

2020



ANNUAL REPORT

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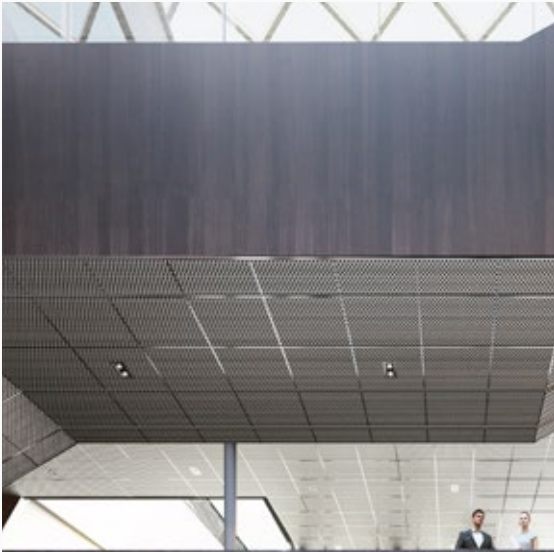


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When we summarize 2020, it was a year of unexpected challenges and conditions for the whole world due to the Covid-19 pandemic. Despite all the challenges, our business has found the right focus, which has resulted in good results, streamlining and development of the business.

Hampus Hedin, Vice President Hedin Group





01.

THE YEAR IN BRIEF 2020

KEY FIGURES

24,064

NET SALES (MSEK)

511

PROFIT (MSEK)
(before tax)

2,651

EMPLOYEES

79,141

SOLD VEHICLES



DEALERSHIPS PER COUNTRY



TRADEMARKS PER COUNTRY

Sweden

Hedin Bil
Bavaria
Hedin Performance Cars
Car Store

Norway

Bavaria
GS Bildeler
Hedin Performance Cars

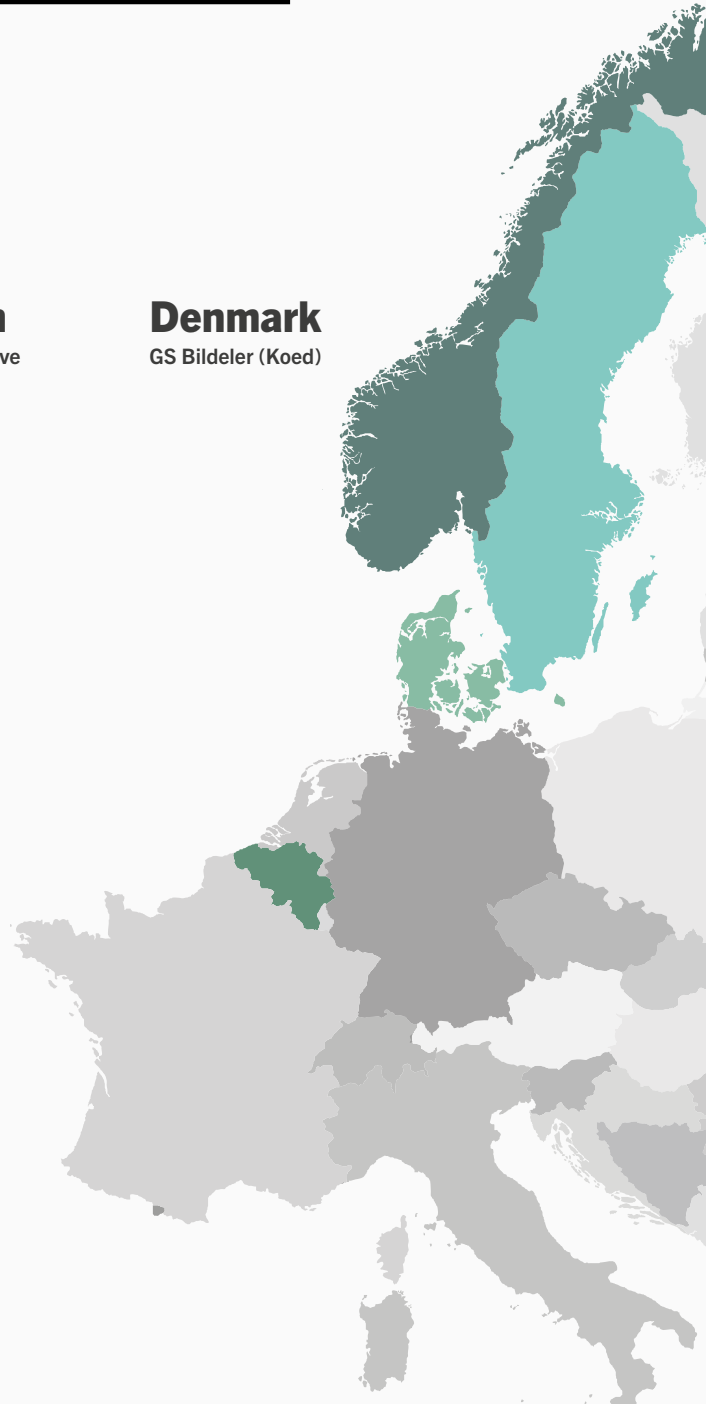
Belgium

Hedin Automotive

Denmark

GS Bildeler (Koed)

CAR BRANDS PER COUNTRY



THE YEAR IN BRIEF – SUMMARY PER QUARTER

2020

Q1

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

Q3

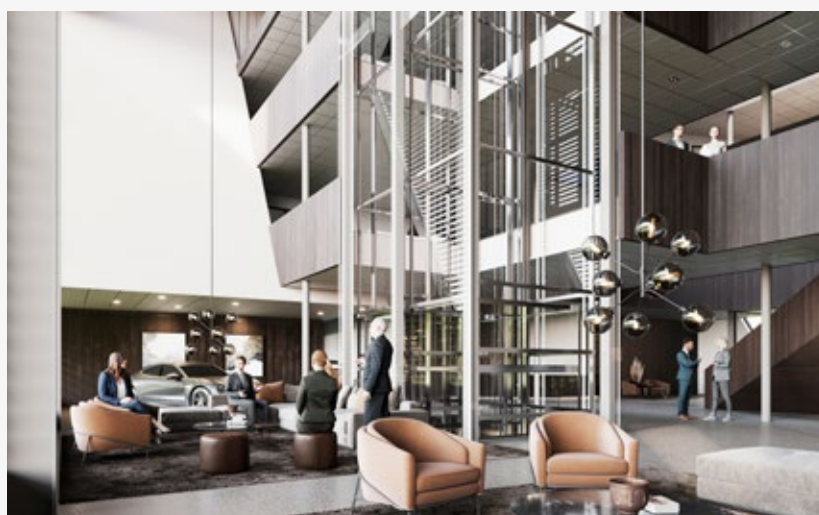
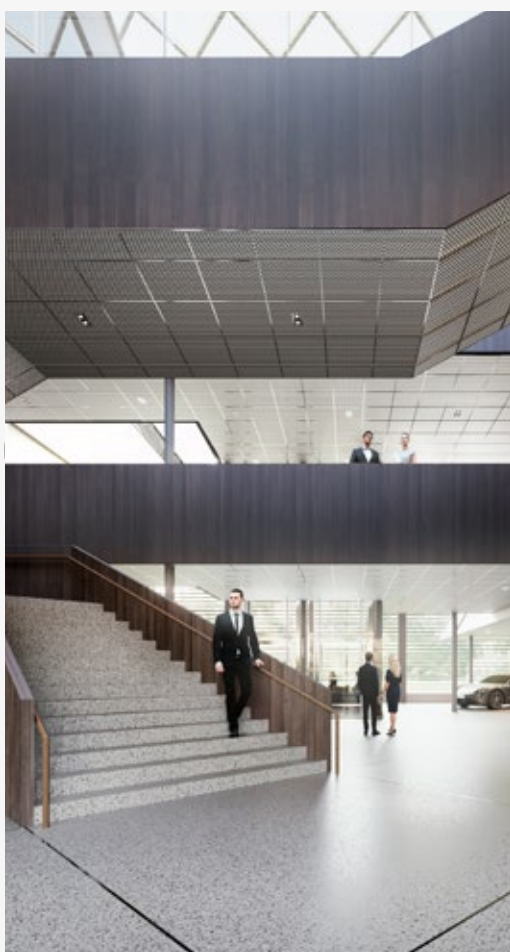
- On September 1, a new company center for BMW, focusing on VR technology, was opened in Solna United.
- On September 3, the group parent company changed its name. In 1985, the parent company that would eventually become known as Anders Hedin Invest AB was founded. During the year it was time to let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

Q2

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

Q4

- On October 8, Hedin Göteborg Bil AB inaugurated a new facility in Alingsås, with sales of Kia and Nissan. In the former plant, the sale of Mercedes-Benz continues as an exclusive brand. The new facility of approximately 2800 m² is modernly designed and is adapted, among other things, to meet the increased demand for electrified and rechargeable cars.
- On October 15, Bavaria Sverige Bil AB opened a new BMW plant in Kista.
- In October, Hedin Performance Cars AB was certified for the first time as a Great Place to Work.
- The first sod has been made for Hedin Group's new head office in Eklanda, Mölndal. The move is scheduled to take place in late autumn 2022 and is part of the Group's long-term effort to create a more modern and sustainable workplace with nearly 500 office spaces. Hedin Group's new head office is being built on Jolengatan in Eklanda. The premises cover approximately 15,000 square meters
- On November 13, Hedin Automotive AS acquired 60% of the Danish parts company KOED. KOED is part of a group of five Danish subsidiaries.
- On December 1, an agreement was signed to take over Callisma's premises in Danderyd. After renovation, a reopening will take place with Ford in the premises and will be operated by Hedin Mölndal Bil AB. Mölndal Bil AB.



Hedén Group's new head office is being built on Jolengatan in Eklanda. The premises cover approximately 15,000 square meters.

WORDS FROM OUR CEO

2020 was a year of unexpected challenges and conditions for the whole world due to the Covid-19 pandemic. Despite all the challenges, our business has found the right focus, which has led to good results, streamlining and development of the business.

In 2020, the pandemic, Covid-19, came and spread alarm in both the world and on the market. This created many challenges for employers. At the beginning of the corona crisis, major reduction measures and changes were implemented to secure liquidity and to strengthen competitiveness in a troubled market.

