin or other grounds of discrimination. Thus, we have zero tolerance for all forms of discrimination, harassment and intimidation. Within the group, there are several different documents across our various operations that address this. Implementation of group-wide documents, including a new Code of Conduct, is underway with the aim of strengthening the protection and rights of our employees in all countries.

Our sector is male-dominated, especially in certain professional roles such as the workshops, where trained technicians from vocational schools are still >95 percent men. We have not set a numerical target for the proportion of men and women, but the starting position is that we will work to attract more people from underrepresented groups. We also aim for employees to always have the opportunity to combine work, career, parenthood and leisure time.

Human rights

We support and respect human rights and ensure that we support them in our operations. We demand the same from our suppliers, as stated in our group-wide code of conduct for suppliers.

All employees are free to form and to be a member, or not to be a member, of trade unions or similar external workers' organizations, and to engage in collective bargaining.

We actively cooperate with, and are inspected by, local trade unions with regard to all forms of violations or human rights. Any suspected or reported cases of human rights violations within the Group are reviewed and investigated by the HR department (see also "Reporting of improper action" in the next section).

GOVERNANCE

Impact and control

Hedin Mobility Group sells to both private individuals and companies and makes its own purchases. The risk of improper action such as bribery or corruption can be found in all business relationships, and our business is no exception. Our ambition is to adhere to high ethical standards in everything we do.

We have group-wide policies for purchasing, with a code of conduct for our suppliers and an internal code of conduct for the purchasing department. We have a group-wide Code of Conduct and also implement policies within Compliance & Ethics, such as Anti-Corruption and Management of Conflicts of Interest. In some cases, our subsidiaries have their own equivalents.

Anti-corruption and bribery

We comply with applicable legislation in the countries in which we operate and national codes on gifts, rewards and other benefits in business relations. Our employees are expected to have an understanding of what anti-corruption is and where the boundaries for bribery or other undue influence lie.

Gifts to employees are used restrictively, as is external entertainment and hospitality. Entertainment and hospitality must be approved by the responsible manager, always be directly linked to the business and have the purpose of maintaining or initiating a business relationship.

Business Ethics

Embezzlement and fraud are not accepted and will be reported to the police if discovered. Through routines and policies, the scope for fraud or embezzlement is reduced as much as possible.

Conflicts of interest must be avoided. This may involve side jobs, acting as an intermediary in transactions between Hedin Mobility Group and third parties, or employing close relatives.

Reporting of improper action

The whistleblower function is available to all employees at Hedin Mobility Group and subsidiaries in Sweden. In Norway, Finland, Belgium and Slovakia there is one for each country. A group-wide whistleblower function will be launched in the spring of 2024.

During the year, a few cases of improper action were reported in the countries where the function is available.

REPORTING ACCORDING TO THE EU TAXONOMY

The EU taxonomy for green investments is part of the European Green Deal and aims to create a common definition of which activities are classified as environmentally sustainable, to facilitate the identification of sustainable investments.

This year, Hedin Mobility Group reports according to the EU Taxonomy for the first time. As part of producing this report, an analysis has been made of the activities that are defined under the six environmental objectives set out in the taxonomy:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

In order for an economic activity to be classified as environmentally sustainable, it must contribute substantially to one or more of the six established environmental objectives, do no significant harm to any of the other objectives, and meet certain defined minimum safeguards.

Hedin Mobility Group's initial analysis consisted of identifying which of the Group's activities are covered by the taxonomy. Continuing with the development of the analysis, it will be expanded by defining which activities are compatible with the taxonomy, and thus meet the technical review criteria set up for identified activities. This also includes ensuring that the activities do not cause significant harm to other environmental objectives and that they comply with the minimum safeguards.

The activities identified for Hedin Mobility Group are as follows:

Environmental objective 1 – Mitigation of climate change

3.3. Manufacture of low-carbon transport technology (including repair and maintenance)

In our aftermarket business, we are an obvious partner for maintaining and repairing vehicles regardless of brand, model or powertrain. We use second-hand spare parts whenever possible and ensure that any waste generated is recycled as much as possible.

6.5. Transport by motorcycles, passenger cars and light motor vehicles (including purchase, financing, rental and leasing) and 6.6. Services related to road transport (including purchasing, financing, rental and leasing)

Our Mobility solutions business area offers a wide variety of vehicles that give customers the opportunity to make the right choice based on their wishes and needs for short-term rentals. In our sales, vehicles with repurchase commitments are included, where revenue is recognized over the contract periode in accordance with operational leasing.

As we are currently unable to fully differentiate between vehicle types in our financial reporting, we have chosen to combine 6.5 and 6.6 this year and name it 6.5 in the tables below.

7.4. Installation, maintenance and repairs of charging points for electric vehicles in buildings and parking spaces adjacent to buildings

Our new venture, Hedin Supercharge, focuses on expanding charging infrastructure for public charging and, henceforth, also managing our existing charger portfolio that we maintain for our own use. For 2023, there is still no turnover in the activity, but investments have been made in Sweden.

7.7. Acquisition and ownership of buildings (including rental)

During the year, parts of the Group's property holdings were divested and transferred to tenancies. Many of our dealerships have car washes, motor vehicle inspections and restaurants to offer customers a broader range of services when visiting us. By subletting to these businesses and in our capacity as tenants, we are included in this activity.

Environmental objective 4 – Transition to a circular economy

5.3. Preparation for re-use of end-of-life products and product components.

Our car dismantling operations Hedin Recycled in Sweden and parts of the KOED Group in Denmark are part of our contribution to the circular economy. The components that can be reused are made available to our own operations, external actors, but also private individuals. The remaining parts are taken care of by our waste partners and recycled to up to 95%.

5.4 Sales of second-hand goods

Sales of used vehicles are an important part of our offer in order to make the most of the vehicles' service life. We also reach a wider customer base and can thus help more people choose vehicles with lower climate impact.

Calculation method

The sales reported are the part of the group’s total net sales that relate to the above activities. Total net sales are reported in financial statment, also refer to note 4.

Operating expenses are reported as defined in the taxonomy, i.e., direct non-capitalized costs, primarily related to building renovations, maintenance and repairs, short-term lease agreements, as well as all other expenses related to the daily maintenance of assets necessary to ensure the continuous and proper functioning of the asset.

Capital expenditure refers to acquisitions of new intangible and tangible assets during the year, including investments through acquisitions of businesses, see note 13–14 in financial statements.

The full report of activities covered by the taxonomy can be found in the taxonomy tables below. Since this is the first year that the group reports according to the taxonomy, there are no comparative figures from previous years. For the year, we have not reported on compatibility with environmental objectives 1 and 2 due to lack of data. For environmental objective 4, compatibility is not reported as it is not a requirement for 2023.

In the absence of regulatory guidance in many respects, the Group has found that there is broad interpretation latitude in several parts of the taxonomy. Therefore, we have deemed it necessary to make our own internal assessments. Our information for 2023 is based on our current interpretation of the rules and may change in the future based on new regulatory guidance, as market practices evolve and general understanding of the taxonomy’s requirements increases.

	Nuclear energy related activities	YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						
TURNOVER	Code	Turnover, MSEK	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
Turnover of environmentally sustainable activities (A.1)		**0**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities																
Manufacture of low-carbon transport technology	CCM 3.3	15,198	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
Transport by motorcycles, passenger cars and light motor vehicles	CCM 6.5	2,753	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
Acquisition and ownership of buildings (including rental)	CCM 7.7	33	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
Preparation for re-use of end-of-life products and product components.	CE 5.3	45	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							
Sales of second-hand goods	CE 5.4	19,686	24%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							
Turnover of Taxonomy- eligible but not environmentally sustainable activities (A.2)		**37,715**	**46%**	**22%**	**0%**	**0%**	**0%**	**24%**	**0%**							
A. Turnover of Taxonomy eligible activities (A1+A2)		**37,715**	**46%**	**22%**	**0%**	**0%**	**0%**	**24%**	**0%**							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																
Turnover of Taxonomy-non-eligible activities		**43,963**	**54%**													
TOTAL		**81,678**	**100%**													

				Substantial Contribution Criteria						DNSH ('Does Not Significantly Harm')						
CapEx	Code	CapEx, MSEK	Proportion of CapEx	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
CapEx of environmentally sustainable activities (A.1)		**0**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Transitional			-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities																
Manufacture of low-carbon transport technology	CCM 3.3	799	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
Transport by motorcycles, passenger cars and light motor vehicles	CCM 6.5	6,575	47%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
Installation, maintenance and repairs of charging points for electric vehicles in buildings and parking spaces adjacent to buildings	CCM 7.4	2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
Acquisition and ownership of buildings (including rental)	CCM 7.7	5,182	37%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
CapEx of Taxonomy- eligible but not environmentally sustainable activities (A.2)		**12,558**	**90%**	**90%**	**0%**	**0%**	**0%**	**0%**	**0%**							
A. CapEx of Taxonomy eligible activities (A1+A2)		**12,558**	**90%**	**90%**	**0%**	**0%**	**0%**	**0%**	**0%**							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																
CapEx of Taxonomy-non-eligible activities		**1,354**	**10%**													
TOTAL		**13,912**	**100%**													

OpEx	Code	OpEx, MSEK	Proportion of OpEx	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
OpEx of environmentally sustainable activities (A.1)		**0**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Transitional			-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities																
Manufacture of low-carbon transport technology	CCM 3.3	114	66%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							
Preparation for re-use of end-of-life products and product components.	CE 5.3	1	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							
Sales of second-hand goods	CE 5.4	18	10%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							
OpEx of Taxonomy- eligible but not environmentally sustainable activities (A.2)		**133**	**77%**	**66%**	**0%**	**0%**	**0%**	**11%**	**0%**							
A. OpEx of Taxonomy eligible activities (A1+A2)		**133**	**77%**	**66%**	**0%**	**0%**	**0%**	**11%**	**0%**							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																
OpEx of Taxonomy-non-eligible activities		**41**	**23%**													
TOTAL		**174**	**100%**													

Auditor's report on the statutory sustainability report

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

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 38–47 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

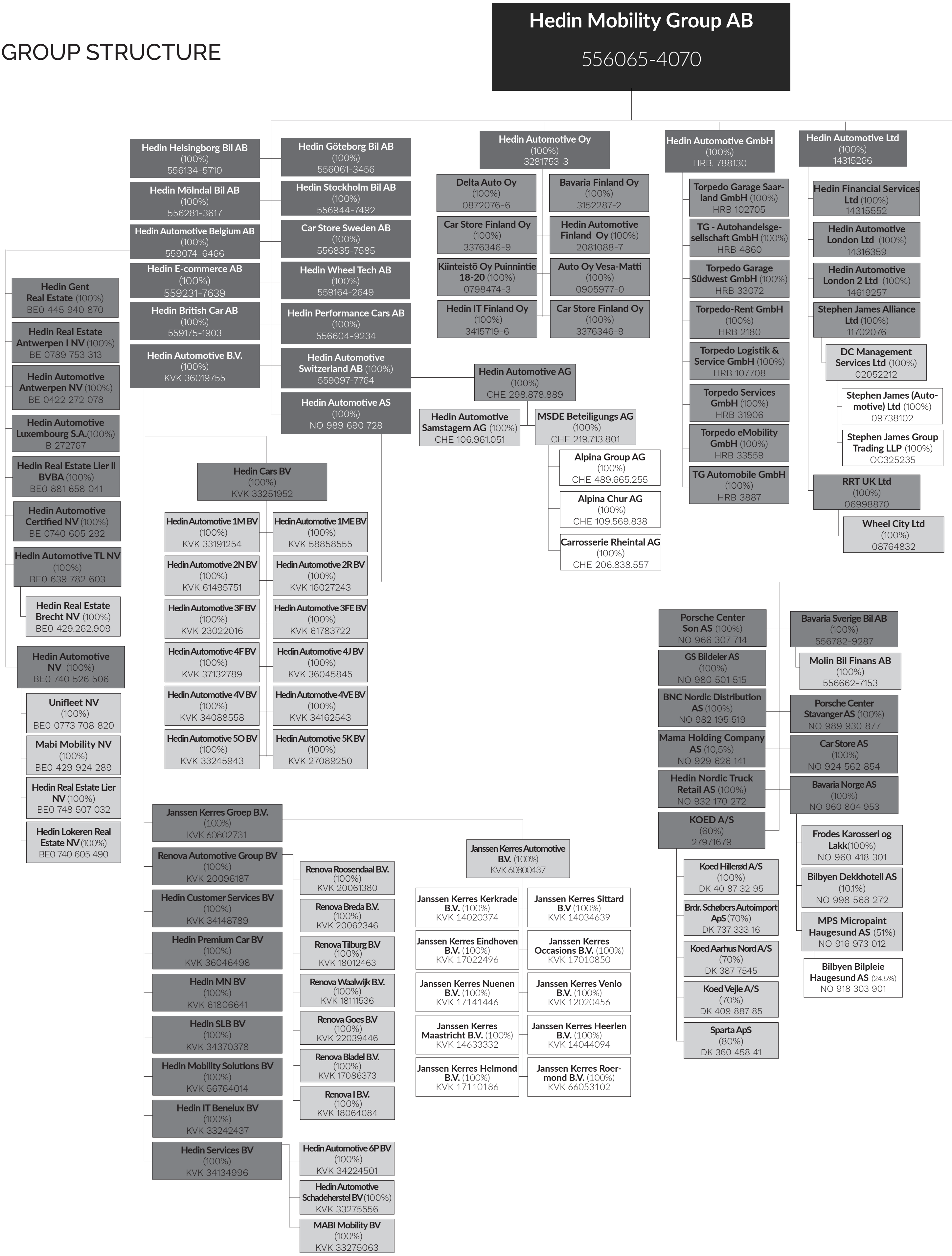
Opinion

A statutory sustainability report has been prepared.