The cost savings launched in the second quarter meant that we quickly adapted the business to the changed market conditions. Since then, there has been a gradual recovery and by the end of the year we can see that we are showing increased profitability, increased deliveries, good cash flows and strong liquidity.

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

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

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



Anders Hedin
Owner and CEO



CENTRAL SUPPORT FUNCTIONS

In order to gain a greater insight into how we have handled new challenges and also what the view of the near future looks like, we have allowed a couple of our key people to answer two questions.

1. What highlights and achievements do you want to emphasize for your organization in 2020?
2. What are the prospects?



JOHN WARFVINGE
Marketing Manager

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

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

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



CHARLOTTE MARTINSSON
HR Manager

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

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

An online crisis portal was established with a clear action plan on how the business should act in different crisis situations to support managers and employees in unexpected and serious events.

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

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



PATRICK OLSSON
IT Manager

The IT department has had an intense year as the Group continues to develop at a rapid pace both organically and through acquisitions. A construction of a complete import business for Ford (Hedin Motor Company) has been initiated. Pinewood has been implemented at our Norwegian Porsche business, Hedin Automotive AG is supported 100% by Hedin IT and an integration platform for the robotic KW Tyre Depot warehouse in Landvetter has been set up. In addition to this, a full IT environment and the roll-out of Windows 10 has also been made, and we have built and launched Carstore.se on the E-Commerce platform SiteCore.

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

- Continue to migrate our companies' IT environments towards Hedin IT.
- E-Commerce for Hedin Bil.
- New platform for managing service agreements within the Group.
- Further enhance the security of our IT environment, with e.g., Multi-factor authentication, information security expertise, and enhanced shell protection for clients.
- Optimize our import operations.
- Continue to build internal expertise in our key areas in order to support the business in the best way possible.
- Strengthen the Pinewood team in order to accelerate rollouts and development.

2020 will go down in history as a different year with new approaches as well as new ways of acting and operating. We have several key support functions that complement, support and assist our entire organization through their specific competences.



PER MÅRTENSSON CFO

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

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

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

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



ANNA-KARIN HÖIJER Procurement Manager

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

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

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

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



CONNIE HANSSON Quality and Sustainability Manager

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

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

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

INTRODUCTION HEDIN BIL GROUP

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Over the years, we have had very good growth, both organically and through acquisitions, which we also experienced in 2020. During the year, we welcomed into the operations, among other things, 5 new dealerships in Sweden and Norway to the Hedin Bil Group.

Hampus Hedin, Vice President Hedin Group

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

The Hedin Bil Group conducts trade and engineering operations in the motor industry in Sweden, Norway and Belgium. The Group sells 30 car brands and is currently represented in over 100 locations. We provide both new and used passenger and transport cars as well as trucks, and the ambition is to be a full-service company with a comprehensive offer for both private and professional customers. The overall concept offers financing, service agreements and insurance, among other things.

Marketed brands under Bavaria are BMW and MINI. Porsche is sold in dedicated Porsche Center's through Hedin Performance Cars. In Belgium, Mercedes-Benz and Smart are marketed under the Hedin Automotive brand. Other car brands are sold under the brand name Hedin Bil. Distribution and sale of BMW spare parts for the Norwegian market takes place under Gule og Skrivarhaug Bildeler (GS Bildeler).

In order to get an overview of our brands within the Hedin Bil Group, more detailed information about the past year will be given on upcoming spreads.



Hedin Bil

The Hedin Bil brand operates through six subsidiaries, which operate in Sweden and sell 27 car brands:

- Hedin Göteborg Bil AB
- Hedin Helsingborg Bil AB
- Hedin Mölndal Bil AB (Ford)
- Hedin Stockholm Bil AB
- Hedin Örebro Bil AB
- KC Motors AB (Kia)

Bavaria

The Bavaria brand operates through eight subsidiaries, which operate in Sweden and Norway and sell BMW and MINI. The company Bavaria Norge AS has been merged with the parent company Hedin Automotive AS during the year. The Bavaria Group in Norway includes seven subsidiaries.

Hedin Performance Cars

The Hedin Performance Cars brand, which operates in both Sweden and Norway sells Porsche. In Sweden, the brand is operated through the subsidiary Hedin Performance Cars AB and in Norway the brand is operated through the subsidiaries Porsche Center Stavanger AS and Porsche Center Son AS.

Hedin Automotive

The Hedin Automotive Belgium brand operates through a group of companies, which operates in Belgium and sells Mercedes-Benz and Smart.

Car Store

The Car Store brand is run through the subsidiary Car Store Sweden AB, which operates in Sweden and is a concept that was introduced at the end of the year, selling used vehicles.

GS Bildeler

The GS Bildeler brand is operated through a subsidiary of Hedin Automotive Norge AS (which is a subsidiary of I.A. Hedin Bil AB). Operationally, three more companies are also operated:

- Gule og Skrivarhaug Bildeler AS (Norway)
- EBC Brakes Norge AS (Norway)
- Conlogo AS (Norway)
- KOED A/S (Denmark)

I.A. Hedin Bil AB is 91% owned by Hedin Group AB and 9% by Ingemar Hedin. The Group's head office is located in Mölndal. Hedin Bil is represented with 30 car brands in more than 100 locations in Sweden, Norway and Belgium. See the full list on page 38.

TOTAL MARKET



During the year, new car sales fell sharply worldwide, especially in the March-August period. Different markets were affected in their own ways, mainly due to lockdowns in some of the countries, which led to production stops in the factories and thus long supply delays. All markets (new car sales) that we operate in have lost sales; -18.0% in Sweden, -0.7% in Norway and -16.3% in Belgium. Despite this, the Group has performed better than the market as a whole, and in several cases we even increased our numbers.

In total, the subsidiaries of I.A. Hedin Bil AB sold 79,141 new and used vehicles, compared to the previous year when a total of 80,457 vehicles were sold in comparable business. This is a decrease of -1.6% and it is the first time in the company's history that the figures are lower than the previous year. However, all brands and companies have performed better than the total market.

Hedin Bil

Hedin Bil operates in Sweden and sell 27 car brands.

New car sales totaled to 27,395 new vehicles (passenger cars, vans and trucks) compared to the previous year when 31,328 vehicles were sold. This is a decrease of -12.6%. The market declined by -18.0%.

Pre-owned sales totalled to 23,534 (passenger cars, vans and trucks), compared to the previous year when 22,274 vehicles were sold. This is an increase of 5.7%.

Total sales of vehicles (new and pre-owned) for Hedin Bil amounted to 50,929, compared to the previous year when 53,602 vehicles were sold. This is an overall decrease of -5.0%.

Bavaria

Bavaria operates in Sweden and Norway and sell BMW and MINI.

New car sales totalled to 9,736 new vehicles (passenger cars) compared to the previous year when 8,656 vehicles were sold. This is an increase of 12.5%. The different markets decreased by -18.0% (Sweden) and -0.7% (Norway).

Pre-owned sales totalled to 7,704 (passenger cars), compared to the previous year when 7,445 vehicles were sold. This is an increase of 3.5%.

Total sales of vehicles (new and used) for Bavaria amounted to 18,521, compared to the previous year when 16,101 vehicles were sold. This is an overall increase of 15.0%.

Hedin Performance Cars

Hedin Performance Cars operates in Sweden and Norway and sell Porsche.

New car sales totalled to 805 new vehicles (passenger cars) compared to the previous year when 880 vehicles were sold. This is a decrease of -8.5%. In Sweden, sales increased by 8.0% and in Norway it decreased by -30.1%. This is due to the large advance sale of Porsche Taycan in 2019. Markets decreased by -18.0% (Sweden) and -0.7% (Norway).

Used sales totaled to 1,140 (passenger cars), compared to the previous year when 981 vehicles were sold. This is an increase of 16.2%.

Total sales of vehicles (new and used) for Hedin Performance Cars amounted to 1,945, compared to the previous year when 1,861 vehicles were sold. This is an overall increase of 4.5%.

Hedin Automotive

Hedin Automotive operates in Belgium and sell Mercedes-Benz and Smart.

New car sales totaled to 7,021 new vehicles (passenger cars, vans and trucks) compared to the previous year when 7,926 vehicles were sold. This is a decrease of -11.4%. The market declined with -16.3%.

Pre-owned sales totaled to 1,806 (passenger cars, vans and trucks), compared to the previous year when 967 vehicles were sold. This is an increase of 86.8%.

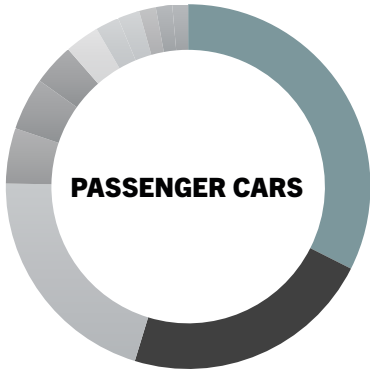
In total, sales of vehicles (new and used) for Hedin Automotive in Belgium amounted to 8,827, compared to the previous year when 8,893 vehicles were sold. This is an overall decrease of -0.7%.

Car Store

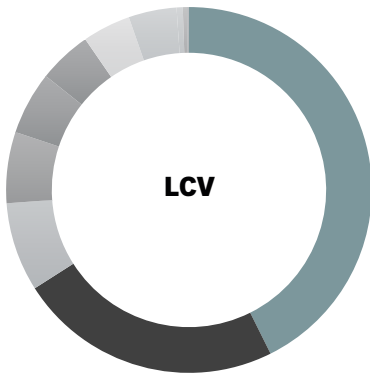
Car Store operates in Sweden and sell pre-owned vehicles.

The concept "Car Store" with sales of used vehicles was introduced during the year and thus has no comparative figures with the previous year. This year's reporting includes the company's sales figures in the total for Hedin Bil, where 718 used vehicles were sold by Car Store.

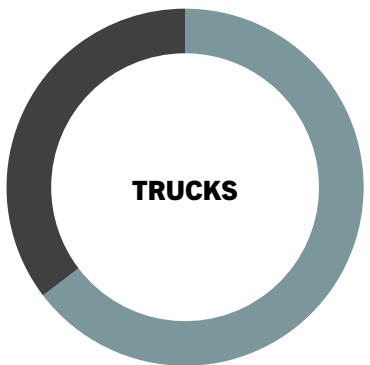
BRAND SIZE



- Mercedes-Benz
- BMW
- Kia
- Nissan
- Multibrand
- Ford
- MINI
- Porsche
- Fiat
- Citroën
- Mitsubishi
- Renault



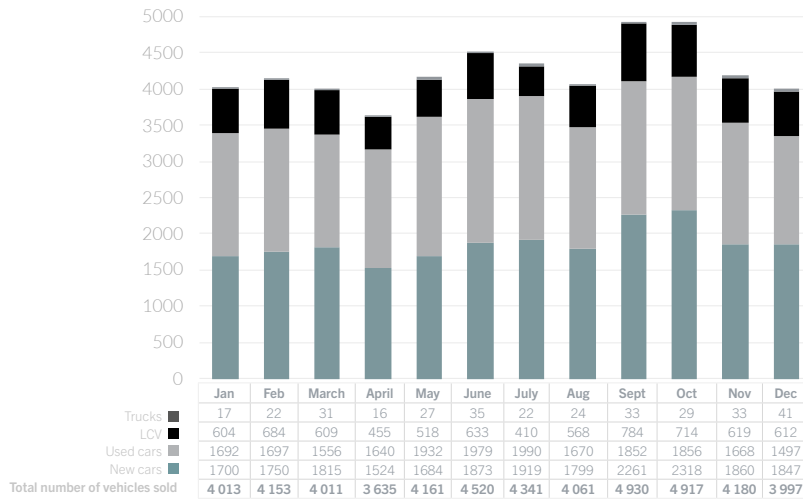
- Mercedes-Benz
- Ford
- Nissan
- Fiat
- Opel
- Renault
- Citroën
- RAM
- Mitsubishi
- Dacia
- Chevrolet
- Isuzu



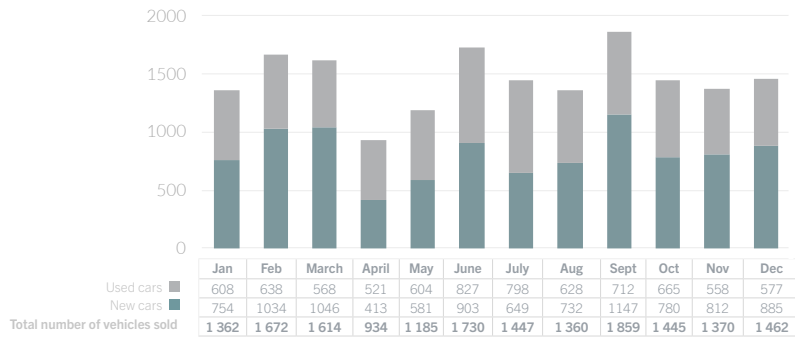
- New Mercedes-Benz
- Used Mercedes-Benz



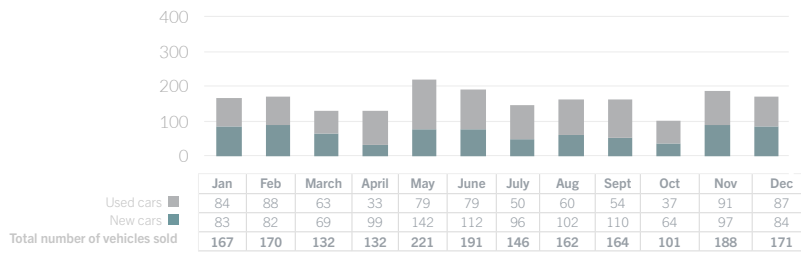
RETAILED VEHICLES – HEDIN BIL



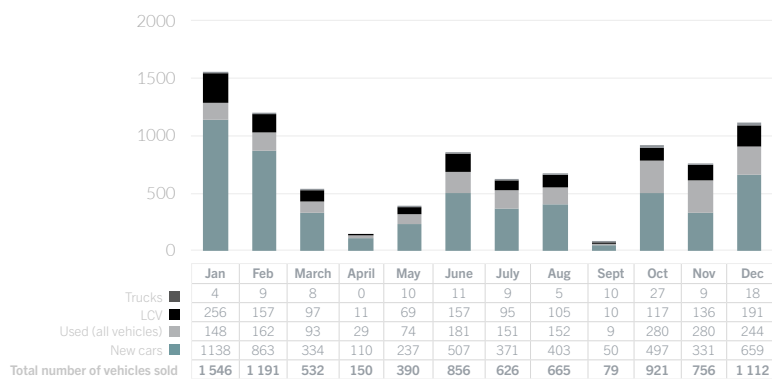
RETAILED VEHICLES – BAVARIA



RETAILED VEHICLES – PERFORMANCE CARS



RETAILED VEHICLES – HEDIN AUTOMOTIVE



02.

HEDIN BIL

hedinbil.se



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We can see that our total share of new Electric Vehicles (EV), such as Battery Electric Vehicles (BEV), Plug-in Hybrid Electric Vehicles (PHEV), and Hybrid Electric Vehicles (HEV) sold increased to just over 40% compared to our total sales of new vehicles in 2020. If we look specifically at the brands that offered electric vehicles (EV) in their range during the year, the share of our sales rises to just under 50%, i.e., every other newly sold vehicle was an electric vehicle (EV).

Hampus Hedén, Vice President Hedin Group

68

DEALERSHIPS

27

BRANDS

1,496

EMPLOYEES

50,432

SOLD VEHICLES





Through six subsidiaries in Sweden, in 68 facilities we operate under the Hedin Bil brand. The year as such has been one of many challenges and has led to new ways of working, new processes and a new mindset. This has ultimately been to our advantage and we have in many ways streamlined the company.

HEDIN GÖTEBORG BIL AB OCH HEDIN HELSINGBORG BIL AB

During the year we have received new additions through a new facility in Alingsås for Nissan and Kia. The existing dealership in Alingsås is now a single brand facility for Mercedes-Benz. At the beginning of 2020, Kia single brand was also inaugurated in Trollhättan. During the year, we have also remodeled the Kia dealership in Lysekil.

In general, deliveries decreased by 8% and workshops decreased by 3% in sales but managed to maintain their gross margins in SEK.

We increased our sales of new Mercedes-Benz passenger cars by 15% (900 cars), which also means that we have a record order backlog (about 1,500) with us into 2021. Mercedes-Benz trucks lost in sales during the year with about 30%, which is in line with the market.

The year brought in several large business opportunities such as 139 transport service buses that Multibrand in Hisings Kärra delivered. At the Transport and Truck Center in Helsingborg, a major deal was signed for 40 trucks with the freight forwarder GDL in April.



HE DIN STOCKHOLM BIL AB

In the first quarter, Malmö Transportbilcenter moved to the existing Malmö Jägersro dealership in favor of Car Store, which moved in instead. During the same period, the Opel dealership in Täby has also been moved to Spånga and the premises were handed over to Car Store. During the third quarter, two stories in Kungens Kurva were handed over to Car Store and sales of Alfa Romeo, Jeep and RAM have been moved down.

KC MOTORS AB

The Kia brand has been very successful and has gained market shares. Sales increased by 11% compared to the previous year with a profit margin of 3.4%.

The year has meant a larger focus on increasing sales of all brands and departments as well as reducing costs. Personnel costs decreased by -18%.

Kia is the most successful car brand during the year, and although sales have been reduced by about 7%, 2020 showed an improvement in earnings compared to 2019 of approx. 2 million SEK.

The focus during the year has been to increase sales of all brands and departments and to reduce overall costs.

In 2021, KC Motors will continue to work on developing the sale of Kia, working further with complete solutions for our customers. This means that we will not only sell cars, but an overall solution for car ownership with financing, insurance, service agreements, winter wheels with tyre hotels and developing all service workshops.



HEDIN MÖLNDAL BIL AB

During the year, a full-service facility in Västerås was added. The company acquired Hermis bankruptcy and took over existing premises. After minor renovations, Ford Hedin Bil Västerås is now located in an excellent facility in a traditionally strong Ford district.

2020 was the year when Ford launched several electrified models, where the new Ford Kuga quickly became a favorite in both media and among customers.

Considering the circumstances of the pandemic, the business has done well. Early-stage measures to maintain sales and balance organization has been positive. Sales decreased by 3% and the number of cars sold was 4% fewer. The service market remains strong and shows growth of 10%. The company remains under strong expansion, which affects earnings in the form of costs in facilities and personnel.

At the end of 2020, the company was given the opportunity to take over the sale in Northern Stockholm including Uppsala. This will have a significant positive impact on 2021 in terms of volumes and results.

The move into the existing Hedin Bil dealership in Stockholm/Akalla started, where there will be a full-service facility for Ford. The business will be operated as "Single Brand" and covers approximately 6,500 square meters.

In line with the significant expansion within the company, the business has been divided into three regions. Region Gothenburg, Stockholm and Mälardalen. This is to keep decisions and activities as close to the local market as possible.

HEDIN ÖREBRO BIL AB

The year is summed up as a year of clear improvements in results, but the goals were not fully achieved. The pandemic has negatively affected the company, but at the same time it has strengthened and streamlined the business and its organization. Volume development was affected by the closure of plants in Norrköping and Uppsala at the end of 2019.

The facility in Örebro was completed, a modern building with the right conditions for continued development and expansion. Jaguar and Land Rover now have a state-of-the-art "Arch" that meets the requirements, creating opportunities. FCA, Opel and Dodge RAM now have a contemporary base that follows all guidelines.

During the year, a focus has been to offer a better business quality in everything that is done in both car sales and on the aftermarket.

We are standing strong as of 2021 and we see a positive development in our brands that gives us confidence in the future.



03

BAVARIA

bavariabil.se | bavaria.no

637

EMPLOYEES

24

DEALERSHIPS

2

BRANDS



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The goal fulfillment has been very good despite several challenges. We are standing strong as of 2021 and are confident that the future will be bright.

Hallvard Vikeså, CEO Bavaria Norway

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We have opened three new full-service facilities, all of which have opened up for innovation digitalization and increased customer satisfaction in their own way.

Johan Frisk, CEO Bavaria Sweden

Bavaria operates 24 dealerships in Sweden and Norway and markets BMW and MINI. Car factories have been shut down for periods during spring, summer and autumn, which has generated delivery delays. Despite this, sales have increased and the order backlog for 2021 is very good.

BAVARIA SWEDEN

During the year, three brand new facilities were opened within Bavaria in Sweden:

Bavaria BMW opened on September 1 with BMW's new concept "City Showroom" in Solna United and is a full-service facility with state-of-the-art technology. Only two exhibition cars are exposed here, and the focus is on VR technology. You can build your own car online and then see it in our new VR environment. After testing all variants of interior and exterior, a finished offer can be easily printed.