Mölndal, 2024-04-24
PricewaterhouseCoopers AB

Johan Palmgren
Authorised Public Accountant

GROUP STRUCTURE



- **Motor-Car Bratislava, spol.s r.o.** (100%) SK-35828161
  - **MOTOR - CAR Košice s.r.o.** (100%) SK-36198595
  - **Motor - Car Nitra, s.r.o.** (51%) SK-36554049
  - **Motor- Car Nové Zámky, s.r.o.** (100%) SK-36528277
  - **Motor - Car Michalov-ce, s.r.o.** (100%) SK-36584231
  - **Motor-Car Prešov, s.r.o.** (90%) SK-36458236
  - **Motor-Car Banská Bystri-ca, spol. s r.o.** (100%) SK-36643947
  - **Motor-Car Zvolen s.r.o.** (100%) SK-36768162
  - **KIA Bratislava s.r.o.** (100%) SK-35873647
  - **BCI-S&T, s.r.o.** (34%) SK-30228573
  - **LEAS.SK, s.r.o.** (100%) SK-35849142
  - **MCW, s.r.o.** (100%) SK-35809655
  - **Autentik Motor-Car, Kft.** (51%) HU-08-09-015310
  - **Orientik Motor-Car, Kft.** (51%) HU-08-09-019122
  - **Carstore Slovakia, s.r.o.** (100%) SK-55649505
  - **Hošek Motor, a.s.** (100%) CZ-63484463
    - **Autocentrum hm, s.r.o.** (100%) CZ-26921294
- **Hedin MG Sweden AB** (100%) 559009-9429
- **Hedin MG Finland Oy** (100%) 3409606-3
- **Hedin HMC Motor Company AB** (100%) 556023-0053
- **Hedin Caetano AB** (50%) 559354-9651
  - **RN Nordic AB** (100%) 556713-6543
- **Hedin Electric Mobility AB** (100%) 556740-0857
- **Hedin Electric Mobility Gmbh** (100%) DE 355 782 414
- **Hedin Premium Car AB** (100%) 556042-0696
- **Hedin Adventure Car AB** (100%) 556371-6421
- **Hedin US Motor AB** (100%) 559124-2937
- **BNC Nordic Distribution AB** (100%) 556191-3798
- **Klintberg & Way Group AB** (100%) 559124-2945
  - **Klintberg & Way AB** (100%) 556563-6932
    - **KW Parts NV** (100%) BE 0453.881.311
    - **KW Parts GmbH** (100%) HRB.144881
    - **Pickup XL AB** (100 %) 559299-5376
    - **Klintberg & Way AS** (100%) 977515998
    - **Norrlands Custom AB** (100 %) 556785-7577
  - **Klintberg & Way Automotive SA** (100%) CHE-287.970.539
  - **KW Autohaus GmbH** (100 %) 29/405/01734
  - **KW Homologering AB** (80%) 556720-8300
    - **KW Technology Center Gmbh** (100%) HRB.30976
- **Hedin Parts and Logistics AB** (100%) 556602-9277
  - **Interwheel Sweden AB** (100%) 556437-9344
  - **Nyköpings Logistikpark AB** (100%) 559315-5640
  - **Hedin Parts & Logistics AG** (100%) CH-020.3.038.270-9
  - **Hedin Parts & Logistics Inc** (100%) 0801851184
  - **Hedin Parts & Logistics Ltd** (100%) 07848402
  - **Hedin Parts & Logistics GmbH** (100%) HRB 94950
  - **Hedin Recycled Halmstad AB** (100 %) 559365-1929
- **Car to Go Sweden AB** (100%) 556787-8052
- **Unifleet AB** (100%) 556254-5193
- **Mabi Mobility AB** (100%) 556675-9394
  - **Mabi Sverige AB** (100%) 556334-4901
  - **Mabi Mobility AG** (100%) CH 130.3.031.396-5
  - **Flexilease AB** (100%) 559061-2726
- **Hedin Real Estate AB** (100%) 556969-3624
- **Hedin IT AB** (100%) 556954-4017
- **HMG Invest AB** (100%) 559390-0904
- **Hedin Nordic Truck Retail A/S** (100%) 44622130
- **Hedin BC i Malmö AB** (100%) 559056-0784
- **Hedin Supercharge AB** (100%) 556976-5737
- **Hedin Mobility Company 1 Ltd** (100%) 14519138
  - **Hedin Mobility Company 2 Ltd** (100%) 14519267
- **Lasingoo Sverige AB** (24.5%) 556973-1630
- **Mercedes-Benz Financial Services Slovakia s. r. o** (25%) SK-35728116

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Jan Litborn
Chairman of the Board

Erik Selin
Board member

Hampus Hedin
Board member

Klaus Kibsgaard
Board member

Anders Hedin
CEO
Board member

Björn Hauber
Board member

HEDIN MOBILITY GROUP
Anders Hedin, President & CEO
Hampus Hedin, Vice President
Per Mårtensson, CFO
Victor Bernander, Finance & Treasury Manager
Andréas Joersjö, General Counsel
Charlotte Martinsson, HR Director
Jørn Heiersjø, Real Estate Director
Rasmus Hansen, Procurement Director
Patrick Olsson, CEO Hedin IT

5-YEAR SUMMARY

MSEK	2023	2022	2021	2020	2019
Net sales	81,678	52,522	28,114	24,024	22,279
Operating profit	1,693	2,297	993	689	338
Financial items	-813	-103	-154	-177	-190
Profit before tax	880	2,194	839	511	148
Taxes	-60	-348	-196	-125	-45
Net profit for the year	820	1,846	644	386	103
Intangible fixed assets	4,228	3,124	2,109	1,695	1,877
Tangible fixed assets	29,054	22,562	12,676	7,475	7,563
Financial assets	1,893	1,947	1,086	82	71
Inventories	17,289	13,647	4,363	2,775	3,089
Accounts receivable	4,028	3,483	1,534	909	970
Other current assets	3,442	2,333	2,579	605	753
Total assets	59,934	47,096	24,347	13,540	14,323
Equity	8,760	8,200	6,058	1,197	931
Long-term liabilities	21,994	17,052	10,077	7,633	7,877
Accounts payable	9,087	7,036	2,556	1,510	1,713
Other current liabilities	20,093	14,808	5,656	3,200	3,802
Total equity and liabilities	59,934	47,096	24,347	13,540	14,323
Cash flow from operating activities	3,165	1,861	2,209	1,707	1,508
Cash flow from Investing activities	-5,222	-8,465	-5,009	-680	-1,475
Cash flow from Financing activities	2,424	5,531	4,473	-1,045	23
Cash flow for the year	367	-1,073	1,673	-18	56
Equity ratio	15%	17%	26%	11%	9%
Return on equity	10%	26%	18%	36%	12%
Average number of employees	9,370	6,172	3,569	2,651	2,733

MEUR	2023	2022	2021	2020	2019
Net sales	7,361	4,720	2,749	2,393	2,135
Operating profit	153	206	97	69	32
Financial items	-73	-9	-15	-18	-18
Profit before tax	79	197	82	51	14
Taxes	-5	-31	-19	-12	-4
Net profit for the year	74	166	63	39	10
Intangible fixed assets	381	281	206	169	180
Tangible fixed assets	2,618	2,027	1,239	745	725
Financial assets	171	175	106	8	7
Inventories	1,558	1,226	427	276	296
Accounts receivable	363	313	150	91	93
Other current assets	310	210	252	60	72
Total assets	5,401	4,232	2,381	1,349	1,373
Equity	789	737	592	119	89
Long-term liabilities	1,982	1,532	985	760	755
Accounts payable	819	632	250	150	164
Other current liabilities	1,811	1,331	553	319	364
Total equity and liabilities	5,401	4,232	2,381	1,349	1,373
Cash flow from operating activities	285	167	216	170	145
Cash flow from Investing activities	-471	-761	-490	-68	-141
Cash flow from Financing activities	218	497	437	-104	2
Cash flow for the year	33	-97	164	-2	5
Equity ratio	15%	17%	26%	11%	9%
Return on equity	10%	26%	18%	36%	12%
Average number of employees	9,370	6,172	3,569	2,651	2,733
Exchange rate SEK/EUR	11.096	11.13	10.23	10.04	10.43

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 accounting year 01/01/2023 – 31/12/2023.

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 cars, 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 operations are conducted in Sweden, Norway, Finland, the Netherlands, Belgium, Switzerland, Slovakia, the Czech Republic and Hungary. During the year, Germany, the United Kingdom and Luxembourg were added, which means that we now cover 12 countries in northern and central Europe. In total, more than 40 car brands are offered, with Mercedes-Benz, BMW, Ford, KIA, BYD and MG among the largest. In Sweden the majority of sales take place under the trademark Hedin Bil. The Bavaria brand is used in Sweden, Norway and Finland for sales of BMW and MINI, while Hedin Performance Cars is used for sales of Porsche in dedicated Porsche Centres in Sweden and Norway. Hedin Automotive is used as a trademark for sales in other European countries except Slovakia, the Czech Republic and Hungary where the established name Motor-Car is used, and in the UK where the Stephen James brand is used for sales of BMW and Mini.

Under the Carstore brand, we gather our dealerships dedicated to the sale of used vehicles, in order to build up a network in the countries where we are active. After a few years in Sweden, Carstore is now also available in Norway, Finland and Slovakia. In addition to Carstore, used vehicles are also sold in Hedin Bil dealerships under the name Hedin Certified, where the vehicles are sold with a 12-month warranty and free delivery to any dealership.

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. Hongqi is also distributed in the Netherlands, Belgium and Luxembourg, and BYD is distributed in Germany. The operations relate to sales of new passenger cars and commercial vehicles as well as spare parts together with financing solutions, vehicle 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.

Hedin Parts and Logistics AB is the exclusive global supplier of Saab original parts through a global network in Europe, North America, Asia and Australia. In addition to logistics services for external customers, they also handle spare parts distribution for several of our distribution brands.

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 beginning of 2023, car dismantling also takes place through the subsidiary Hedin Recycled Halmstad AB. This allows us to, among other things, offer used spare parts and thereby further strengthen our customer offer and our aftermarket.

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.

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 full range of passenger cars, commercial vehicles and minibuses. In addition, there is a concept for 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 conducts brokering of passenger cars through the Carplus brand, which comprises the entire range of services including leasing, insurance and service. The company is the driving force in the digital transformation of the automotive business, where the customer has the option to make a comprehensive choice of brand, model, colour, dealer and delivery location online. Unifleet AB offers operational and financial leasing as well as vehicle administration services to the Swedish corporate market.

The parent company

Hedin Mobility Group AB's business essentially consists of managing 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	2023	2022	2021	2020	2019
Net sales	81,678	52,522	28,114	24,024	22,279
Operational earnings	1,535	2,106	1,084	778	406
Margin, %	1.9	4.0	3.9	3.2	1.8
Operating profit	1,693	2,297	993	689	338
Profit after financial items	880	2,194	839	511	148
Total assets	59,934	47,096	24,347	13,540	14,323
Return on equity, %	10	26	18	36	12
Equity ratio, %	15	17	26	11	9
Equity ratio, % excluding IFRS 16	18	21	33	17	13
Average number of employees	9,370	6,172	3,569	2,651	2,733

Definitions
Return on equity: Net profit for the year after tax in relation to average equity.
Equity ratio: Equity and subordinated liabilities to the Parent company in relation to total assets.
Operational earnings: Operating profit excluding items affecting comparability and amortisation of consolidated surplus values.
Operating margin: Operational earnings in relation to net sales.

EVENTS DURING THE YEAR

- The acquisitions of BMW dealers Mats Lindholms Bil AB and Molin Bil AB were completed on 1 February 2023. The transactions mean that Hedin Mobility Group expands the BMW business in Bavaria. Transfer of business was on 1 February 2023.
- Hedin Automotive Belgium AB continued to grow with Toyota thanks to the acquisition of Toyota dealer Van Dijck in Brecht with 10 employees.
  With the acquisition Hedin Automotive has strengthened its geographic presence in the province of Antwerp and the Campine region and with a total of 26 dealerships the company is now Belgium's largest retailer. Transfer of business was on 8 February 2023.
- 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 meters that is at the forefront of dismantling cars and recycling parts in a sustainable way, including the latest technology for environmentally friendly and safe handling of fluids.
  The facility, which currently employs six people, was inaugurated in autumn 2020 and is located in Getinge in Halland. Transfer of business was on 17 February 2023.
- The acquisition of four dealerships in South London from Mercedes-Benz Retail Group UK Ltd was completed on 1 April 2023. 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. With the acquisition, Hedin Mobility Group establishes its first own retail operations in the UK.
- Hedin Automotive B.V. acquired three Dutch Peugeot dealerships in Assen, Groningen and Veendam. The dealerships together employ 56 people in vehicle sales, workshop and spare parts. With the acquisition Hedin Automotive expands its network of dealers in the northern Netherlands and thus strengthens its position in the Dutch automotive market. Transfer of business was on 3 April 2023.
- Hedin British Car AB entered into an agreement to acquire all shares in Förenade Bil JL i Malmö AB, which is the exclusive dealer of Jaguar and Land Rover in Skåne with an authorized service workshop. Transfer of business was on 28 April 2023.
- Hedin Automotive AG acquired the BMW dealer H.P. Schmid AG's business north of Zürich in Switzerland.
  The acquisition further strengthens Hedin Automotive's position as the second largest dealer group for BMW and MINI in Switzerland – and Hedin Mobility Group's position as one of Europe's largest dealers of BMW. Transfer of business was on 15 May 2023.
- Hedin Automotive Luxembourg S.A. acquired the Mazda business at the dealer Garage Pirsch s.à.r.l. in Luxembourg. The transaction covers the company's entire business in sales of new and used cars as well as aftermarket services. Through the acquisition, Hedin Mobility Group enters the Luxembourg market for the first time. The group's presence in Benelux is thus completed to consist of market-leading retail operations in Belgium, the Netherlands and Luxembourg through the brand Hedin Automotive. Transfer of business was on 2 June 2023.

- Hedin Mobility Group entered into a partnership with Lotus Cars, through which Hedin Mobility Group becomes the official agent for Lotus in Sweden and the Netherlands. The agreement covers sales of Lotus cars and related aftermarket services. In Sweden, Hedin Mobility Group's dealer group Hedin Bil will represent Lotus, while Hedin Automotive will act as official agent for the brand in the Netherlands.
- Hedin Mobility Group's Swedish dealer group Hedin Bil was appointed as official agent for the car brand smart. The agreement covers both vehicle sales and aftermarket services for smart-cars in the Swedish market. Hedin Bil will represent smart with a full range of services in Stockholm, Gothenburg and Malmö and will also offer smart-customers authorized maintenance and workshop services in Helsingborg, Jönköping, Linköping and Uppsala.
- Hedin Mobility Group AB (publ) issued MSEK 1,000 of senior unsecured bonds in Swedish kronor under a framework of MSEK 2,000. The bonds will have a floating interest rate of STIBOR 3 months + 5.75% per annum and mature in July 2026. The bonds are listed for trading on the corporate bond list of Nasdaq Stockholm.
- Hedin Automotive B.V. acquired Renova Automotive Group B.V. with 250 employees. The acquisition comprises the Dutch dealer group's entire BMW and MINI business, which includes sales of new and used vehicles as well as aftermarket services and claims business. Renova runs five full-service dealerships for BMW, three of which also represent MINI, as well as two independent auto repair shops. In 2022, Renova's market shares for BMW and MINI were both over 9% and the Group had a turnover of approximately MEUR 200. Transfer of business was on 18 August 2023.
- Hedin Automotive Ltd acquired the reputable BMW and MINI dealer Stephen James Group. The transaction comprises all of Stephen James Group's operations, which include sales of new and used cars as well as a broad-ranging aftermarket business. The Stephen James Group sells over 6,000 new and used cars annually and employs around 400 people across five BMW dealerships, three of which also represent MINI, in the London region. Transfer of business was on 25 August 2023.
- Hedin Automotive GmbH entered into an agreement with Torpedo Garage Holding GmbH & Co. KG and Torpedo LT Investment GmbH to acquire a total of eight companies, in which all vehicle-related operations are run under the brand Torpedo Gruppe. The Torpedo Gruppe represents Mercedes-Benz, smart, Hyundai, Land Rover and BYD in 21 locations in six federal states. The Group offers private and corporate customers an end-to-end concept with sales of new and used passenger cars, commercial vehicles and trucks, car rental, insurance and financing solutions as well as a complete aftermarket business. In 2022, Torpedo Gruppe sold a total of 12,000 new and used vehicles and had net sales of MEUR 526 (agent business included). Approximately 1,260 people are employed in the Group. Transfer of business was on 30 August 2023.
- Hedin Mobility Group entered into an agreement with Sagax for the sale of 16 properties located in the Netherlands, Belgium and Germany.
- Hedin Automotive Oy acquired the Finnish Ford dealer Auto Oy Vesa-Matti, which sells new and used Ford passenger cars and commercial vehicles, and is also active in authorized spare parts sales and service. Auto Oy Vesa-Matti has a turnover of approximately MEUR 10 and sells some 800 new and used cars annually. Transfer of business was on 31 August 2023.
- Hedin Automotive Oy entered into an agreement with Delta Motor Group Oy to acquire all shares in Delta Auto Oy as well as Delta Motor Group Oy's operating activities. The transaction comprises all business activities in Delta Auto, including the sale of new and used cars, aftermarket services and spare parts and automotive support functions. Delta Auto is a significant player in the Finnish automotive market, with sales of MEUR 322 in 2022, and employed 315 employees at 13 dealerships in 12 cities and a brand portfolio consisting of nine vehicle brands. With this acquisition, Hedin Automotive continues its growth strategy in Finland and expands its presence to a nationwide network of dealers from Helsinki to Oulu. Transfer of business was on 4 September 2023.
- Hedin Automotive B.V. entered into an agreement with Janssen Automotive B.V. to acquire Janssen Kerres Groep B.V. and Janssen Kerres Lease B.V. The acquisitions include the Janssen Kerre dealer group's vehicle retail, leasing and aftermarket market operations. Janssen Kerres represents KIA, Renault, Dacia and Nissan and runs 13 dealerships in the North Brabant and Limburg regions. Janssen Kerres also provides authorised workshop services for Peugeot and Citroën. In 2022, Janssen Kerres had net sales of MEUR 200 and employed 300 staff in its retail operations. Transfer of business was on 4 October 2023.
- On 30 November 2023, Hedin Automotive Ltd acquired the British wheel refurbishment specialist RRT (UK) Ltd. The business is located in Luton and processes 20,000 wheels annually.
- Hedin Mobility Group and Iveco Group signed an agreement to acquire Iveco Group's distribution and retail operations 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. The transaction is subject to regulatory approval and is expected to be finalised in the first half of 2024.
- Hedin Mobility Group and Ford Motor Company have signed a non-binding Memorandum of Understanding regarding the acquisition of Ford's national sales company in Finland. Through the proposed transaction, which is expected to be completed in 2024, Hedin Mobility Group will take over the business for import and distribution of Ford passenger cars, commercial vehicles and spare parts and accessories in the Finnish market.

Events after the end of the financial year

- On 12 February 2024, it was announced that Hedin Mobility Group during the period November 2023 to February 2024 had divested its entire holding in the listed company Pendragon PLC.
- On 4 January, Hedin Mobility Group was appointed distributor for MG in Finland. The sales and service network will initially consist of 13 full-service dealerships operated by Hedin Automotive Finland. Sales and customer deliveries are expected to begin in the second quarter of 2024.
- Hedin Mobility Group AB has entered into an agreement to acquire Mercedes-Benz Försäljnings AB, which includes all of Mercedes-Benz Malmö's vehicle sales and aftermarket services operations, as well as the property where the business is conducted. The business employs approximately 137 employees and sells some 2,200 vehicles per year. The transaction is subject to regulatory approval and is expected to be finalised in the second quarter of 2024.

Expected future development

The market conditions and economic situation in Europe, including high market interest rates, mean that the assessment of how the market will develop becomes very uncertain. There is also great variation between the markets in which we operate. 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 to develop and streamline our operations, and through our broad geographical presence in Europe we are well positioned to take advantage of the opportunities that tomorrow's mobility business brings.

Risks

Risks and risk-taking are part of our business which, if properly managed, can provide benefits in a changing world. A general economic downturn at the global level or in one of the world's leading economies can reduce demand for the Group's products, solutions and services. War, terrorism and other hostilities, as well as natural disasters and disruptions in the world's financial markets, can also have a negative effect on demand for the Group's products and services.

Each unit and function is responsible for identifying risks in its own operations. During the year, group management participated in training to better understand and manage risks from an Enterprise Risk Management (ERM) perspective and thus create a better foundation for continued growth and profitability.

Below is a description of the risks that are expected to have the greatest impact on the Group.

External risk and political risk

The last few years have shown the global consequences a pandemic, or a military conflict, can have on a society and its economy. 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.

Official decisions that lead to changes in taxes, fees, subsidies and restrictions on the products and services sold by the Group may affect both the demand for and the valuation of cars in stock and cars sold with guaranteed residual values.

We are also seeing increased regulation and higher demands on manufacturers and producers as well as distributors and dealers in the automotive industry. In the short and long term, these requirements lead to increased costs and affect competition in our geographical area of operation.

However, we view these new requirements as mainly positive, as in the long term they are needed for sustainable development, in which we want to be an active player and contribute to continued benefit for our customers and partners.

Risks related to market development

There is a risk that consumption of durable goods, including cars, will decline to a significantly lower level over a longer period of time. This is usually linked to the economic climate and the development of market interest rates for financing car purchases. Some parts of the business, such as the aftermarket and used vehicles, are less sensitive to changes in the economic climate. By diversifying our operations and our geographical presence, we allow the diversification of risks. When there is an oversupply in the market there is a risk of car prices being adjusted downwards.

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 forms of ownership contributes to increased customer loyalty and less risk.

Stock values and delivery capacity

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. We continuously analyse existing stock and trade-ins to ensure that current stock is competitive.

Lack of components from sub-suppliers has resulted in delayed deliveries of certain models. In the short term, this may affect our ability to deliver. 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 economic downturn is prolonged, there is a risk that refinancing the current credit portfolio will not be possible. Continuous dialogue with our creditors is held in order to ensure long-term cooperation.

Risks related to acquisitions

As part of the Group's strategic growth targets, businesses are acquired. If the conditions in the acquired businesses differ from what is known prior to the acquisition or if the integration of the acquired businesses were to fail, this could have a negative impact on the Group.

In connection with all acquisitions, a comprehensive review (Due Diligence) is carried out with the aim of identifying all risks in the company's operations, in which the relevant internal functions participate in collaboration with external legal expertise.

The Group's strategic growth targets can also be seen as long-term risk management, with a wide range of brands also reducing the risks that arise from overexposure to individual brands. 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 segments of the automotive industry such as distribution, retail and mobility create opportunities to diversify and spread the risks.

Corporate governance report

The highest decision-making body in Hedin Mobility Group is the 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 the 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.

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

Hedin Mobility Group has prepared the sustainability report in accordance with the Annual Accounts Act.

A summary of the Group's sustainability work and reporting according to the EU taxonomy can be found on pages 38-47 in this report.

Net sales and result

Net sales increased by 56% to MSEK 81,678 (52,522). During the year, several major acquisitions were completed, with the establishment of retail in the UK and Germany, as well as continued expansion in Finland and the Netherlands. Adjusted for acquisitions and exchange rate fluctuations, net sales for comparable units increased by 9%.

Operational earnings decreased by MSEK 571, equivalent 27%, to MSEK 1,535 (2,106). The margin was 1.9% (4.0%). In retail, operational earnings decreased by MSEK 227, and the margin amounted to 1.5% (3.0%). This is mainly attributable to the Nordic market, where weaker demand has contributed to lower sales prices and margins. Distribution reduced operational earnings by MSEK 454 and the margin to 2.1% (5.7%), largely due to a weaker Swedish krona and the establishment of new brands and markets in combination with weaker demand in the private market.

Operating profit decreased by MSEK 604 to MSEK 1,693 (2,297). The profit includes a capital gain on the sale of properties of MSEK 515. Last year, earnings were positively impacted by negative goodwill of MSEK 349. Earnings are also encumbered by structural costs relating to changes in our distribution network, the establishment of new distribution brands and costs associated with acquisitions and establishment in new markets of MSEK 148.

Net financial items amounted to MSEK -813 (-103). Interest expenses are rising due to increased borrowings, larger operations and higher market interest rates. Exchange rate differences amount to MSEK -69 (+24). The item also includes profit from participations in associated companies of MSEK 125 (188), as well as a capital gain of MSEK 293 from the sale and revaluation of the holding in Pendragon PLC.

Cash flow from operating activities amounted to MSEK 3,165 (1,861). Investments in fixed assets excluding leasing vehicles and right-of-use assets amounted to MSEK 987 (590). Available liquidity, including unutilised overdraft facilities, amounted to MSEK 2,438

Net sales	2023	2022	Change
Retail	73,775	45,233	63%
Distribution	14,495	13,274	9%
Segment reconciliation	-6,592	-5,985	
Total	**81,678**	**52,522**	**56%**

Operational earnings	2023	2022	Change
Retail	1,114	1,341	-17%
Distribution	303	757	-60%
Segment reconciliation	118	8	
Total	**1,535**	**2,106**	**-27%**

Margin	2023	2022
Retail	1.5%	3.0%
Distribution	2.1%	5.7%
Total	**1.9%**	**4.0%**

Distribution

Net sales increased by 9% to MSEK 14,495 (13,274). Sales of vehicles were strong at the beginning of the year after a period of delivery delays, to then gradually decline during the year as demand in the Swedish market declined. A similar development can be seen in the European market for Dodge and RAM.

Sales of our distribution brands in Sweden are at a lower level than last year, largely due to lower demand from the consumer market and for private leasing. The launch of BYD in Sweden and Germany took place during the year and sales are increasing every month. In Germany, agreements have been signed with external dealers, including the recently acquired operations in Torpedo Gruppe, while sales in Sweden are conducted through Hedin Bil and Bavaria. Establishing the Ford F-150 in the market has continued by setting up sales networks at dealerships in Europe and sales are gradually increasing.

Deliveries of INEOS Grenadier to our European customers also continue, with sales mainly in Switzerland, Belgium, Luxembourg and Sweden.

Sales of spare parts and tyres have increased slightly compared to the previous year, mainly in KW Parts and through our new distribution brands.

Operational earnings decreased by MSEK 454 and the margin was 2.1% (5.7%). In addition to lower volumes, imports were affected by higher purchase prices, which are largely due to the weak Swedish krona, which had a negative impact on earnings. Earnings were also encumbered by start-up costs for new car brands in Sweden and Germany and restructuring of the spare parts business.

Retail

Net sales increased by 63% to MSEK 73,775 (45,233). Operational earnings decreased by 17% to MSEK 1,114 (1,341). Adjusted for acquired units and exchange rate fluctuations, net sales increased by 8%. In Sweden, sales increased by 23%, but adjusted for acquisitions and reduced private leasing invoicing increased by 7%. The total market, measured in the number of registered passenger cars, has increased by 1%. Order take has decreased during the year due to the removal of subsidies for electric cars and high interest rates. The reduced demand means that sales prices are being squeezed and margins are shrinking, which are the main reasons for the lower earnings. We have also invested in more full-service dealerships for our distribution brands, which has increased costs in the short term. The aftermarket is showing stable demand with maintained margins.

In Norway, the total market has decreased by 27% during the year, largely due to changes in subsidies for electric cars. Our sales have decreased by 23%, which also had a negative impact on earnings, especially for electric cars in the premium segments.