Bavaria MINI Flagship Store opened a full-service facility on November 2 with sales of both new and pre-owned cars as well as a service workshop in Danderyd. This is the first of its kind where MINI is available as a single brand in its own facility.

On October 5, Bavaria's new Flagship Store opened in Kista for BMW. It is a full-service center of 10,000 sqm with sales of both new and pre-owned cars as well as service workshop and tire hotel. The next step is that we will also be able to offer customers online check-in to the workshop. Just like on the flight, you can check in the car before your visit and then just leave and pick up your car key.

This year's participation in Great Place To Work resulted in all facilities being certified. We reached a response rate among the staff of 100%, which has never been achieved before.

Bavaria Sweden succeeded in winning Henkel Norden's car procurement on 80 new cars in December. We won the tendering in competition with Volvo and Volkswagen.

Bavaria delivered an all-time high result for the year 2020 and reached a ROS of 3.5%.

BAVARIA NORWAY

2020 was an extraordinary year in many ways, and in April about 20% of all employees were temporarily laid off for much of the month. After the start of the pandemic, the market in Norway recovered very well after May.

The service market has seen many engineering jobs and ended the year with total growth of 12%. It has actively worked with our goal fulfillment in profitability and delivery with good results.

The number of sold pre-owned cars increased by 8% and the stock time halved. The number of new cars sold increased by 20% and the best-selling new car was the BMW i3 with a total of 1,076.

Bavaria Norway's largest facility, located in Oslo, moved into a new, fantastic facility on Breivollveien in September.

Bavaria Logistics HUB - a robotic central warehouse for spare parts within Bavaria was started during the autumn.

We enter 2021 with a solid order backlog for new cars of about 1,000 cars.

04.

HEDIN PERFORMANCE CARS

porsche-goteborg.se | porsche-boras.se | porsche-jonkoping.se
porsche-linkoping.se | porsche-stavanger.no | porsche-sor.no | porsche-son.no

In total, Hedin Performance Cars has ten dealerships in Sweden and Norway and is primarily a distributor of Porsche through dedicated Porsche Centers. In addition to this, there is a dealership with sales of pre-owned exclusive cars as well as a body shop. Internally, the year was marked by the implementation of the new, streamlining DMS system, which is the same for the entire company – Pinewood. During the year, there was a steep increase in sales in both Sweden and Norway, which resulted in the best year ever for Porsche in both countries in terms of turnover and profit.

SWEDEN

The beginning of the year was very exciting for Porsche, as the new all-electric sports car Porsche Taycan premiered. The wait was finally over for many customers and sales have been very good. During the year, the new Panamera, 911 Targa and Cayman GT4 also had their premieres.

The interest for pre-owned vehicles has increased significantly throughout the year, which can also be said about exclusive cars. The stock of pre-owned cars has never been as low as it is now.

New car deliveries amounted to 660 vehicles, which is 34% more than the previous year. Used car sales in Hedin Performance Cars amounted to 711 vehicles, which is 19% more than the previous year.

In January, it was announced that Hedin Performance Cars AB will build a new 3,000 sqm Porsche Center in Linköping. Linköping and the whole of Östergötland have a strong economic development and Hedin Performance Cars can already offer its customers an authorized service workshop, Porsche Service Center Linköping. In order to better meet local demand in the area, a brand-new full-service facility, Porsche Center Linköping, is now being established. This means that the business will be expanded with new car sales and the new Porsche Center will thus completely replace the existing business. The grand opening is expected to take place in 2022.



”

The year has been exciting with the all-electric newcomer Porsche Taycan and the planning of several new dealerships. The employees have done some fantastic and thorough work with all completed, ongoing and upcoming projects

Rickard Magnusson, CEO

1,945

SOLD VEHICLES

129

EMPLOYEES

10

DEALERSHIPS

1

BRAND

NORWAY

The sales pressure on the new Porsche Taycan was also fantastically high in Norway. The Taycan model is tailor-made for the Norwegian market, which is extremely strong on electric cars. Of a total of 416 new car deliveries, 279 were Taycan.

New car deliveries increased by 148% compared to 2019.

Pre-owned sales were extraordinarily good with an increase of 32% and resulted in 279 deliveries. Our facility, which opened in Kristiansand in 2019, has made its first full year and we are very pleased with the result.

We are now united in one DMS system since December 2020 when the Son dealership joined Pinewood.

05.

HEDIN AUTOMOTIVE (BELGIUM)

hedinautomotive.be

8,827

SOLD VEHICLES

129

EMPLOYEES

15

DEALERSHIPS

2

BRANDS

Hedin Automotive in Belgium had a fantastic start to the year 2020 and, as usual, the Brussels Motor Show was a major driver. January started with an all-time high of 1,138 Mercedes-Benz and Smart passenger cars sold. The first quarter ran extremely well until March 10, when the public discussion on the effects of Covid-19 began together with its possible countermeasures.

On March 18, Belgium entered a total lockdown of the country.

The only part of the business that was allowed to be kept open was Service24h and the management team. This prompted many discussions about how we could emerge victorious from a difficult situation. Creativity was high and soon a call center was up and running, instructional videos to customers were recorded and all facilities was Covid-19 adapted for everyone's safety.

Emergency repairs in the workshops were broadened to cover all commercial vehicles and vehicles that are important and necessary for national infrastructure.

In May we were back to a somewhat more normal everyday life. After six weeks in lock down, we learned the importance of digitalization and preparing for various possible outcomes.

During midsummer, the first of our 15 facilities was opened with our DMS platform for the future: Autoline. The summer was digital as more marketing and instructional films were made. Staff were trained

in digital meeting tools and professional presentations via video.

By the end of August, we were back to black figures and the end of the year was getting closer. Intensive campaigns for electric vehicles and PHEV vehicles interested customers and sales took off again.

After this, another lockdown was imposed throughout the entirety of November. This time we had the opportunity to sell vehicles online and the workshops were able to stay open.

In December, we were back in service, ready and motivated for the final weeks of the year.

At year-end, 70% of the original planned result was delivered.

For 2021, we are well on our way with our digital transformation and five facilities are now integrated into the new platform. The work processes are digitized and we are standing strong and well prepared for the future.



”

With a total of 10 weeks in lock down during the year, we have digitized our processes and services to customers. This makes us well prepared for the future.

Henrik Lessèl, CEO Hedin Automotive Belgium

06.

CAR STORE SWEDEN AB

carstore.se

”

During the year, Car Store has grown from zero to three facilities and a new annual target for 2021 of 7,500 vehicles sold. We have a committed team that is passionate about selling cars in a new way to customers.

Tomas Ernberg, COO Hedin Bil

718

SOLD VEHICLES

8

EMPLOYEES

3

DEALERSHIPS



Car Store is a new company and concept within the Hedin Bil Group, which during the year opened three facilities in Malmö, Stockholm Kungens Kurva and Stockholm Täby. The business sells used cars, and does not hold a spare parts department or workshop.

Car Store differs from the usual pre owned sales within Hedin Bil (Hedin Certified), where a Hedin Certified car is packaged to the customer and warranty, insurance, transport, etc. are included in the deal. At Car Store, the customer gets to choose which additional products they want to add.

In January, Car Store took over Opel Täby and opened the first Car Store facility. Sales have been good in Täby and the year ended with 497 cars sold and a new target is set at 700 cars for 2021.

The sales in Täby grew rapidly, and Hedin Malmö Transportbilscenter was converted into Car Store.

In November, Car Store took over the two upper floors of Dodge store in Kungens Kurva and thus became the Hedin group's first "in house" facility where we have two companies under the same roof.

Car Store works closely with the Hedin Certified team for vehicle valuations, car purchases, etc.

During the year, work began on our very own website that would be quick and easy with a good design. This was launched in October. The website is based on an e-commerce platform where we aim to be able to sell cars online as early as 2021. Hedin IT within Hedin Group has developed this new platform and the website will continuously receive new updates and further development will take place.



07.

GS BILDELER

gsbildeler.no | conlogo.no | brakes.no | koed.dk



”

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

Sven Skogheim, Managing Director GS Bildeler

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

Gule og Skriverhaug Bildeler AS, called GS Bildeler, conducts operations that include the import and sale of BMW original parts, spare parts, accessories and lifestyle products throughout Norway. GS Bildeler also operates the Conlogo brands (wholesaler and importer of car and boat products in the premium segment in Norway), EBC Brakes (supplier of quality products for cars and motorcycles, including EBC brake pads and brake discs) and Danish KOED (BMW and MINI specialist in spare parts).

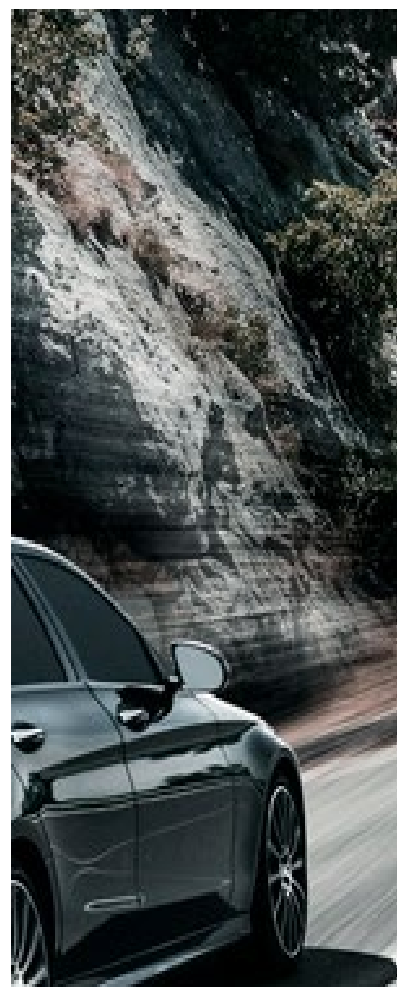
In April, we opened a new logistics center in Oslo with a robot warehouse that centralizes the business and its handling of spare parts and accessories. As a result, we closed three previous warehouses in Sirevåg, Skien and Trondheim.