Sales in Finland, adjusted for acquisitions, are increasing for both new and used vehicles. The Finnish market has grown during the year, but is still at a very low level. Operating profit was affected by costs for the implementation of new acquisitions, changes in the organisation and the clearance sale of new and used vehicles. The investment in used vehicles continues with the establishment of Carstore, Hedin Certified and Hedin Auction.

In the UK, demand and market prices for used vehicles have decreased, resulting in lower margins. This, together with lower sales at the end of the year, contributed to the low result.

In Belgium, sales and order take have been good, which was partly affected by changes in tax rules. Together with the effects of previous delivery problems from the factories, this meant that the order backlog was high at the beginning of the year. The total market increased by 30% after a weak previous year. Margins on car sales have improved and the aftermarket is showing both higher sales and margins.

The market in the Netherlands has also been strong and increased by 18%. Our sales have increased by about 25%. The measures taken last year to reduce costs have taken effect and are contributing to the improved result.

The acquisition of Torpedo Gruppe in Germany was completed in September and are included in the annual accounts for four months. Earnings have been affected by costs related to the restructuring of parts of the business and the start-up of the new brand BYD, together with weaker than expected sales of existing brands.

In Switzerland, the total market has increased and our sales of new vehicles are going up. Sales of used vehicles are at the same level as last year, but with slightly lower margins.

In Slovakia, the Czech Republic and Hungary, demand has continued to be strong and sales have increased compared with the corresponding operations last year. Sales in the aftermarket are also increasing. Both earnings and margins have improved as a result of the increased volume.

Net sales	2023	2022	Change
Sweden	23,225	18,943	23%
Norway	4,765	6,202	-23%
Finland	7,036	3,310	113%
UK	3,011	-	
Belgium, Luxembourg	8,788	5,482	60%
Netherlands	14,028	7,722	82%
Germany	1,771	-	
Switzerland	4,244	2,177	95%
Slovakia, Czech Republic, Hungary	6,907	1,397	394%
Total	**73,775**	**45,233**	**63%**

Operational earnings	2023	2022	Change
Sweden	271	716	-62%
Norway	58	335	-83%
Finland	-75	-27	-178%
UK	2	-	
Belgium, Luxembourg	284	164	73%
Netherlands	353	109	224%
Germany	-17	-	
Switzerland	14	0	
Slovakia, Czech Republic, Hungary	224	44	409%
Total	**1,114**	**1,341**	**-17%**

Margin	2023	2022
Sweden	1.2%	3.8%
Norway	1.2%	5.4%
Finland	-1.1%	0.0%
UK	0.1%	-
Belgium, Luxembourg	3.2%	3.0%
Netherlands	2.5%	1.4%
Germany	-1.0%	-
Switzerland	0.3%	0.0%
Slovakia, Czech Republic, Hungary	3.2%	-
Total	**1.5%**	**3.0%**

FINANCIAL POSITION

As of 31 December 2023, cash and cash equivalents amounted to MSEK 1,151 (790). Together with unutilised overdraft facilities and revolving credit facilities, available liquidity was MSEK 2,438 (1,995)

The Group's total assets as of the balance sheet date amounted to MSEK 59,934 (47,096). Investments for the year in fixed assets excluding leasing vehicles and right-of-use assets amounted to MSEK 987 (590).

Parent company

Hedin Mobility Group AB's business essentially consists of managing and developing ownership in existing subsidiaries, as well as providing groupwide services. Profit after financial items amounted to MSEK 229 (428) and net profit for the year amounted to MSEK 271 (689).

PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

Share premium reserve	SEK 4,100,597,412
Profit and loss brought forward	SEK 1,598,017,601
Net profit for the year	SEK 270,503,358
Total	**SEK 5,969,118,371**

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

Balance carried forward	SEK 5,969,118,371
Total	**SEK 5,969,118,371**

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	2023	2022
Operating income			
Net sales	*4*	81,678	52,522
Other operating income	*5*	872	708
		82,550	53,230
Operating expenses			
Finished products and goods for resale		-65,488	-40,849
Other external expenses	*7.8*	-3,827	-2,595
Employee benefit expenses	*6*	-7,150	-4,547
Profit from participations in operational associated companies	*15*	56	7
Depreciation and amortisation of tangible and intangible fixed assets	*13.14*	-4,217	-2,634
Other operating expenses		-231	-315
Operating profit		**1,693**	**2,297**
Profit from financial items			
Profit from participations in associated companies	*15*	437	188
Financial income	*9.11*	31	27
Financial expenses	*10.11*	-1,281	-317
Profit before tax		**880**	**2,194**
Taxes	*12*	-60	-348
Net profit for the year		**820**	**1,846**
Net profit for the year attributable to:			
Parent company's shareholders		800	1,836
Holdings with non-controlling influence		20	10
Net profit for the year		**820**	**1,846**
Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of pensions obligations, net after taxes		-41	46
Share of other comprehensive income from associated companies		-44	67
Items that may be reclassified to net profit for the year			
Cash flow hedging		-36	-46
Share of other comprehensive income from associated companies		0	1
Translation differences		-139	210
Total comprehensive income for the year		**560**	**2,124**
Comprehensive income attributable to:			
Parent company's shareholders		542	2,114
Holdings with non-controlling interests		18	10
Total comprehensive income for the year		**560**	**2,124**

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	Note	31/12/2023	31/12/2022
ASSETS			
Fixed assets			
Intangible fixed assets	*13*		
Intangible rights		168	167
Customer relations		1,073	783
Goodwill		2,987	2,174
		4,228	3,124
Tangible fixed assets	*14*		
Land and buildings		1,106	1,799
Costs incurred on others' property		793	538
Equipment, tools and installations		1,490	773
Leasing vehicles		13,281	10,871
Right-of-use assets		12,166	8,428
Construction in progress		218	153
		29,054	22,562
Shares in associated companies	*15*	300	1,530
Other long-term securities	*16*	1,086	37
Deferred tax assets	*12*	474	367
Other long-term receivables	*17*	33	13
Total fixed assets		**35,175**	**27,633**
Current assets			
Inventories	*18*		
Finished products and goods for resale		14,305	11,259
Goods in transit		2,984	2,388
		17,289	13,647
Current receivables			
Accounts receivable	*19*	4,028	3,483
Receivables from group companies		5	2
Receivables from associated companies		0	6
Tax assets		34	17
Other current receivables		1,247	663
Prepaid expenses and accrued income	*20*	1,005	855
		6,319	5,026
Cash and cash equivalents	*21*	1,151	790
Total current assets		**24,759**	**19,463**
TOTAL ASSETS		**59,934**	**47,096**

CONSOLIDATED BALANCE SHEET

Amounts in MSEK	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Equity			
Share capital		3	3
Other contributed capital		4,100	4,100
Reserves		29	202
Balanced earnings, including profit for the year		4,533	3,818
Equity attributable to the parent company's owners		**8,665**	**8,123**
Holdings with non-controlling influence		95	77
Total equity		**8,760**	**8,200**
Non-current liabilities			
Provisions for pensions	*22*	209	137
Deferred tax liabilities	*12*	420	386
Liabilities to the Parent company	*29*	0	260
Bond loans	*29*	993	0
Other liabilities to credit institutions	*29*	3,037	1,976
Lease liabilities	*29*	10,404	7,190
Other non-current liabilities	*23*	6,931	7,103
Total non-current liabilities		**21,994**	**17,052**
Current liabilities			
Overdraft facilities	*29*	1,928	787
Liabilities to credit institutions	*29*	1,707	2,875
Lease liabilities	*29*	1,782	1,238
Accounts payable		9,087	7,036
Liabilities to group companies		7	207
Tax liabilities		307	389
Other current liabilities	*23*	11,647	6,597
Accrued expenses and deferred income	*24*	2,715	2,715
Total current liabilities		**29,180**	**21,844**
TOTAL EQUITY AND LIABILITIES		**59,934**	**47,096**

CONSOLIDATED REPORT OF CHANGES IN EQUITY

Amounts in MSEK	Share capital	Other contributed capital	Reserves	Balanced earnings, including profit for the year	Total	Holdings without controlling influence	Total equity
Opening Equity 01/01/2022	**3**	**4,100**	**38**	**1,891**	**6,032**	**26**	**6,058**
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
Transactions with owners							
Acquisitions						54	54
Changes in non-controlling interests				-23	-23	-12	-35
Dividend to owners with non-controlling interests						-1	-1
Closing balance 31/12/2022	**3**	**4,100**	**202**	**3,818**	**8,123**	**77**	**8,200**
Net profit for the year				800	800	20	820
Change in translation reserve for the year			-137		-137	-2	-139
Cash flow hedging			-36		-36		-36
Share of other comprehensive income from associated companies				-44	-44		-44
Revaluation of provisions for pensions				-41	-41		-41
Other comprehensive income for the year			-173	-85	-258	-2	-260
Closing balance 31/12/2023	**3**	**4,100**	**29**	**4,533**	**8,665**	**95**	**8,760**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in MSEK	Note	2023	2022
Operating activities			
Profit after financial items		880	2 194
Adjustments for non-cash items	*27*	3,203	2,083
Income tax paid		-306	-209
Cash flow from operating activities before changes in working capital		**3,777**	**4,068**
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-941	-5,615
Increase(-)/Decrease(+) in operating receivables		-401	-1,007
Increase(+)/Decrease(-) in operating liabilities		730	4,415
Cash flow from operating activities		**3,165**	**1,861**
Investing activities			
Acquisition of subsidiaries	*28*	-2,448	-2,765
Purchase of intangible and tangible fixed assets		-987	-590
Sale of tangible assets		1,612	86
Purchase of leasing vehicles		-6,575	-6,309
Sale of leasing vehicles		2,624	1,396
Acquisition of financial assets		0	-283
Sales of financial fixed assets		552	0
Cash flow from investing activities		**-5,222**	**-8,465**
Financing activities	*27*		
Borrowings		3,315	2,635
Repayment of loans		-2,589	-351
Net change in overdraft facilities and similar credit facilities		1,134	649
Change in liability relating to repurchase agreements		1,930	3,542
Repayment of lease liability		-1,366	-944
Cash flow from financing activities		**2,424**	**5,531**
Cash flow for the year		**367**	**-1,073**
Cash and cash equivalents at the beginning of the year		790	1,813
Exchange rate differences in cash and cash equivalents		-6	50
Cash and cash equivalents at year-end	*21*	**1,151**	**790**


HEDIN MOBILITY GROUP

NOTES ON THE GROUP'S FINANCIAL STATEMENTS

Amounts in MSEK, unless otherwise indicated.

NOTE 1 MATERIAL ACCOUNTING PRINCIPLES

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

The board approved these consolidated accounts for publication on 23 April, 2024.

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.

Changes in reporting standards applied by the Group in 2023

As of 1 January 2023, the Group applies the amendments to IAS 12 Income Taxes relating to international tax reform - OECD Pillar 2 rules. The change had no effect on the amounts reported in either the comparison period or the current period.

There are no new standards, changes or interpretations that enter into force for the financial year starting 1 January 2023 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 2023 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. The group applies IFRS10 for sale and lease-back transactions when divesting subsidiaries which essentially owns and manages properties where the group continues to rent and use the property after the sale. This means that capital gain/losses are reported entirely upon disposal.

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 the 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 income 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 posted directly in equity and recorded in other comprehensive income.

Transactions in foreign currencies are translated into the functional currency using the exchange rates on the date of the transaction or the date the items are revalued. Exchange gains and losses that arise from payment of such transactions and when translating monetary assets and liabilities in foreign currencies at the rate on the balance sheet date, are 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 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 for write-down requirement, 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

Financial instruments are divided into the following categories in accordance with IFRS 9; amortised cost and fair value through 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. Borrowings are 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 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 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 Alecta. Defined benefit pension commitments via insurance taken out with Alecta are recorded as defined contribution pension plans.
All pension premiums are carried as an expense during the period they were earned. The liability recorded in the balance sheet relating to defined benefit pension plans is based on the current value of the defined benefit plan obligation at the end of the reporting period.

The defined benefit pension plan obligation is calculated annually by independent actuaries using the so-called projected unit credit method.

The current value of the defined benefit plan is established by means of discounting of estimated future cash flows using interest rates for first-class housing bonds that have been issued in the same currency in which payments will be made and in accordance with terms that are comparable to the current pension plan obligation. Revaluation gains and losses that arise as a result of experience-based adjustments and changes in actuarial assumptions are accounted for under other comprehensive income for the period in which they arise. They are included in profit brought forward in the report on changes in equity and in the balance sheet. Costs related to services performed in previous periods are recorded directly in the income statement.

Provisions
Provisions are recorded in the balance sheet in the event the Group has a legal or informal commitment that has resulted from previous events, and when there is a likelihood that an outflow of resources may be required to settle the commitment, and the amount can be calculated reliably. No provisions are made for future operating losses.

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

Vehicles 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 the sale of a vehicle is combined with a repurchase agreement and there is a financial incentive for the customer to resell the vehicle, control is not
considered to be transferred to the customer. The revenue and the cost are then recorded over the residual value commitment period in accordance with operational leasing. An asset, a residual value debt and prepaid lease income are recorded in the balance sheet. The asset is depreciated over the contract period and the prepaid lease income is distributed over the contract period. The residual debt remains unchanged until the end of the contract.

Aftermarket
Aftermarket includes sales of spare parts, maintenance service, extended warranty and other aftermarket products. The revenue is 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 for dealers (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.

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

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 operating lease remain. 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 term are carried as an expense in the income statement, straight-line over the lease term. 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, lease agreements are recorded as right-of-use assets with a corresponding lease liability. Lease payments are divided between repayment of this debt and financial expense. The right-of-use asset is depreciated straight-line 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 lease fees that depend on indexes. 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 expenses.

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 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 annual accounts 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 Leases 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. Net assets in foreign currency amounted to MSEK 1,849 (993) in EUR, MSEK 160 (209) in CHF, MSEK 1,352 (1,357) in NOK and MSEK -101 (0) in GBP.

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 risk arises through future business transactions, reported assets and liabilities, and net investments in foreign operations. In order to limit the impact of currency fluctuations, purchases in USD and EUR are hedged with forward exchange agreements, based on projected future cash flow. 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 2023 would have been MSEK 236 (174) 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 2023 would have been MSEK 574 (752) lower/higher as a result of changes in purchase prices.

Interest rate risk in borrowing

The Group's interest rate risk arises as a result of long-term borrowings. As a main principle, the Group does not use derivatives to adjust underlying interest rate exposure. Other borrowings are at variable interest rates in SEK and EUR. Average interest rate is between 5.0% - 9.75%. If the interest rates on borrowings in Swedish kronor as of 31 December 2023 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 10 (1) 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 (43) 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 receivables are specified in note 19.

Liquidity risk

Cash flow forecasts are prepared by the Group's operating companies and aggregated by the Group's Finance & Treasury Manager. The Group's Finance & Treasury Manager and CFO carefully monitors current projections for the Group's liquidity reserves in order to ensure that the Group has sufficient liquidity to meet the requirements in current operations while at the same time maintaining sufficient room in agreed credit facilities that have not been utilised to ensure that the Group does not exceed the credit limits of any of its loan facilities.

The table below analyses the Group's financial liabilities distributed over the period remaining on the balance sheet date up to the agreed due date. The amounts in the tables are the contractual, and undiscounted cash flows.

Maturity structure Financial liabilities - Group	**< 1 year**	**1-2 years**	**> 2 years**
Liabilities to Group companies	7	0	0
Bond loans	98	98	1,049
Liabilities to credit institutions	1,992	2,114	1,242
Overdraft facilities	2,024	0	0
Lease liabilities	2,026	1,990	10,102
Accounts payable	9,087	0	0
Other liabilities	7,343	4,491	2,315
Accrued expenses	306	0	0
Total	22,883	8,693	14,708

Maturity structure Financial liabilities - Parent company	**< 1 year**	**1-2 years**	**> 2 years**
Liabilities to Group companies	2,673	0	0
Bond loans	98	98	1,049
Liabilities to credit institutions	933	870	0
Overdraft facilities	1,580	0	0
Accounts payable	20	0	0
Total	5,304	968	1,049

Financing agreement

Some of the Group's financing agreements include commitments of net debt in relation to EBITDA and Equity ratio. According to the agreements, the lender has the right to terminate the agreement for renegotiation or termination if the above commitments are not met. As of December 31, 2023, all conditions were met. In addition to net debt in relation to EBITDA, the bond agreement also includes commitments relating to interest coverage ratio. The latter condition is not fulfilled by 31 December 2023, which means that the Group is prevented from adding more debt or pay dividends.

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).

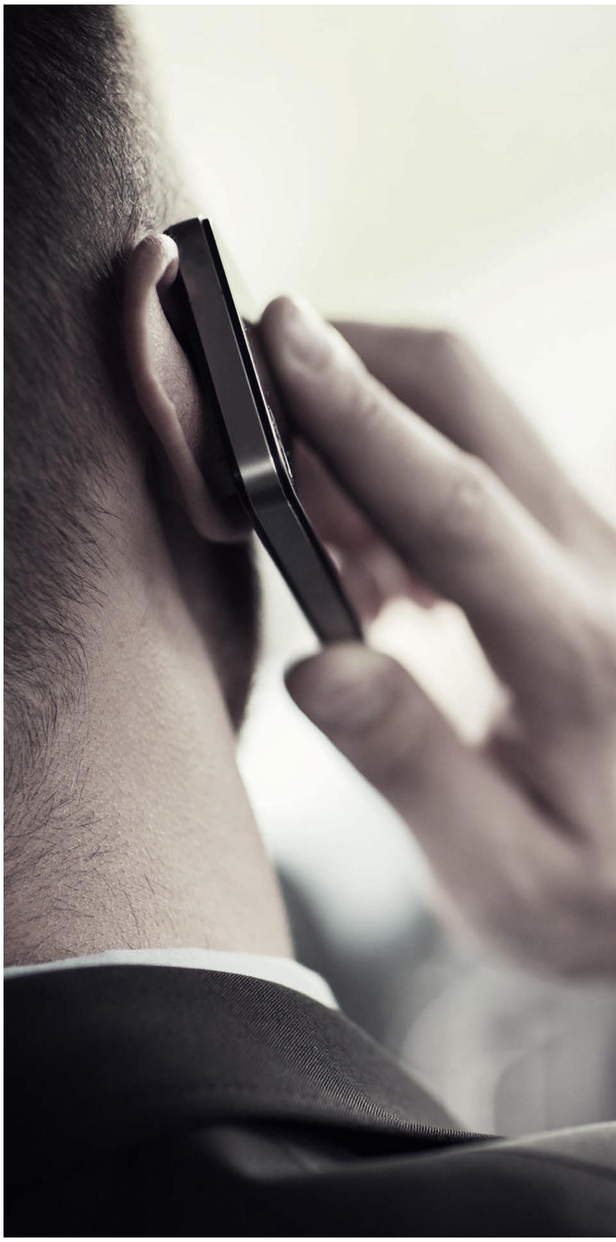
Repurchase agreements

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 used cars at a loss in the future, if the value of these is lower 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.

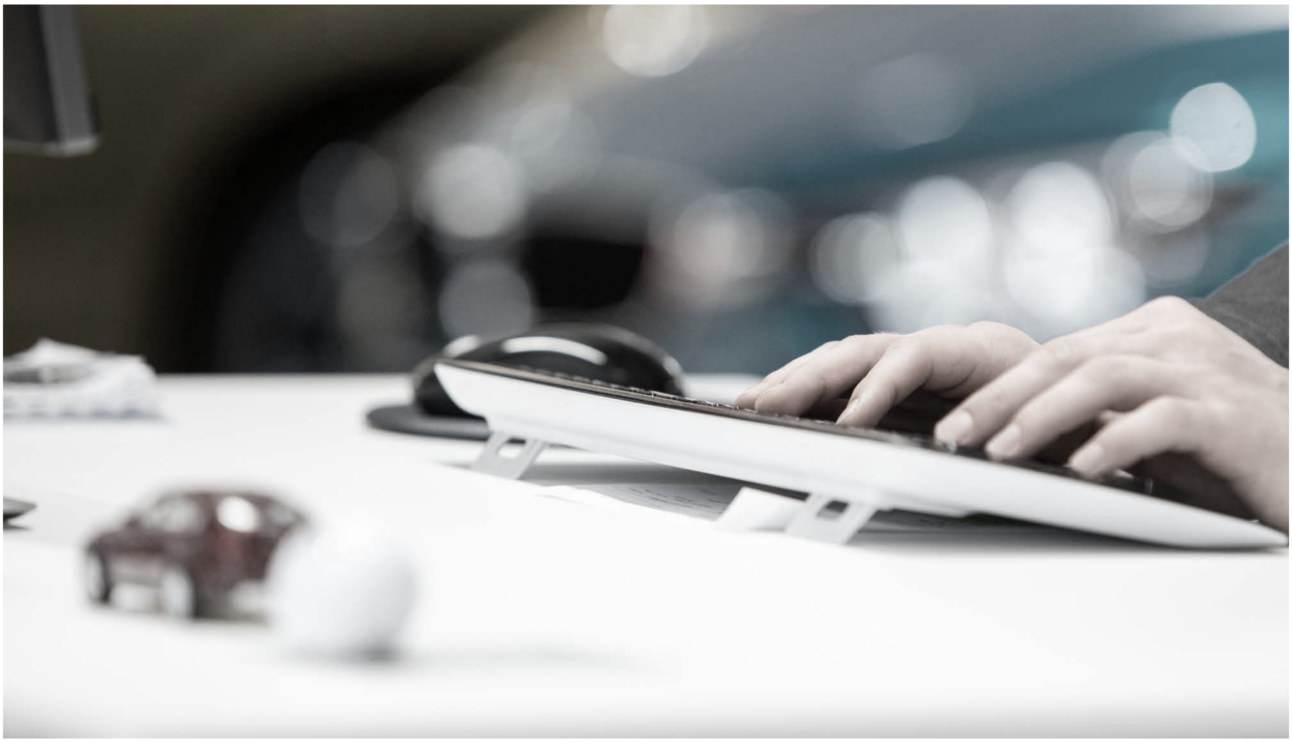
Inventories

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, see note 18.



NOTE 4 OPERATING SEGMENTS

	2023	2022
Net sales distribution		
Retail	73,775	45,233
Distribution	14,495	13,274
Mobility Solutions	633	495
Elimination, other	-7,225	-6,480
	81,678	52,522
Net sales by geographic market		
Sweden	26,237	23,975
Norway	4,819	6,717
Finland	7,427	3,376
UK	3,099	62
Belgium, Luxembourg	8,844	5,552
Netherlands	14,622	7,954
Switzerland	4,305	2,245
Germany	4,410	718
Slovakia, Czech Republic, Hungary	6,974	1,490
Other countries	941	433
	81,678	52,522



	Retail		*Distribution*		*Segment reconciliation*		*Group*	
Amounts in MSEK	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net sales	**73,775**	**45,233**	**14,495**	**13,274**	**-6,592**	**-5,985**	**81,678**	**52,522**
EBITDA	3,543	2,831	469	784	1,531	1,015	5,543	4,630
Depreciation	-2,429	-1,490	-166	-27	-1,413	-1,007	-4,008	-2,524
Operational earnings	**1,114**	**1,341**	**303**	**757**	**118**	**8**	**1,535**	**2,106**
Margin	*1.5%*	*3.0%*	*2.1%*	*5.7%*			*1.9%*	*4.0%*
Negative goodwill					0	349	0	349
Capital gain property					515	0	515	0
Structural costs, etc.	-84	0	-36	0	-28	-48	-148	-48
Amortisation of surplus values	-209	-110					-209	-110
Operating profit	**821**	**1,231**	**267**	**757**	**605**	**309**	**1,693**	**2,297**
Operating margin	*1.1%*	*2.7%*	*1.8%*	*5.7%*			*2.1%*	*4.4%*
Financial items							-813	-103
Profit before tax							**880**	**2,194**
Tax expense							-60	-348
Net profit for the year							**820**	**1,846**
Investments in								
- fixed assets	768	521	67	37	152	32	987	590
- leasing vehicles	6,575	6,309					6,575	6,309

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.

NOTE 5 OTHER OPERATING INCOME

	2023	**2022**
Rental income	51	33
Support/contributions received	21	5
Exchange rate differences	269	319
Profit on sales of fixed assets	531	2
Negative goodwill	0	349
Total	**872**	**708**

The group applies IFRS10 for sale and lease-back transactions when divesting subsidiaries which essentially owns and manages properties where the group continues to lease and use the property after the sale. This means that capital gain/losses are reported entirely upon disposal. The capital gain for the year amounts to MSEK 515 (0).

NOTE 6 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

Average number of employees	2023	Of which men	2022	Of which men
Sweden	2,806	83%	2,518	85%
Norway	513	86%	517	87%
Belgium	771	87%	701	88%
Germany	537	80%	72	86%
Switzerland	431	81%	254	79%
Denmark	53	81%	42	86%
Netherlands	1,753	88%	1,308	89%
Finland	883	83%	474	84%
Slovakia	895	82%	211	82%
Hungary	109	72%	26	69%
Czech Republic	166	87%	39	86%
Luxembourg	26	92%	-	-
UK	417	73%	2	50%
USA	10	50%	7	57%
Group total	**9,370**	84%	**6,172**	86%

Salaries, other remuneration and social security costs	2023	2022
Board of Directors, CEO and other senior executives	62	47
(of which bonuses)	*(12)*	*(10)*
Other employees	5,291	3,208
Total Salaries and other remuneration	**5,353**	**3,255**
Social security costs	1,020	657
Pension costs	347	229
Total salaries, other remuneration and social security costs	**6,720**	**4,141**

The number of senior executives is 28 (22) 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

	2023	2022
PwC		
Audit assignment	15	11
Tax consulting	1	1
Other assignments	9	13
	25	25
Other		
Audit assignment	6	3
Other assignments	2	1
	8	4
Total	**33**	**29**

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:

	31/12/2023	31/12/2022
Right-of-use assets		
Properties	12,071	8,340
Equipment and vehicles	95	88
	12,166	8,428
Lease liabilities		
Short-term	1,782	1,238
Long-term	10,404	7,190
	12,186	8,428

Amounts recorded in the income statement in accordance with IFRS 16

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

	2023	2022
Depreciation of right-of-use assets		
Properties	-1,341	-909
Equipment and vehicles	-34	-32
	-1,375	-941
Interest expenses (included in financial expenses)		
Properties	-241	-98
Equipment and vehicles	-2	-2
	-243	-100

Total cash flow relating to leases was MSEK 1,512 (1,025). Expenses attributable to short-term contracts, or lease contracts of low value, are insignificant and are reported in Other external costs.

The Group as a lessor

Assets that are leased in accordance with operating leases are reported as tangible fixed assets. These assets consist of rental of premises, plus sold cars combined with future repurchase commitments at a guaranteed residual value. Lease income for the year amounts to MSEK 2,068 (1,778).