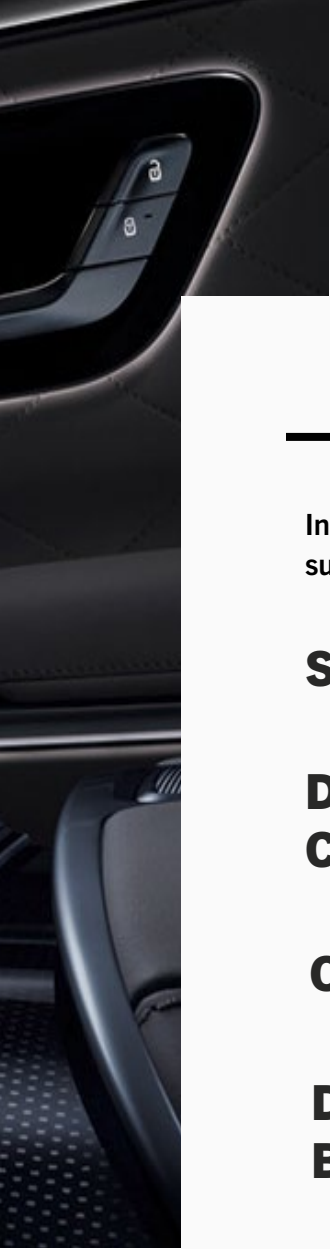
In summary, the market has been stable during the year, and there has been a strong increase in sales to private individuals which generated an increase of just over 15%. The market for companies also increased by just over 7%.

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

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

08. APPENDIX





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

SUSTAINABILITY REPORT

**DEALERSHIPS &
CONSTRUCTION PROJECTS**

ORGANIZATION I.A HEDIN BIL AB

**DEALERSHIPS &
BRAND MANAGERS**



SUSTAINABILITY REPORT

- MOST IMPORTANT RESULTS OF THE YEAR

KEY FIGURES IN PRECET

32,4%

Reduced staff turnover compared with the previous year, including redundancies due to the covid-19 pandemic, retirements and other redundancies. The year's outcome was 17,3%.

18%

Proportion of trainees and apprentices of total number of recruited vehicle- and damage technicians.

88,1%

Reduced climate impact as kg CO₂-eq/m² of our service travels by plane.

91,2%

Proportion of electricity from renewable energy sources based on solar, wind and hydropower.

1,6%

Reduced energy consumption as kWh/m² total plant area.

2,7%

Reduced climate impact as CO₂-eq/m² of our total energy use, which contributed to a reduced climate impact by 771.7 tonnes of CO₂-eq.

81%

Proportion of satisfied employees in the operations in which the measurement of coworker satisfaction was conducted during the year.

52,8%

Our share of sold new PHEVs and BEVs for brands that offered rechargeable vehicles in their assortment, which is an increase of 49.2%.

58%

Increase in the number of environmentally certified suppliers, within the area of property management

86%

Proportion of new employees who have completed at least 80% of our onboarding program.

69,1%

Average proportion of waste that is recycled, which contributed to a reduced climate impact by 2 661,9 tonnes of CO2-eq.

DEALERSHIPS

SWEDEN

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

Hedin Göteborg Bil AB

26 *No of dealerships (car sales)*

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

- 1 Body shop: Borås

Hedin Helsingborg Bil AB

16 *No of dealerships (car sales)*

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

Hedin Stockholm Bil AB

8 *No of dealerships (car sales)*

- 1 Kristianstad Bilvaruhuset
- 2 Lund
- 3 Malmö Bilvaruhuset
- 4 Stockholm Akalla
- 5 Stockholm Segeltorp
- 6 Stockholm Kungens Kurva
- 7 Stockholm Spånga
- 8 Trelleborg

- 1 Body shop & repair: Burlöv

Hedin Mölndal Bil AB / Ford

10 *No of dealerships (car sales)*

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

Hedin Örebro Bil AB

3 *No of dealerships (car sales)*

- 1 Karlskoga
- 2 Linköping
- 3 Örebro

Hedin Performance Cars AB / Porsche Sweden

5 *No of dealerships (car sales)*

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

- 1 Body shop: Skadecenter Sisjön

KC Motors / KIA

3 *No of dealerships (car sales)*

- 1 Malmö
- 2 Norrtälje
- 3 Stockholm Danderyd

Hedin Automotive / Bavaria SE (BMW & Mini)

10 *No of dealerships (car sales)*

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

- 1 Body shop: Tyresö

Car Store Sweden AB

3 *No of dealerships (car sales)*

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

NORWAY

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

Hedin Automotive AS / Bavaria NO (BMW & Mini)

13 *No of dealerships (car sales)*

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

Hedin Performance Cars AB / Porsche Norway

4 *No of dealerships (car sales)*

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

BELGIUM

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

Hedin Belgien Bil AB / Mercedes-Benz

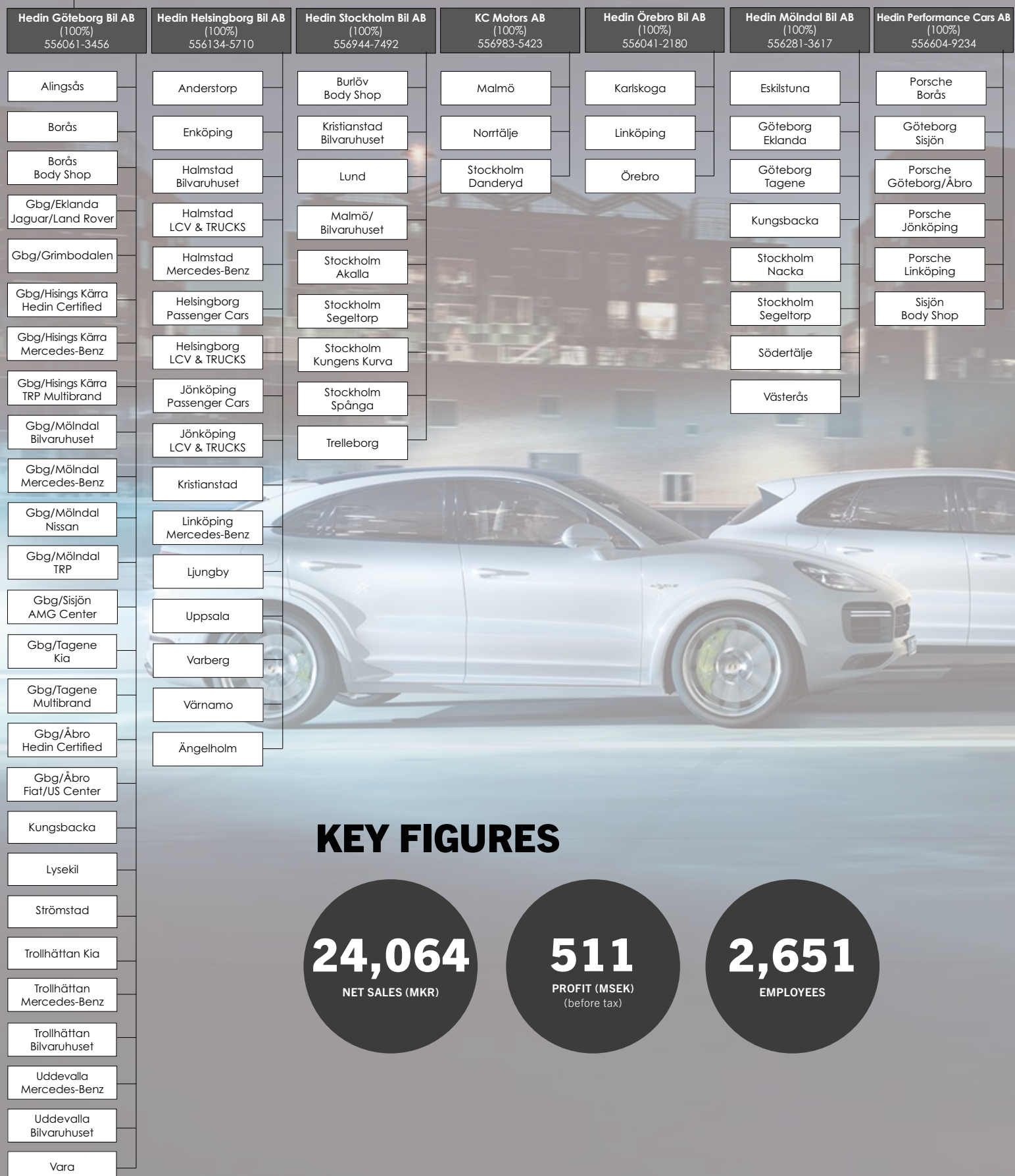
15 *No of dealerships (car sales)*

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

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

CONSTRUCTION PROJECTS

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



KEY FIGURES

24,064

NET SALES (MKR)

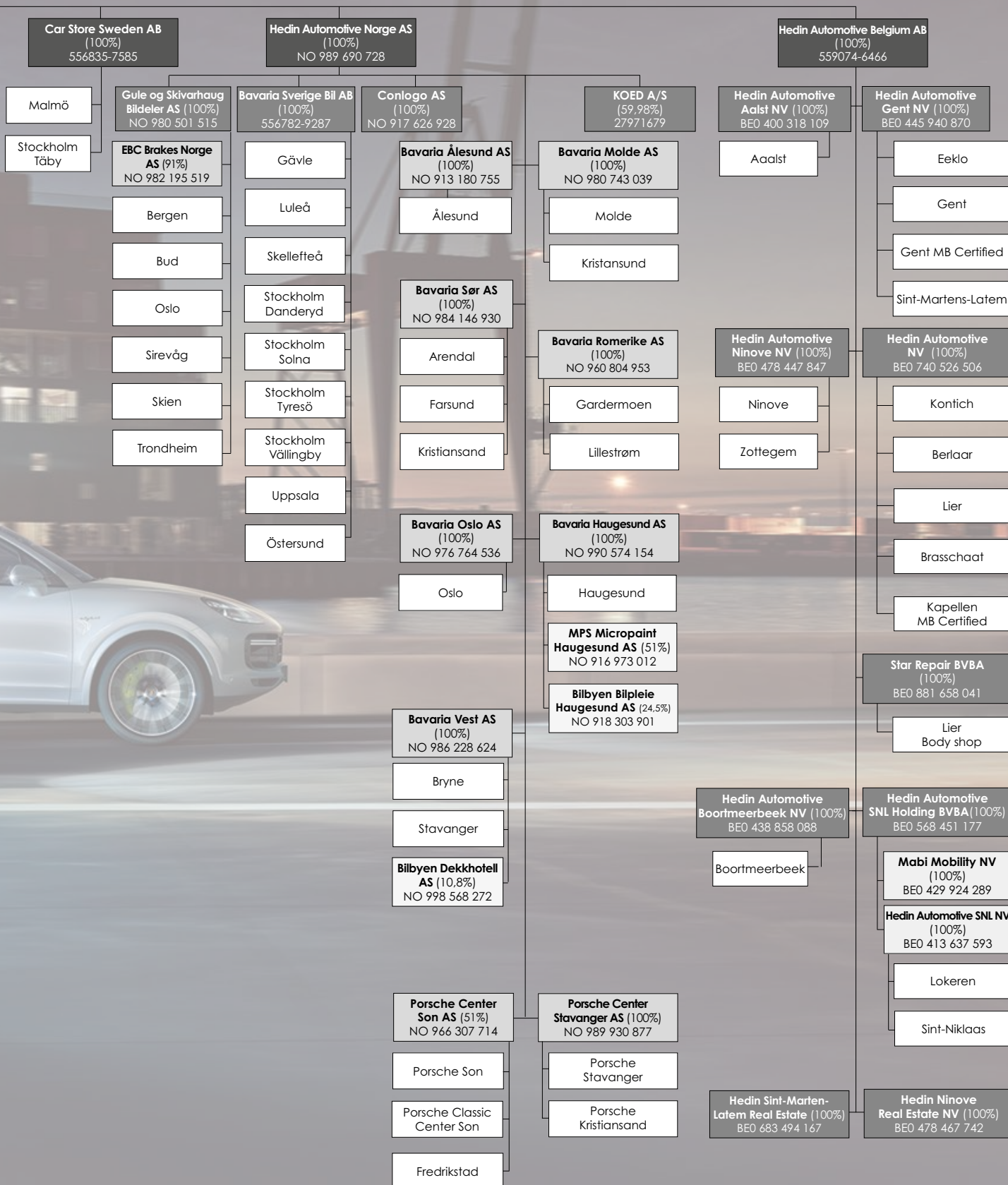
511

PROFIT (MSEK)
(before tax)

2,651

EMPLOYEES

ORGANIZATION STRUCTURE



DEALERSHIPS AND BRAND MANAGERS



MERCEDES-BENZ
36

SVERIGE
Johan Stålhammar

Alingsås
Anderstorp
Borås
Enköping
Göteborg / Hisings Kärra
Göteborg / Mölndalsvägen
Göteborg / Sisjön
Halmstad / Stenlyckan
Helsingborg
Jönköping
Kristianstad
Kungsbacka
Linköping
Ljungby
Strömstad
Trollhättan
Uddevalla
Uppsala
Varberg
Värnamo
Ängelholm

BELGIEN
Henrik Lessèl

Aalst
Berlaar
Boortmeerbeek
Brasschaat
Eeklo
Gent
Gent MB Certified
Kapellen MB Certified
Kontich
Lier
Lokeren
Ninove
Sint-Martens-Latem
Sint Niklaas
Zottegem



Mercedes-Benz
Vans. Born to run.

MERCEDES-BENZ
26

SVERIGE
Lars Holmström

Alingsås
Borås
Enköping
Göteborg / Hisings Kärra
Halmstad / Stenlyckan
Helsingborg
Jönköping
Kristianstad
Kungsbacka
Linköping
Ljungby
Möndal
Trollhättan
Uddevalla
Uppsala
Varberg
Värnamo

BELGIEN
Henrik Lessèl

Aalst
Gent Zeehaven
Eeklo
Ninove
Lokeren
Sint Niklaas
Sint-Martens-Latem
Vertommen
Zottegem



PORSCHE


PORSCHE
9

SVERIGE
Rickard Magnusson

Borås
Göteborg / Åbro
Jönköping
Linköping

NORGE
Helge Ellingsen

Fredrikstad
Kristiansand (Sør)
Son
Son Classic Center
Stavanger



JAGUAR
4

Rikard Alm


Göteborg / Eklanda
Linköping Bilvaruhuset
Jönköping
Örebro



CHEVROLET
2

Stefan Enryd


Göteborg / Åbro US Center
Stockholm / Kungens Kurva



LAND ROVER
4

Rikard Alm


Göteborg / Eklanda
Linköping Bilvaruhuset
Jönköping
Örebro



CORVETTE
2

Stefan Enryd

Göteborg / Åbro US Center
Stockholm / Kungens Kurva



CADILLAC
2

Stefan Enryd

Göteborg / Åbro US Center
Stockholm / Kungens Kurva



ALFA ROMEO
10

Ludvig Almgren

Göteborg / Åbro US Center
Halmstad / FCA & TRP
Jönköping
Kristianstad Bilvaruhuset
Linköping Bilvaruhuset
Malmö
Stockholm / Akalla
Stockholm / Kungens Kurva
Uppsala
Örebro



FIAT
15

Ludvig Almgren

Göteborg / Grimbodalen
Göteborg / Åbro US Center
Halmstad / FCA & TRP
Jönköping
Kristianstad Bilvaruhuset
Linköping Bilvaruhuset
Lund
Malmö / Jägersro
Stockholm / Akalla
Trelleborg
Uddevalla Bilvaruhuset
Uppsala
Varberg
Värnamo
Örebro



FIAT PROFESSIONAL
17

Ludvig Almgren

Göteborg / Hisings Kärra TRP
Halmstad / FCA & TRP
Jönköping Transport- & Lastbilscenter
Kristianstad Bilvaruhuset
Linköping Bilvaruhuset
Lund
Malmö TRP
Möndal TRP
Stockholm / Akalla
Stockholm / Kungens Kurva
Stockholm / Spånga
Trelleborg
Uddevalla Bilvaruhuset
Uppsala
Varberg
Värnamo
Örebro



Mercedes-Benz
Trucks you can trust

MERCEDES-BENZ
13

SVERIGE
Björn Janström

Borås
Göteborg / Hisings Kärra TRP
Halmstad / Stenlyckan
Helsingborg TRP
Jönköping Transport- & Lastbilscenter
Kristianstad
Linköping
Uddevalla
Uppsala

BELGIEN
Henrik Lessèl

Aalst
Gent Zeehaven
Sint Niklaas
Vertommen



MERCEDES-BENZ AMG
4

SVERIGE
Johan Stålhammar

Göteborg / Sisjön Performance Center
Helsingborg
Jönköping

BELGIEN
Henrik Lessèl

Brasschaat AMG Performance Store




SMART
3

SVERIGE
Johan Stålhammar

Göteborg / Mölndalsvägen

BELGIEN
Henrik Lessèl

Aalst
Eeklo



BMW
22

SVERIGE
Johan Frisk

Gävle
Luleå
Skellefteå
Stockholm / Danderyd
Stockholm / Solna
Stockholm / Tyresö
Stockholm / Vällingby
Uppsala
Östersund

NORGE
Hallvard Vikeså

Arendal
Bryne
Farsund
Gärdermoen
Haugesund
Kristiansund
Kristiansund
Lillestrøm
Oslo Økern
Stavanger
Ålesund



MINI
8

SVERIGE
Johan Frisk

Stockholm / Solna
Uppsala

NORGE
Hallvard Vikeså

Kristiansand
Molde
Oslo Vika
Oslo Økern
Stavanger
Ålesund



NISSAN
23

Victor Liljenberg

Alingsås
Anderstorp
Borås
Enköping
Göteborg / Hisings Kärra TRP
Göteborg / Mölndalsvägen
Göteborg / Tagene
Halmstad Bilvaruhuset
Helsingborg
Helsingborg TRP
Kristianstad
Kungsbacka
Ljungby
Möndal TRP
Stockholm / Akalla
Strömstad
Trollhättan Bilvaruhuset
Uddevalla Bilvaruhuset
Uppsala
Vara
Varberg
Värnamo
Ängelholm



NISSAN GTR
2

Victor Liljenberg

Göteborg / Mölndalsvägen
Stockholm / Akalla

Jeep

JEEP
14

Ludvig Almgren

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



ABARTH
7

Ludvig Almgren

Göteborg / Åbro US Center
Halmstad / FCA & TRP
Jönköping
Kristianstad
Malmö
Stockholm / Akalla
Stockholm / Kungens Kurva



HONDA
1

Victor Liljenberg

Mölnadal Bilvaruhuset



RENAULT

RENAULT
6

Michael Bergström

Göteborg/Hisings Kärra TRP
Göteborg / Tagene
Halmstad Bilvaruhuset
Halmstad / FCA & TRP
Mölnadal Bilvaruhuset
Mölnadal TRP



KIA
22

Kenny Ohlsson

Alingsås
Borås
Göteborg / Tagene
Halmstad Bilvaruhuset
Helsingborg
Jönköping
Kungsbacka
Kristianstad Bilvaruhuset
Lysekil
Mölnadal Bilvaruhuset
Stockholm / Akalla
Stockholm / Segeltorp
Strömstad
Trelleborg
Trollhättan Bilvaruhuset
Uddevalle Bilvaruhuset
Vara
Värnamo
Ängelholm

KC MOTORS

Danderyd
Malmö
Norrtälje



FORD
8

Jonas Hamnstedt

Eskilstuna
Göteborg / Eklanda
Göteborg / Tagene
Kungsbacka
Stockholm / Nacka
Stockholm / Segeltorp
Södertälje
Västerås



DS
3

Selahattin Unsal

Malmö
Mölnadal Bilvaruhuset
Stockholm / Akalla

ISUZU

ISUZU
2

Olle Holmberg

Karlskoga
Örebro



OPEL
10

Henrik Hedlycke

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



MITSUBISHI
MOTORS
12

Stefan Elmström

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



CITROËN
17

Stefan Elmström

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



DODGE
14

Kalle Bernhardsson

Göteborg / Grimodalen
Göteborg / Åbro US Center
Halmstad / FCA & TRP
Helsingborg
Jönköping
Kristianstad Bilvaruhuset
Linköping Bilvaruhuset
Malmö Jägersro
Mölnadal Bilvaruhuset
Norrköping
Stockholm / Akalla
Stockholm / Kungens Kurva
Uppsala
Örebro