Future minimum lease income as of year-end was:	31/12/2023	31/12/2022
Within one year	1,139	1,128
Between one and five years	1,275	1,480
Later than five years	23	0
	2,437	2,608

NOTE 9 FINANCIAL INCOME

	2023	2022
Interest income	31	0
Profit from sale of securities	0	3
Exchange rate differences	0	24
Total	**31**	**27**

NOTE 10 FINANCIAL EXPENSES

	2023	2022
Interest expenses	-961	-201
Interest expenses IFRS 16	-243	-100
Exchange rate differences	-69	0
Interest expenses group companies	-8	-16
Total	**-1,281**	**-317**

NOTE 11 EXCHANGE RATE DIFFERENCES

	2023	2022
Other operating income	270	319
Other operating expenses	-226	-313
Financial income	0	24
Financial expenses	-69	0
Total	**-25**	**30**

NOTE 12 TAXES

	2023	2022
Income tax		
Current tax on profit for the year	-239	-382
Adjustment of tax relating to previous years	11	-4
	-228	-386
Deferred tax	168	38
Total	**-60**	**-348**
Reconciliation of effective tax:		
Profit before tax	880	2,194
Tax according to applicable tax rate for the parent company (20.6%)	-181	-452
Effect of foreign tax rates	-8	-32
Non-deductible costs	-40	-12
Non-taxable income	193	130
Utilised tax losses carried forward, previously not recognised	25	21
Uncapitalized tax losses	-41	0
Other permanent differences	-8	-3
	-60	-348

Change in deferred tax assets and liabilities, net	2023	2022
Deferred tax assets and liabilities, net, opening balance	-19	-86
Reported in the income statement	168	38
Reported in other comprehensive income	9	35
Translation difference	6	-8
Business acquisitions / sales	-110	2
Deferred tax assets and liabilities, net, 31 December	**54**	**-19**

	Deferred tax asset		Deferred tax liability		Net	
Specification of deferred tax assets and tax liabilities	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Lease liabilities	2,577	1,779	0	0	2,577	1,779
Right-of-use assets	0	0	2,510	1,736	-2,510	-1,736
Other fixed assets	85	90	283	246	-198	-155
Current assets	23	9	27	29	-5	-20
Provisions	44	29	0	0	44	29
Unutilised tax losses carried forward	123	106	0	0	123	106
Untaxed reserves	0	1	108	111	-108	-110
Saved interest deductions	41	0	0	0	41	0
Other temporary differences	92	89	2	0	90	88
Offset of deferred tax assets and liabilities	-2,510	-1,736	-2,510	-1,736	0	0
Deferred tax assets and tax liabilities, net	**474**	**367**	**420**	**386**	**54**	**-19**

Maturity date, tax losses carried forward, net	2023
No maturity date	78
1-5 years	35
> 5 years	83
Total	**196**
Valuation reserve	-73
Deferred tax asset on tax losses carried forward	**123**

As of 1 January 2024, the Group is subject to the OECD Model Rules and the EU Directive for Pillar 2. According to the legislation, the Group is liable to pay additional tax on the difference between the effective tax rate calculated in accordance with the so-called "GloBE Rules" for each jurisdiction and the minimum tax rate of 15%. The Group is therefore currently assessing its exposure to additional taxes pursuant to Pillar 2. This assessment indicates that the Group will be able to use the simplification rules that are included in the regulations in all countries where the Group operates. As a result, no significant exposure to additional tax is expected. However, due to the complexity of the application of the legislation and the calculation of the so-called GloBE income, the potential quantitative effect of the adopted legislation is difficult to fully estimate. Going forward, the Group will continue to evaluate the potential effects of the new regulations and, if necessary, update the Group's assessments of the potential future impact of the regulations on current taxes.

NOTE 13 INTANGIBLE FIXED ASSETS

	Intangible assets	Customer relations	Goodwill
Acquisition cost			
Opening balance 1 January 2022	108	580	1,723
Purchases	57		
Business acquisitions	67	553	363
Sales/disposals	-1		
Translation differences	9	49	88
Closing balance, 31 December 2022	239	1,183	2,174
Purchases	111		
Business acquisitions	20	520	891
Sales/disposals	-53		
Transfers	-82	2	
Translation differences	-1	-42	-78
Closing balance, 31 December 2023	234	1,663	2,987
Accumulated depreciation			
Opening balance 1 January 2022	-25	-276	0
Depreciation for the year	-42	-110	
Translation differences	-5	-13	
Closing balance, 31 December 2022	-72	-400	0
Depreciation for the year	-52	-209	
Sales/disposals	37		
Transfers	20		
Translation differences	1	19	
Closing balance, 31 December 2023	-66	-590	0
Book value 31 December 2022	167	783	2,174
Book value 31 December 2023	**168**	**1,073**	**2,987**

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 13.3% (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:

	31/12/2023	31/12/2022
Retail		
- Sweden	637	530
- Norway	564	617
- Finland	126	124
- Slovakia	81	83
- Netherlands	143	0
- Belgium	495	497
- Switzerland	243	223
- UK	287	0
- Germany	306	0
Total Retail	2,882	2,074
Distribution	57	52
Mobility Solutions	48	48
Total	**2,987**	**2,174**

NOTE 14 TANGIBLE FIXED ASSETS

	Land and buildings	Cost incurred on others' property	Equipment, tools and installations	Construction in progress	Leasing vehicles	Right-of-use assets
Acquisition cost						
Opening balance 1 January 2022	614	378	864	15	7,256	6,751
Purchases	122	89	178	145	6,309	1,320
Business acquisitions	1,085	230	447	0	663	2,788
Sales/disposals	-13	-24	-72	0	-1,994	-79
Transfers and other	-7	10	-10	-10	0	0
Translation differences	85	52	40	3	213	198
Closing balance, 31 December 2022	1,886	735	1,447	153	12,447	10,978
Purchases	37	252	397	189	6,575	2,375
Business acquisitions	223	74	716	30	131	2,262
Sales/disposals	-994	-121	-197	0	-3,559	-50
Transfers and other	38	183	135	-153	573	593
Translation differences	44	-8	-36	-1	82	-124
Closing balance, 31 December 2023	1,234	1,115	2,462	218	16,249	16,034
Accumulated depreciation						
Opening balance 1 January 2022	-55	-98	-529		-850	-1,670
Depreciation for the year	-30	-67	-179		-1,269	-935
Sales/disposals	7	2	32		598	78
Transfers and other	3	0	10		0	0
Translation differences	-12	-34	-8		-55	-23
Closing balance, 31 December 2022	-87	-197	-674		-1,576	-2,550
Depreciation for the year	-49	-119	-303		-2,110	-1,375
Sales/disposals	36	15	76		935	45
Transfers and other	0	-26	-95		-192	0
Translation differences	-28	5	24		-25	11
Closing balance, 31 December 2023	-128	-322	-972		2,968	-3,868
Book value 31 December 2022	1,799	538	773	153	10,871	8,428
Book value 31 December 2023	**1,106**	**793**	**1,490**	**218**	**13,281**	**12,166**

NOTE 15 SHARES IN ASSOCIATED COMPANIES

	Capital share	*Voting share*	*Carrying amount*	
Associated company / Corp. ID no. / Registered office			**31/12/2023**	**31/12/2022**
Hedin Caetano AB, 559354-9651, Mölndal	50%	50%	187	131
Lasingoo Sverige AB, 556973-1630, Stockholm	24.5%	24.5%	8	8
Pendragon PLC, UK 2304195, Nottingham, UK*	-	-	0	1,290
Mercedes-Benz Financial Services Slovakia s.r.o	25.0%	25.0%	97	97
BCI-S&T s.r.o, 30228573, Slovakia	34.0%	34.0%	4	4
WellColl Heerlen B.V., 14047545, Heerlen, Netherlands	50%	50%	2	0
Schadebedrijf De Kade B.V., 50282700, Eindhoven, Netherlands	50%	50%	3	0
			300	1,530
Accumulated acquisition costs:				
Opening carrying amount			1,530	923
Result from participations in associated companies, after tax			199	195
Share of other comprehensive income, after tax			-44	68
Business acquisitions			5	0
Purchases for the year			0	289
Sales for the year			-490	0
Revaluation			111	0
Reclassifications			-1,049	0
Dividend			-19	0
Translation difference			57	55
Closing carrying amount			300	1,530
Profit from participations in associated companies				
Result from participations in associated companies, after tax:				
- Hedin Caetano AB, 559354-9651, Mölndal			56	7
- Pendragon PLC, UK 2304195, Nottingham, UK			124	188
- Mercedes-Benz Financial Services Slovakia s.r.o			19	0
Capital gain on sales of shares - Pendragon PLC			183	0
Revaluation of shares - Pendragon PLC			111	0
Profit from participations in associated companies			493	195

* Share in profits relating to Pendragon PLC are reported in the Group with a delay of one quarter, after the company's financial statements are published. As of 31 December 2023, the Group's share in Pendragon PLC is 17.8% (27.6%) and the shares are no longer reported as associated companies but as other long-term securities.

NOTE 16 OTHER LONG-TERM SECURITIES

	31/12/2023	31/12/2022
Listed shares (Pendragon PLC)	1,049	-
Unlisted shares	37	37
	1,086	37
Accumulated acquisition costs:		
Opening carrying amount	37	34
Business acquisitions	0	2
Purchases for the year	1	0
Translation difference	-1	1
Transfers	1,049	-
Closing carrying amount	1,086	37

NOTE 17 OTHER LONG-TERM RECEIVABLES

	31/12/2023	31/12/2022
Accumulated acquisition costs:		
Opening carrying amount	13	9
Business acquisitions	24	2
Purchases for the year	4	3
Translation difference	-2	1
Transfers	-1	0
Repayments	-5	-2
Closing carrying amount	33	13

NOTE 18 INVENTORIES

	31/12/2023	31/12/2022
New cars	6,458	5,080
Used cars	4,885	3,715
Demo cars	1,267	925
Spare parts and tyres	1,432	1,168
Goods in transit	2,984	2,388
Other	262	372
	17,289	13,647

Of which impairment of inventories:

	31/12/2023	31/12/2022
New cars	-15	-6
Used cars	-168	-84
Demo cars	-104	-51
Spare parts and tyres	-138	-132
Goods in transit	-6	-8
Other	-14	-9
	-445	-290

NOTE 19 ACCOUNTS RECEIVABLES

Due date	31/12/2023	31/12/2022
Not due	2,553	2,304
Past due up to 30 days	991	911
Past due 30-60 days	196	141
Past due more than 60 days	288	127
	4,028	3,483

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 69 (27).

NOTE 20 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2023	31/12/2022
Accrued bonus from suppliers	231	375
Accrued income	287	200
Other items	488	280
	1,005	855

NOTE 21 CASH AND CASH EQUIVALENTS

	31/12/2023	31/12/2022
Cash and cash equivalents	1,151	790
	1,151	790

The Group has been granted overdraft facilities and revolving credit facilities of MSEK 3,849 (2,488), which are renegotiated annually. Of the facilities granted, MSEK 2,562 (1,283) were utilised as of 31 December 2023.

NOTE 22 PENSIONS

	2023	2022
Opening carrying amount	137	162
Business acquisitions	36	23
Pension costs	9	14
Pension payments	-24	-18
Interest	1	1
Return on plan assets excluding amounts included in interest expenses	1	26
Revaluation as a result of changed financial assumptions	52	-92
Revaluation as a result of experience-based adjustments	-6	11
Translation difference	3	10
	209	137

Defined benefit pension plans

For white-collar employees in Sweden, the ITP 2 plan's defined benefit pension commitments for retirement and family pensions are secured through an insurance with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Classification of ITP plans funded through an insurance in Alecta, this is a defined benefit plan that covers several employers. The Company has not had access to information and therefore could not report its proportional share of the plan's obligations, management assets and expenses, which has meant that is not been possible to record the plan as a defined benefit plan. Therefore, the pension plan ITP 2, secured through an insurance in Alecta, is reported as a defined contribution plan. The premium for the defined-benefit retirement and family pension is individually calculated and depends, i.a., on the salary, previously earned retirement and expected remaining employment period. The annual contributions for pension insurance in Alecta amount to MSEK 33 (MSEK 36).

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 66 (MSEK 63). For the actuarial calculations, a discount rate of 3.1% (4.0%) and an inflation rate of 1.6% (1.9%) have been applied. The duration of the commitment is about 8 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 1.3% (2.15%) and an inflation rate of 1.25% (1.25%) and future salary increases of 1.75% (1.5%) have been applied. The duration of the commitment is estimated to be about 16 years.

Through the acquisition of Torpedo Gruppe in 2023, the Group also has defined benefit pension plans in Germany. For the actuarial calculations, a discount rate of 3.47%, inflation of 2.0% and future salary increases of 2.5% have been applied. The duration of the commitment is estimated to be about 8 years.

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

	2023				*2022*		
	Sweden	Switzerland	Germany	Total	Sweden	Switzerland	Total
Present value of defined benefit obligation	66	517	25	608	63	436	499
Fair value of plan assets		-399		-399		-362	-362
Provisions for pensions	**66**	**118**	**25**	**209**	**63**	**74**	**137**

Sensitivity analysis	Assumption	Change
Discount rate	+0.5%	-33
Inflation	+0.5%	17
Life span	+1 year	10

NOTE 23 OTHER LIABILITIES

	31/12/2023	31/12/2022
Other non-current liabilities		
Liabilities relating to cars sold with repurchase agreements	6,806	6,818
Other liabilities	125	285
	6,931	7,103
Other current liabilities		
Value added tax	674	381
Employees' withholding tax	142	124
Liabilities relating to cars sold with repurchase agreements	5,635	2,816
Consignment vehicles with repurchase agreements	1,708	1,761
Advances from customers	236	357
Other liabilities	3,252	1,158
	11,647	6,597

NOTE 24 ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2023	31/12/2022
Liabilities relating to employees	774	669
Interest expenses	56	12
Prepaid income	202	714
Currency hedging	55	9
Accrued expenses sold vehicles	475	383
Service agreements	216	208
Other items	937	720
	2,715	2,715

NOTE 25 PLEDGED ASSETS

	31/12/2023	31/12/2022
Floating charges	3,231	2,466
Inventories, accounts receivable and equipment	5,116	3,650
Land and buildings	580	2,031
Net assets in sub-group	2,683	2,242
	11,610	10,389

Liabilities for which the collateral has been provided amounted to MSEK 9,186 (5,629) as of year end.