RAM
15

Kalle Bernhardsson

Göteborg / Grimbodalen
Göteborg / Åbro US Center
Halmstad / FCA & TRP
Helsingborg TRP
Jönköping
Kristianstad Bilvaruhuset
Linköping Bilvaruhuset
Malmö TRP
Mölnadal Bilvaruhuset
Norrköping
Stockholm / Akalla
Stockholm / Kungens Kurva
Stockholm / Spånga
Uppsala
Örebro



DACIA
6

Micheal Bergström

Göteborg/Hisings Kärra TRP
Göteborg / Tagene
Halmstad Bilvaruhuset
Halmstad TRP
Mölnadal Bilvaruhuset
Mölnadal TRP



SUBARU
6

Selahattin Unsal

Karlskoga
Kristianstad Bilvaruhuset
Lund
Malmö
Stockholm / Akalla
Trelleborg

HEDIN PERFORMANCE CARS

HEDIN PERFORMANCE CARS
2

Rickard Magnusson

Göteborg/Sisjön (begagnat)
Göteborg/Sisjön (skadecenter)

HEDIN CERTIFIED

HEDIN CERTIFIED
2

Hakim Chebil

Göteborg/Hisings Kärra
Göteborg / Åbro

CARSTORE

CARSTORE
3

Hakim Chebil

Malmö
Täby
Stockholm Kungens Kurva

FINANCE - FIVE-YEAR SUMMARY

kSEK	2020	2019	2018	2017	2016
Net sales	24 063 914	22 301 382	21 043 340	12 657 046	9 744 132
Operating profit	728 527	360 207	227 107	197 230	176 843
Financial income and expense	-217 082	-212 253	-114 143	-53 449	-10 705
Profit before tax	511 445	147 954	112 964	143 781	166 138
Tax	-125 605	-44 646	-26 108	-25 104	-30 638
Profit for the year	385 840	103 308	86 856	118 677	135 500
Intangible fixed assets	1 694 733	1 877 075	1 522 412	1 215 266	55 194
Tangible fixed assets	7 475 079	7 562 976	2 002 531	1 519 245	620 576
Financial fixed assets	82 029	70 749	57 346	32 321	99 986
Inventories	2 774 823	3 089 271	2 736 249	2 446 334	919 980
Accounts receivables	908 723	970 145	716 803	590 907	272 259
Other current assets	604 750	752 738	646 168	546 140	326 514
Total assets	13 540 137	14 322 954	7 681 509	6 350 213	2 294 509
Equity	1 197 386	931 028	795 568	703 962	615 077
Non-current liabilities	7 632 654	7 876 863	2 892 119	2 929 490	479 115
Accounts payables	1 509 774	1 713 413	1 258 126	1 136 415	250 622
Other liabilities	3 200 323	3 801 650	2 735 696	1 580 346	949 695
Total equity and liabilities	13 540 137	14 322 954	7 681 509	6 350 213	2 294 509
Cash Flow from Operating activities	1 707 854	1 508 029	460 094	-11 958	370 487
Cash flow from Investing activities	-680 018	-1 474 956	-1 238 694	-1 675 521	-382 719
Cash Flow from Financing activities	-1 045 156	22 641	825 011	1 738 367	10 268
Cash flow for the year	-17 320	55 714	46 411	50 888	-1 964
Equity to assets ratio	11%	9%	15%	17%	27%
Return on equity	36%	12%	12%	18%	22%
Number of employees	2 651	2 733	2 450	1 711	1 434

IFRS16 is applied from the year 2019. Earlier years have not been adjusted.

kEUR	2020	2019	2018	2017	2016
Net sales	2 397 401	2 137 458	2 047 954	1 285 018	1 018 526
Operating profit	72 581	34 524	22 102	20 024	18 485
Financial income and expense	-21 627	-20 343	-11 108	-5 426	-1 119
Profit before tax	50 953	14 181	10 994	14 598	17 366
Tax	-12 514	-4 279	-2 541	-2 549	-3 203
Profit for the year	38 440	9 901	8 453	12 049	14 163
Intangible fixed assets	168 840	179 907	148 162	123 381	5 769
Tangible fixed assets	744 715	724 867	194 888	154 243	64 867
Financial fixed assets	8 172	6 781	5 581	3 281	10 451
Inventories	276 446	296 089	266 294	248 366	96 163
Accounts receivables	90 533	92 983	69 760	59 992	28 458
Other current assets	60 249	72 146	62 886	55 447	34 130
Total assets	1 348 955	1 372 772	747 570	644 711	239 838
Equity	119 291	89 234	77 425	71 470	64 292
Non-current liabilities	760 414	754 952	281 463	297 419	50 080
Accounts payables	150 413	164 221	122 442	115 376	26 197
Other liabilities	318 837	364 366	266 240	160 446	99 269
Total equity and liabilities	1 348 955	1 372 772	747 570	644 711	239 838
Cash Flow from Operating activities	170 147	144 536	44 777	-1 214	38 726
Cash flow from Investing activities	-67 748	-141 366	-120 551	-170 109	-40 004
Cash Flow from Financing activities	-104 125	2 170	80 291	176 489	1 073
Cash flow for the year	-1 726	5 340	4 517	5 166	-205
Equity to assets ratio	11%	9%	15%	17%	27%
Return on equity	36%	12%	12%	18%	22%
Number of employees	2 651	2 733	2 450	1 711	1 434
Exchange rate SEK/EUR	10,04	10,43	10,28	9,85	9,57

IFRS16 is applied from the year 2019. Earlier years have not been adjusted.



DIRECTOR'S REPORT

The Board of Directors and CEO of I.A. Hedin Bil AB (publ), corporate ID No. 556065-4070 hereby presents the Annual Report and Consolidated Financial Statements for the financial year 1/1/2020 - 12/31/2020.

General about the business

I.A. Hedin Bil Group is a family-owned business with sales and service of new and used vehicles.

I.A. Hedin Bil Group is operating authorized sales and after sales facilities for passenger vehicles, commercial vehicles and heavy trucks in Sweden, Norway, Belgium and Denmark. The brands represented by Hedin Bil in Sweden are Mercedes-Benz, Jeep, Dodge, RAM, Smart, Nissan, Mitsubishi, Citroën, DS, Fiat, Cadillac, Corvette, Chevrolet, Chrysler, KIA, Opel, Dacia, Renault, Abarth, Honda, Jaguar, Alfa Romeo, Subaru, Isuzu, Range Rover, Land Rover and Ford. The brands represented by Bavaria are BMW and MINI in Sweden and Norway. Porsche is sold in dedicated Porsche Centers in Sweden and Norway. In Belgium, Mercedes-Benz and Smart are represented under the trademark Hedin Automotive. Distribution and retailing of BMW spare parts for the Norwegian market is carried out by GS Bildeler.

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

Parent company

I.A. Hedin Bil AB's operations consist primarily of managing and developing ownership interests in existing subsidiaries, and providing common support functions such as finance, HR, marketing, vehicle administration, etc.

The company is a subsidiary of Hedin Group AB, corporate ID No. 556702-0655, based in Mölndal, which also prepares consolidated accounts.

Amount in thousand SEK (kSEK)	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Net sales	24,063,914	22,301,382	21,043,340	12,657,046	9,744,132
Profit after financial items	511,445	147,954	112,964	143,781	166,138
Total assets	13,540,137	14,322,954	7,681,509	6,350,213	2,294,509
Return on equity %	36	12	12	18	22
Equity ratio %	11	9	15	17	27
Equity ratio %, exclusive IFRS 16	17	13	15	17	27
Average number of employees	2,651	2,733	2,450	1,711	1,434

Definitions

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

Equity ratio: Equity and subordinated loan to parent companies (Note 22) in relation to the total assets.

Operational earnings: Operating profit excluding items affecting comparability and amortization in surplus values.

Key events during the year

- On January 13, a FordStore in Västerås was opened.
- On January 20, a new dealership for Kia was opened in Trollhättan, a Red Cube facility.
- On April 1, our new concept "Car Store" was launched. Car Store is a used car sales concept within the I.A. Hedin Bil Group.
- On May 8, Hedin Automotive AS acquired the remaining shares in Conlogo AS, and now holds 100 percent.
- On September 1, a new dealership including customer- VR experience was opened in Solna United.
- On September 23, Bavaria opened a new dealership for BMW and Mini at Breivollveien in Oslo.
- On October 8, a new dealership for Nissan and Kia was opened in Alingsås. In the present facility, the sales of Mercedes-Benz will continue as a single-brand.
- On October 15, Bavaria Sverige inaugurated a new dealership for BMW in Kista.
- On November 13, 60 percent of Koed A/S was acquired. The company is a Danish wholesaler of spare parts for BMW.
- On December 1, Hedin Mölndal Bil AB signed an agreement for Callisma's premises in Danderyd.
- The construction of the new head office for Hedin Bil and Hedin Group started in the end of 2020. The location is in Eklanda, Mölndal and the building is approximately 15 000 square meters. It will be ready in the autumn 2022.

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

Events after the end of the financial year

- Modins Bil AB was acquired on February 5. The company is a Ford dealer in Uppsala.
- Hedin Bil will be authorized dealer for the Chinese electric vehicle brand MG, launching in April 2021.

Expected future development

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

Risks

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

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

Opportunities are created to widen and spread the risks, through Group operations in several sectors of the automotive industry, including sales, service centres, car rental and spare parts.

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

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

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

- Ability to deliver: Most automotive factories in Europe were closed at the end of March and are expected to open again in April/May. This can affect our delivery capacity in the short-term.

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

Corporate governance report

The supreme decision-making body in I.A. Hedin Bil Group lies with the Shareholders General Meeting. The Shareholders General Meeting appoints the board, which has the ultimate responsibility to ensure that the internal control functions are working satisfactorily so that the quality of the financial reporting can be ensured. The Board of directors is responsible to ensure that the company's organization is designed in such a way that the accounting, funds management and the company's financial conditions are controlled in a satisfactory manner. The Board regularly evaluates the CEO's work. The CEO's task, together with the CFO, is to examine and ensure the quality of the financial reporting. Clear guidelines are communicated to the subsidiaries to ensure applied rules and principles are followed within the Group's companies. The Group's external auditors report to the Board if necessary, and at least once a year.

Shareholders General Meeting

The company's largest shareholder is Hedin Group AB, with a holding of 91 percent of the shares. Hedin Group AB is wholly owned by Anders Hedin, who is also President and CEO of I.A. Hedin Bil AB. The remaining 9 percent is owned by Ingemar Hedin. There are 100 shares of series A, each share entitling to ten votes, and 900 shares of series B, each share entitling to one vote. There are no restrictions on how many votes each shareholder can cast at a shareholders general meeting. All shares of series A are held by Hedin Group AB.