NOTE 26 CONTINGENT LIABILITIES

	31/12/2023	31/12/2022
Guarantee commitments FPG/PRI	1	1
Guarantees for associated companies	37	37
	38	38

NOTE 27 SPECIFICATIONS OF THE CASH FLOW

Items not affecting cash flow	2023	2022
Depreciation	4,217	2,634
Provisions/receivables relating to pensions	-16	-7
Negative goodwill	0	-349
Profit from participations in associated companies	-472	-194
Gains/losses on sales of fixed assets	-526	-1
	3,203	2,083

Financial liabilities	31/12/2023	31/12/2022
Opening carrying amount	24,443	13,191
Cash flow	2,425	5,531
Business acquisitions	2,754	4,311
Lease liabilities	3,020	1,288
Transfers and other	-77	0
Translation differences	-148	122
	32,418	24,443

Interest payments	2023	2022
Interest paid	-826	-290
Interest received	31	0

NOTE 28 BUSINESS ACQUISITIONS

Business acquisitions 2023
The acquisitions of BMW dealers Mats Lindholms Bil AB and Molin Bil AB, which were announced on 15 December 2022, were completed on 1 February 2023. The transactions include all vehicle sales and aftermarket operations at three full-service dealerships. The purchase price amounted to MSEK 132, including goodwill of MSEK 57.

Hedin Automotive Belgium AB acquired the Toyota dealership Van Dijck in Brecht with 10 employees. The purchase price amounted to MEUR 1, whereof goodwill of MEUR 0.4. Transfer of business was on 8 February 2023.

Hedin Parts and Logistics AB acquired OnWheels Bildemontering AB and its parent company OW Förvaltning och Fastighets AB. The business of car dismantling and recycling of spare parts is now conducted under the name Hedin Recycled Halmstad. The purchase price amounted to MSEK 13 including property and goodwill of MSEK 4. Transfer of business was on 17 February 2023.

The acquisition of four dealerships in South London from Mercedes-Benz Retail Group UK Ltd, announced on 24 November 2022, was completed on 1 April 2023. The transaction comprises three full-service dealerships and one workshop with about 360 employees in total. The purchase price for the asset deal amounted to MGBP 43, whereof customer relations amounted to MGBP 8. Goodwill amounted to MGBP 10, attributable to synergies with correspondng brands within present business.

Hedin Automotive B.V. acquired the Peugeot operations at three Dutch dealerships. The dealerships together employ some 56 people in vehicle sales, workshop and spare parts. Transfer of business was on 3 April 2023 and the purchase price amounted to MEUR 7 whereof customer relations amounted to MEUR 1.

Hedin British Car AB acquired Förenade Bil JL i Malmö AB, the exclusive dealer of Jaguar and Land Rover in Skåne with an authorized service workshop. The purchase price amounted to MSEK 20, including goodwill of MSEK 15. Transfer of business was on 28 April 2023.

Hedin Automotive AG acquired the BMW-dealer H.P. Schmid AG in Switzerland, with operations in vehicle sales and aftermarket, including a complete repair shop. The purchase price amounted to MCHF 2.6, whereof goodwill of MCHF 0.6. Transfer of business was on 15 May 2023.

Hedin Automotive Luxembourg S.A. acquired the Mazda business at the Garage Pirsch s.à.r.l. dealership in Luxembourg. The transaction includes all of Mazda's vehicle sales and aftermarket business. The purchase price amounted to MEUR 1.6, whereof goodwill of MEUR 1.2. Transfer of business was on 2 June 2023.

Hedin Automotive B.V. acquired Renova Automotive Group B.V. with 250 employees. The acquisition covers the Dutch dealer group's entire BMW and MINI business, which includes vehicle sales, aftermarket and claims business. Renova runs five full-service dealerships for BMW, three of which also represent MINI, as well as two independent auto repair shops. In 2022, Renova's market shares for BMW and MINI were both over 9% and the Group had a turnover of approximately MEUR 200. The purchase price amounted to MEUR 25, whereof acquired customer relations amounted to MEUR 3. Goodwill amounted to MEUR 10, attributable to synergies with correspondng brands within present business. Transfer of business was on 18 August 2023.

Hedin Automotive Ltd acquired the British dealer group Stephen James Group's operations in vehicle sales and aftermarket. Stephen James sells over 6,000 new and used cars annually and employs around 400 people across five BMW dealerships, three of which also represent MINI, in the London region. The purchase price amounted to MGBP 30, whereof MGBP 12 relates to customer relations. Goodwill of MGBP 12 is attributable to corresponing brands within present business and also synergies with present business in UK. Transfer of business was on 25 August 2023.

Hedin Automotive GmbH acquired a total of eight companies in which all vehicle-related activities of the German dealer group Torpedo Gruppe are conducted. Torpedo Gruppe runs a complete business in vehicle sales and aftermarket with presence in 21 locations in six federal states and approximately 1,260 employees. In 2022, the Group sold a total of 12,000 new and used vehicles with net sales of MEUR 526 (including the agent business). The purchase price amounted to MEUR 72, whereof acquired customer relations amounted to MEUR 17. Goodwill of MEUR 27 is attributable to synergies within corresponding brands within present business. Transfer of business was on 30 August 2023.

Hedin Automotive Oy acquired the Finnish Ford dealer Auto Oy Vesa-Matti, whose full-service dealership has a turnover of approximately MEUR 10 and sells some 800 new and used cars annually. The purchase price amounted to MEUR 0.8 and the transfer of business was on 31 August 2023.

Hedin Automotive Oy acquired Delta Auto Oy and Delta Motor Group's operations in vehicle sales and aftermarket. Delta Auto has 315 employees at 13 dealerships in 12 cities and sells some 13,000 cars per year. In 2022, net sales were MEUR 322. The purchase price amounted to MEUR 2 including goodwill on MEUR 1. Transfer of business was on 4 September 2023.

Hedin Automotive B.V. acquired Janssen Kerres Groep B.V. and Janssen Kerres Lease B.V. The acquisitions include the Janssen Kerre dealer group's vehicle operations in vehicle retail, leasing and aftermarket. Janssen Kerres represents KIA, Renault, Dacia and Nissan and runs 13 dealerships in the North Brabant and Limburg regions. Janssen Kerres also provides authorised workshop services for Peugeot and Citroën. In 2022, Janssen Kerres had net sales of MEUR 200. A total of 300 people are employed in its retail operations. The purchase price amounted to MEUR 11. Goodwill on MEUR 3 is attributable to synergies within present business in the Netherlands. Transfer of business was on 4 October 2023.

On 30 November 2023, Hedin Automotive Ltd acquired the British wheel refurbishment specialist RRT (UK) Ltd. The business is located in Luton and processes 20,000 wheels annually. The purchase price amounted to MGBP 0.4.

In 2023, the acquired operations contributed some MSEK 8,981 in net sales and MSEK -43 in operating loss. If the acquired companies had been consolidated as of 1 January 2023, the consolidated income statement would show net sales of a total of MSEK 93,201 and operating profit of MSEK 1,850.

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. All acquisitions of shares have resulted in an acquired share of equity and voting power of 100%.

	Mercedes-Benz, London (United Kingdom)	Stephen James Group (United Kingdom)	Torpedo Gruppe (Germany)	Other acquisitions	Total 2023
Intangible fixed assets	104	161	213	62	540
Tangible fixed assets	225	704	1,202	1,304	3,435
Financial assets	0	0	14	49	63
Inventories	254	438	794	1,396	2,883
Operating receivables	74	33	364	479	949
Cash and cash equivalents	0	76	11	29	116
Operating liabilities	-5	-422	-1,477	-1,459	-3,363
Acquired net assets	**652**	**989**	**1,122**	**1,861**	**4,623**
Goodwill	127	171	324	269	891
Provisions	-26	-45	-99	-26	-196
Financial liabilities	-206	-701	-497	-1,351	-2,754
Purchase price	**548**	**414**	**850**	**753**	**2,564**
Cash and cash equivalents in acquired businesses	0	-76	-11	-29	-116
Impact on the Group's cash and cash equivalents	**548**	**338**	**839**	**724**	**2,448**

Business acquisitions 2022

On 6 January, the acquisition of Toyota de Laat in Belgium was completed. On 7 January, 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 16 March, 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 31 May. The business is now run under the names Hedin Automotive and Bavaria Finland. Purchase price amounted to MEUR 47 of which acquired customer relations amounted to MEUR 8, which are recorded as intangible fixed assets. Goodwill of MEUR 10 relates to synergies with existing multi-brand and BMW operations in the Group.

On 9 June, the Company acquired all shares in Orio AB. Orio is a logistics company whose roots lie in the Swedish car industry, and is the exclusive global supplier of Saab Original spare parts through a global network in Europe, North America, Asia, and Australia. The company's head office as well as logistics and distribution centre, including the central warehouse of 57,000 sqm with a high rate of automation 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 15 September, 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 19 May, 2022, was completed on 5 October. 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 16 December and the purchase price was MEUR 7. A surplus value of MEUR 2 is recorded as goodwill and relates to synergies with existing operations.

	Hedin Automotive BV (Netherlands)	Hedin Automotive Oy (Finland)	Motor-Car Bratislava spol. s.r.o (Slovakia)	Other acquisitions	Total 2022
Intangible fixed assets	0	143	370	107	620
Tangible fixed assets	2,351	964	996	903	5,214
Financial assets	102	64	8	47	220
Inventories	1,206	777	794	637	3,414
Operating receivables	592	396	319	304	1,611
Cash and cash equivalents	209	137	200	107	653
Operating liabilities	-1,125	-1,108	-1,028	-500	-3,759
Acquired net assets	**3,336**	**1,373**	**1,659**	**1,605**	**7,973**
Goodwill	0	104	79	180	363
Negative goodwill	-349	0	0	-10	-359
Provisions	0	-16	-93	-121	-230
Non-controlling interests	0	0	-53	35	-18
Financial liabilities	-1,908	-965	-853	-585	-4,311
Purchase price	**1,079**	**496**	**739**	**1,104**	**3,418**
Cash and cash equivalents in acquired businesses	-209	-137	-200	-107	-653
Impact on the Group's cash and cash equivalents	**870**	**359**	**539**	**997**	**2,765**

NOTE 29 FINANCIAL INSTRUMENTS

The table below shows financial instruments by category.

31/12/2023	Valued at fair value	Valued at amortised cost	Total
Assets			
Long-term securities	1,086	0	1,086
Receivables from Group companies		5	5
Accounts receivable and other receivables		4,028	4,028
Cash and cash equivalents		1,151	1,151
Total assets	**1,086**	**5,184**	**6,270**

31/12/2023		Total
Liabilities		
Borrowings	7,790	7,790
Loans from Group companies	0	0
Accounts payable	9,087	9,087
Liabilities to Group companies	7	7
Accrued expenses	306	306
Total liabilities	**17,190**	**17,190**

31/12/2022	Valued at fair value	Valued at amortised cost	Total
Assets			
Long-term securities	37	0	37
Receivables from Group companies		2	2
Accounts receivable and other receivables		3,483	3,483
Cash and cash equivalents		790	790
Total assets	**37**	**4,275**	**4,312**

31/12/2022		Total
Liabilities		
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
Total liabilities	**13,973**	**13,973**

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. For accounts receivable and accounts payable, the reported value correspond to the fair value when the maturity is less than one year.

The Group has been granted overdraft facilities and revolving credit facilities totalling MSEK 3,849 (2,488), which are renegotiated annually. Of the facilities granted, MSEK 2,562 (1,283) were utilized as of 31 December 2023.

NOTE 30 TRANSACTIONS WITH RELATED PARTIES

The CEO and the Vice President are employed in the Parent company Hedin Group AB. In fiscal year 2023 debiting of MSEK 12 (12) was made.

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 15 distributed straight-line over 1 year.

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. During 2023, Hedin Mobility Group moved to new headquarters also owned by Fastighets AB Balder.

NOTE 31 EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 12 February 2024, it was announced that Hedin Mobility Group during the period November 2023 to February 2024 had divested its entire holding in the listed company Pendragon PLC.

On 4 January, Hedin Mobility Group was appointed distributor for MG in Finland. The sales and service network will initially consist of 13 full-service dealerships operated by Hedin Automotive Finland. Sales and customer deliveries are expected to begin in the second quarter of 2024.

Hedin Mobility Group AB has entered into an agreement to acquire Mercedes-Benz Försäljnings AB, which includes all of Mercedes-Benz Malmö's vehicle sales and aftermarket services operations, as well as the property where the business is conducted. The business employs approximately 137 employees and sells some 2,200 vehicles per year. The transaction is subject to regulatory approval and is expected to be finalised in the second quarter of 2024.

INCOME STATEMENT - PARENT COMPANY

Amounts in MSEK	Note	2023	2022
Operating income			
Net sales	*1*	407	267
		407	267
Operating expenses			
Other external costs	*2.3*	-281	-182
Employee benefit expenses	*4*	-179	-125
Depreciation and amortisation of tangible and intangible fixed assets	*9*	-9	-3
Operating profit		**-62**	**-43**
Profit from financial items			
Dividends from subsidiaries		0	332
Profit from participations in associated companies		235	0
Interest income and similar income items	*5*	306	186
Interest expenses and similar income items	*6*	-250	-47
Profit after financial items		**229**	**428**
Appropriations	*7*	42	354
Profit before tax		**271**	**782**
Income tax	*8*	0	-93
Net profit for the year		**271**	**689**

There is no other comprehensive income in the parent company.

BALANCE SHEET – PARENT COMPANY

Amounts in MSEK	Note	31/12/2023	31/12/2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Intangible rights	*9*	7	8
		7	8
Tangible fixed assets			
Costs incurred on others' property	*9*	51	0
Equipment, tools and installations	*9*	70	13
		129	13
Financial fixed assets			
Shares in Group companies	*10*	5,698	5,123
Shares in associated companies	*11*	229	1,200
Other long-term securities	*12*	649	11
Receivables from Group companies	*13*	50	50
		6,626	6,384
Total fixed assets		**6,762**	**6,405**
Current assets			
Current receivables			
Receivables from Group companies		6,315	4,097
Receivables from associated companies		0	6
Other receivables		11	2
Prepaid expenses and accrued income	*14*	31	10
		6,357	4,115
Cash and cash equivalents		57	2
Total current assets		**6,414**	**4,117**
TOTAL ASSETS		**13,176**	**10,522**

BALANCE SHEET – PARENT COMPANY

Amounts in MSEK	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital, 285,598,832 shares		3	3
Statutory reserve		0	0
		3	3
Non-restricted equity			
Share premium reserve		4,100	4,100
Profit and loss brought forward		1,598	909
Net profit for the year		271	689
		5,969	5,698
Total equity		**5,972**	**5,701**
Untaxed reserves			
Untaxed reserves	*15*	224	266
Total untaxed reserves		**224**	**266**
Non-current liabilities			
Bond loans	*16*	993	0
Other liabilities to credit institutions	*16*	821	1,063
Liabilities to the Parent company	*16*	0	260
Total long-term liabilities		**1,814**	**1,323**
Current liabilities			
Overdraft facilities	*16*	1,519	773
Liability to credit institutions	*16*	834	1,031
Accounts payable		20	31
Liabilities to group companies		2,673	1,260
Tax liabilities		50	104
Other current liabilities		8	8
Accrued expenses and deferred income	*17*	62	25
Total current liabilities		**5,166**	**3,232**
TOTAL EQUITY AND LIABILITIES		**13,176**	**10,522**

REPORT OF CHANGES IN EQUITY – PARENT COMPANY

Amounts in MSEK	Share capital	Statutory reserve	Non-restricted equity	Total
Opening Equity as of 1 January 2022	**3**	**0**	**5,010**	**5,012**
Net profit for the year			689	689
Closing equity as of December 31, 2022	**3**	**0**	**5,698**	**5,701**
Net profit for the year			271	271
Closing balance as of 31 December 2023	**3**	**0**	**5,969**	**5,972**

CASH FLOW STATEMENT – PARENT COMPANY

Amounts in MSEK	Note	2023	2022
Operating activities			
Profit after financial items		229	428
Adjustment for non-cash items	*20*	-208	-124
Income tax paid		-54	-26
Cash flow from operating activities before changes in working capital		**-33**	**278**
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in operating receivables		-25	-13
Increase(+)/Decrease(-) in operating liabilities		25	35
Cash flow from operating activities		**-33**	**300**
Investing activities			
Acquisition of subsidiaries		-339	-2,777
Sales of associated companies		550	-277
Shareholders' contributions made		-237	0
Purchase of intangible and tangible fixed assets		-124	-14
Change in inter-company transactions		-1,064	-1,564
Cash flow from investing activities		**-1,214**	**-4,632**
Financing activities	*20*		
Borrowings		1,406	2,159
Repayment of loans		-851	-171
Net change in overdraft facilities and similar credit facilities		747	773
Cash flow from financing activities		**1,302**	**2,761**
Cash flow for the year		**55**	**-1,571**
Cash and cash equivalents at the beginning of the year		2	1,573
Cash and cash equivalents at year-end		**57**	**2**

NOTES ON THE PARENT COMPANY'S FINANCIAL STATEMENTS

Amounts in MSEK, unless otherwise stated.

NOTE 1 NET SALES

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

NOTE 2 REMUNERATION TO AUDITORS

	2023	2022
PwC AB		
Audit assignment	3	3
Tax consulting	0	0
Other assignments	10	12
Total	**13**	**15**

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

Annual expenses for operating leases amounted to MSEK 37 (7).

Future minimum lease payments as of the closing day amounted to:	2023	2022
Within one year	37	7
Between one and five years	147	24
Later than five years	471	16
	655	47

NOTE 4 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

Average number of employees	2023	Of which men	2022	Of which men
Sweden	174	42.5%	134	38.8%
Group total	**174**	**42.5%**	**134**	**38.8%**

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

Salaries, other remuneration and social security costs	2023	2022
Board of Directors, CEO and other senior executives	12	7
(of which bonuses)	(1)	(0)
Other employees	102	75
Total Salaries and other remuneration	**114**	**82**
Social security costs	41	29
Pension costs	17	11
	172	122

NOTE 5 INTEREST INCOME AND SIMILAR INCOME

	2023	2022
Interest income, external	6	0
Interest income, Group companies	288	99
Exchange rate differences	12	86
Total	**306**	**186**

NOTE 6 INTEREST EXPENSES AND SIMILAR INCOME ITEMS

	2023	2022
Interest expenses, external	-228	-32
Interest expenses group companies	-22	-15
Total	**-250**	**-47**

NOTE 7 APPROPRIATIONS

	2023	2022
Group contribution paid/received	0	489
Provisions for tax allocation reserve	0	-140
Difference between tax depreciation and recorded depreciation	-18	0
Reversal of tax allocation reserve	60	6
Total	**42**	**354**

NOTE 8 TAX ON PROFIT FOR THE YEAR

	2023	2022
Income tax		
Current tax on profit for the year	0	-93
	0	-93
Deferred tax	0	0
Total	**0**	**-93**
Reconciliation of effective tax		
Profit before tax	271	782
Tax according to applicable tax rate for the parent company (20.6%)	-56	-161
Non-taxable income	57	68
Standard interest rate on tax allocation reserve	-1	0
	0	**-93**

NOTE 9 INTANGIBLE AND TANGIBLE FIXED ASSETS

	Intangible assets	Costs incurred on other’s property	Equipment, tools, fixtures and installations	Total
Acquisition cost				
Opening balance, 1 January 2022	8	2	14	24
Purchases	3	0	11	14
Closing balance, December 31, 2022	11	2	25	38
Purchases	2	52	70	124
Sales/disposals	0	-2	-4	-6
Closing balance, 31 December 2023	13	52	91	156
Accumulated depreciation				
Opening balance, 1 January 2022	-1	-1	-13	-15
Depreciation for the year	-2	0	0	-2
Closing balance, 31 December 2022	-3	-1	-13	-17
Depreciation for the year	-3	-1	-5	-9
Sales/disposals	0	2	4	6
Closing balance, 31 December 2023	-6	0	-14	-20
Book value 31 December 2022	8	0	13	21
Book value 31 December 2023	**7**	**51**	**78**	**136**

NOTE 10 SHARES IN GROUP COMPANIES

	31/12/2023	31/12/2022
Accumulated acquisition costs:		
At beginning of the year	5,123	2,346
Purchases	338	2,777
Shareholders’ contributions	237	0
Closing carrying amount	**5,698**	**5,123**

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	123
- 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	0
- Hedin Automotive Belgium AB, 559074-6466, Mölndal	100	20
- Hedin e-commerce AB, 559231-7639, Mölndal	100	0
- Hedin Automotive AS, 989 690 728, Stavanger, Norway	100	1,282
- Hedin Electric Mobility AB, 556740-0857; Mölndal	100	23
- Hedin British Cars AB, 559175-1903, Mölndal	100	6
- Hedin Automotive Ltd, 14315266, London	100	175
- Hedin BC i Malmö AB, 559056-0784, Malmö	100	20
- Hedin Automotive GmbH, HRB. 788130, Stuttgart	100	248
- Hedin Real Estate AB, 556969-3624, Mölndal	100	0
- 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 Wheel Tech AB, 559164-2649, Mölndal	100	3
- Hedin US Motor AB, 559124-2937, Gothenburg	100	0
- Hedin Automotive OY, 3281753-3, Joensuu	100	511
- BNC Nordic Distribution AB , 556191-3798, Mölndal	100	5
- Hedin Electric Mobility GmbH, 355 782 414, Stuttgart	100	0
- Motor-Car Bratislava spol.s.r.o, 35828161, Bratislava	100	755
- HMG Invest AB, 559390-0904, Mölndal	100	0
- Hedin Supercharge AB, 556976-5737, Mölndal	100	10
- Hedin MG Finland Oy, 3409606-3, Joensuu	100	0
Total		**5,698**

NOTE 11 SHARES IN ASSOCIATED COMPANIES

Associated company / Corp. ID no. / Registered office	*Capital share*	*Voting share*	*Carrying amount* **31/12/2023**
Hedin Caetano AB, 559354-9651, Mölndal	50%	50%	124
Lasingoo Sverige AB, 556973-1630, Stockholm	24.5%	24.5%	8
Mercedes Benz Financial Services Slovakia s.r.o, 35728116, Bratislava, Slovakia	25.0%	25.0%	97
			229
Accumulated acquisition costs:			
Opening carrying amount			1,200
Sales for the year			-333
Reclassifications			-638
Closing carrying amount			**229**

NOTE 12 OTHER LONG-TERM SECURITIES

	31/12/2023	**31/12/2022**
Listed shares (Pendragon PLC)	638	0
Unlisted shares	11	11
	649	11
Accumulated acquisition costs:		
Opening carrying amount	11	11
Purchases for the year	0	0
Reclassifications	638	0
Closing carrying amount	**649**	**11**

NOTE 13 RECEIVABLES FROM GROUP COMPANIES

	31/12/2023	**31/12/2022**
Opening carrying amount	50	355
Borrowings	0	0
Repayment of loans	0	-305
	50	50

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2023	31/12/2022
Prepaid rent	11	2
Transaction cost	2	5
Translation difference	12	0
Other	6	3
	31	10

NOTE 15 UNTAXED RESERVES

	31/12/2023	31/12/2022
Tax allocation reserve fiscal year 2017	0	12
Tax allocation reserve fiscal year 2018	0	17
Tax allocation reserve fiscal year 2019	0	9
Tax allocation reserve fiscal year 2020	0	16
Tax allocation reserve fiscal year 2021	64	70
Tax allocation reserve fiscal year 2022	140	140
Accumulated difference between tax depreciation and depreciation according to plan	21	2
	224	266

NOTE 16 FINANCIAL LIABILITIES

	31/12/2023	31/12/2022
Non-current borrowings		
Liabilities to credit institutions	821	1,063
Bond loans	993	0
Loan from Parent company	0	260
	1,814	1,323
Current borrowings		
Liabilities to credit institutions	834	1,031
Overdraft facilities	1,519	773
	2,353	1,804

The company has been granted overdraft facilities and revolving credit facilities totalling MSEK 2,540 (1,755), which are 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. 5.0-5.6%.

NOTE 17 ACCRUED EXPENSES AND PREPAID INCOME

	31/12/2023	31/12/2022
Employee benefit expenses	23	18
Accrued interest expenses	30	1
Other	9	6
	62	25

NOTE 18 PLEDGED ASSETS

	31/12/2023	31/12/2022
Shares in subsidiaries	1,611	1,611
	1,611	1,611

NOTE 19 CONTINGENT LIABILITIES

	31/12/2023	31/12/2022
Guarantee for subsidiaries	8,266	5,452
Guarantee for associated companies	37	37
	8,303	5,489

NOTE 20 CASH FLOW

Items not affecting cash flow	2023	2022
Depreciation	9	3
Anticipated dividend	0	-127
Profit from participations in associated companies	-217	0
	-208	-124

Interest payments	2023	2022
Interest paid	-281	-47
Interest received	34	100

NOTE 21 GROUP INFORMATION

Of the parent company's total purchases and sales measured in SEK, 32% (21%) of purchases and 100% (100%) of sales relate to other companies in the entire company group the company belongs to.

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 1,598,017,601
Net profit for the year	SEK 270,503,358
Total	**SEK 5,969,118,371**

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

Balance carried forward	SEK 5,969,118,371
Total	**SEK 5,969,118,371**

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.

THE BOARD'S SIGNATURES

Mölndal 23/04/2024

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 auditor's report was submitted on 24/04/2024
PricewaterhouseCoopers AB

Johan Palmgren
Authorised public accountant

AUDITOR'S REPORT

This is an unofficial translation of the Swedish original document. To the general meeting of the shareholders of Hedin Mobility Group AB (publ), 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 (publ) for the year 2023 except for the corporate governance statement on page 58. The annual accounts and consolidated accounts of the company are included on pages 54-104 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 and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on page 58. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for the opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of Goodwill As a result of the acquisitions in recent years, the group has acquired goodwill to an amount of 2,987 MSEK. The group evaluates impairment on an annually basis or when there is an indication of impairment. The impairment test is performed by first determining and then comparing the recoverable amount with the book value of the assets within each cash generating unit. The recoverable amount is the value in use based on management’s estimation of future earnings and cash flow as disclosed in Note 3 and 13. Impairment of acquired goodwill is a Key Audit Matter as it involves significant estimates and assumptions made by management when determining the recoverable amount. It is disclosed in Note 13 that no impairment has been identified based on the assumptions undertaken by management.	As part of our Audit we have performed procedures including but not limited to; Assessment whether the method of calculating value in use is compliant with recognized methods. Forecasts have been reconciled, reviewed and analyzed for accuracy based on how previous years estimates have been met. Tested accuracy in the underlying data for the forecasted cash flow by sample testing. Reviewed the applied model and applied discount rate. Tested the margin for impairment by sensitivity analyses and challenged management on key assumptions including eternal growth factor and discount rate. We performed our sensitivity test by adjusting key input data to determine and review the effects on the output data. We considered and evaluated the acquisitions made during the financial, the related disclosures in accordance with IFRS and method applied to determine goodwill.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-37 and 48-53 and in the statutory sustainability report on pages 38-47. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

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

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

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

Auditor's responsibility

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. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Hedin Mobility Group AB (publ) for the year 2023 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 Director's 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 Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' 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. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on page 58 has been prepared in accordance with the Annual Accounts Act.

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

A corporate governance statement has been prepared.

Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, 405 32 Gothenburg, was appointed auditor of Hedin Mobility Group AB (publ) by the general meeting of the shareholders on the 27th of April 2023 and has been the company's auditor since the 10th of June 2010. Hedin Mobility Group AB (publ) became a public interest company in 2023.

Mölndal, 24 april 2024

PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

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