There are no special regulations in the Articles of Association for the appointment or dismissal of Board members, or amendments to the Articles of Association.

Sustainability report

The I.A. Hedin Bil Group has many employees and several business areas in different geographical locations. It is therefore important to share fundamental values on how the business should be conducted. The approach is essential for the business and guides on the challenges faced at work. The commitment, without compromise, is to act within proper ethical guidelines. This is a crucial ingredient to gain trust and confidence from customers, suppliers and financiers.

We have set up guidelines and standards to help our employees to have a professional approach in solving ethical issues that may arise at work. This guidance is described in our Code of Conduct, as part of the Sustainability Report.

The Swedish operations of I.A. Hedin Bil has an overall Quality and Environment policy which, together with the quality- and management system, meets the requirements of ISO 9001 & ISO 14001. The environmental certification Miljöfyrtårn is implemented in parts of the Norwegian business. Guidelines, other policies and Code of Conduct are published and easily accessible to all employees within the Group.

I.A. Hedin Bil is an automotive retailer that does not manufacture the products it distributes. Manufacturing and developing of vehicles are the responsibility of the car manufacturers. As a retailer in the automotive industry, there is limited ability to influence the car manufacturers. However, the I.A. Hedin Bil Group is constantly committed to its own environmental policy in order to limit the impact from facilities and workshops.

In 2020, I.A. Hedin Bil continued to acquire and build new dealerships. The ambition is to implement the same sustainability guidelines to the newly added facilities. To ensure a long-term sustainability approach, the I.A. Hedin Bil Group work actively to create the right conditions to reduce our environmental impact, based on the environmental aspects that are identified as crucial.

We are constantly working to improve the leadership and to develop the company forward to strengthen our brand as an employer. We are working with educational efforts for our managers and employees to meet new technologies and digital trends. Our digital introductory training for new employees supports a structured introduction, which we believe creates a strong employee commitment and gives the new employee the right conditions for the new profession. The purpose is to create an organisation where our employees are characterized by their sense of satisfaction and professional skills. The basis of all our work is Reliability, Trustworthy and Availability.

In accordance with chapter 6, section 11 of the Annual Accounts Act, the Sustainability Report is prepared as a separate report from the annual report. The Sustainability Report is available from the company, or on the website www.hedinbil.se.

Revenue and earnings

Net sales in 2020 increased by 8 percent to MSEK 24,064 (MSEK 22,301). The comparability is affected by acquisitions during 2019 and 2020. The business model of Mercedes-Benz passenger cars has switched into an agent model during 2019, meaning that invoicing to end customers are made directly from the importer. Adjusted for acquisitions and other changes, net sales increased by 6 percent.

Operating profit increased by MSEK 368 to MSEK 729 (MSEK 360). Operating margin increased to 3.0 percent (1.6 percent). From the beginning of March, several cost-saving actions have been taken to minimize the economic effects of Covid-19, which together with previous actions have improved the result. Actions include temporary and

permanent staff reductions, and a freeze on recruitments, purchases and travels. Where possible, we have used financial support packages for furloughing. In Belgium, the government took over most of the personnel cost when the business was lock-downed, which decreased cost by MSEK 32. We have also used government support in Sweden and Norway, which has reduced personnel cost by MSEK 20 in Sweden and MSEK 8 in Norway. Government support for furloughing is reported as Other operating income, Note 5.

The margin on operational earnings in vehicles sales amounted to 2.1 percent (1.0 percent). The sales of the new vehicles in comparable business decreased by 1 percent. Sales of used vehicles increased by 10 percent. Sales of used cars in Sweden within Hedin Certified has had a positive development during the year and has increased by 13 percent. Gross margin increased in new vehicles. The margins in used vehicles have recovered after a decline during the spring.

The margin of operational earnings in after sales was 7.4 percent (4.6 percent). Earnings have improved through efficiency improvements and cost reductions.

The operational earnings in Sweden increased by MSEK 163 compared to last year. A lower volume in sale of new vehicles, are offset by increased sales volume and profitability in used cars. The profitability in after sales has improved by efficiency improvements. The operational earnings in Norway increased by MSEK 183 compared to last year through higher vehicle sales in the new car business and increased margins. Efficiency improvements in after sales have also contributed to the increased profit. In Belgium, where the business in periods has had full or partly lock-downs, the profit increases by MSEK 28.

The profit before taxes amounted to MSEK 511 (MSEK 148).

Financial report

As of December 31, 2020, cash and cash equivalents amounted to MSEK 132 (MSEK 157). Together with the unused overdraft facilities, there was a payment readiness of MSEK 843 (MSEK 359).

The Group's total assets amounted to MSEK 13,540 (MSEK 14,323) at balance sheet date. Investments during the year in fixed assets, excluding leasing vehicles and right-of-use assets, amounted to MSEK 170 (MSEK 186).

Parent company

I.A. Hedin Bil AB operations consist primarily of managing and developing its existing subsidiaries, as well as providing intra-company services. The profit after financial items amounted to kSEK 61,196 (kSEK -36,718) and net profit for the year amounted to kSEK 122,858 (kSEK 63,297).

Proposed distribution of unappropriated earnings

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

Balanced earnings	531,725 kSEK
Profit for the year	122,858 kSEK
Total	654,583 kSEK

The Board of Directors proposes that unappropriated earnings of kSEK 654,583 be distributed as follows:

Balance carried forward	654,583 kSEK
Total	654,583 kSEK

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

CONSOLIDATED INCOME STATEMENT AND TOTAL COMPREHENSIVE INCOME

Amount in thousand SEK (kSEK)	Note	1/1/2020 - 12/31/2020	1/1/2019 - 12/31/2019
Operating income			
Net sales	4	24,063,914	22,301,382
Other operating income	5	28,368	25,847
		24,092,282	22,327,229
Operating expenses			
Goods for resale		-19,194,056	-17,719,997
Other external expenses	7,8	-1,034,459	-1,028,048
Employee benefit expenses	6	-1,946,209	-2,022,859
Depreciation and amortization of tangible and intangible fixed assets	13,14	-1,189,031	-1,196,118
Operating profit		728,527	360,207
Profit/loss from financial items			
Financial income	9,11	8,399	25,055
Financial expenses	10,11	-225,481	-237,308
Profit, before, tax		511,445	147,954
Taxes	12	-125,605	-44,646
Profit for the year		385,840	103,308
Profit for the year attributable to:			
Parent company's shareholders		372,020	100,322
Holdings with non-controlling interests		13,820	2,986
Profit for the year		385,840	103,308
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of pension obligations, net after tax		-409	-4,768
<i>Items that can be reclassified to the profit for the period</i>			
Conversion differences		-120,645	35,969
Other comprehensive income		-121,054	31,201
Total comprehensive income for the year		264,786	134,509
Comprehensive income for the year attributable to:			
Parent company's shareholders		252,043	131,043
Holdings with non-controlling interests		12,743	3,466
Total comprehensive income for the year		264,786	134,509

CONSOLIDATED BALANCE SHEET

Amount in thousand SEK (kSEK)	Note	12/31/2020	12/31/2019
ASSETS			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Intangible rights	13	22,919	16,936
Customer relations	13	335,351	439,278
Goodwill	13	1,336,463	1,420,861
		1,694,733	1,877,075
<i>Tangible fixed assets</i>			
Land and buildings	14	275,921	273,209
Costs incurred on another's property	14	233,830	224,036
Equipment, tools and installations	14	249,443	248,473
Leasing vehicles	14	2,015,487	2,004,533
Right-of-use assets	14	4,700,398	4,812,725
		7,475,079	7,562,976
<i>Financial fixed assets</i>			
Other long-term securities	15	20,730	2,275
Deferred tax assets	21	60,967	61,911
Other non-current receivables	16	332	6,563
		82,029	70,749
Total fixed assets		9,251,841	9,510,800
<i>Current assets</i>			
<i>Inventories, etc.</i>			
Finished products and goods for resale		2,774,823	3,089,271
		2,774,823	3,089,271
<i>Current receivables</i>			
Accounts receivable	17	908,723	970,145
Receivables from Group companies		15,076	12,188
Other current receivables		242,096	256,794
Prepaid expenses and accrued income	18	215,308	326,427
		1,381,203	1,565,554
Cash and cash equivalents	19	132,270	157,329
Total current assets		4,288,296	4,812,154
TOTAL ASSETS		13,540,137	14,322,954

CONSOLIDATED BALANCE SHEET

<i>Amount in thousand SEK (kSEK)</i>	<i>Note</i>	<i>12/31/2020</i>	<i>12/31/2019</i>
EQUITY AND LIABILITIES			
Equity			
	25		
Share capital, 1,000 shares		1,000	1,000
Reserves		-95,577	23,991
Balanced earnings, including profit for the year		1,255,413	885,000
Equity attributable to the parent company's owner		1,160,836	909,991
Holdings with non-controlling interests		36,550	21,037
Total equity		1,197,386	931,028
Non-current liabilities			
Provisions for pensions	20	85,817	89,983
Deferred tax liabilities	21	139,594	159,765
Liabilities to parent companies	22	350,000	350,000
Bond loans	22	1,495,800	1,493,400
Other liabilities to credit institutions	22	158,970	184,655
Leasing liability	22	4,119,000	4,332,659
Other non-current liabilities	22	1,283,473	1,266,401
Total non-current liabilities		7,632,654	7,876,863
Current liabilities			
Overdraft facilities	22	514,705	1,023,408
Liabilities to credit institutions	22	318,635	407,331
Leasing liability	22	499,666	500,978
Accounts payable		1,509,774	1,713,413
Liabilities to Group companies		246,869	270,556
Tax liability		72,738	19,409
Other current liabilities		961,891	994,457
Accrued expenses and prepaid income	23	585,819	585,511
Total current liabilities		4,710,097	5,515,063
TOTAL EQUITY AND LIABILITIES		13,540,137	14,322,954

GROUP REPORT ON CHANGES IN EQUITY CAPITAL

<i>Amounts in kSEK</i>	<i>Share capital</i>	<i>Reserves</i>	<i>Balanced earnings, including profit for the year</i>	<i>Total</i>	<i>Holdings with non-controlling interests</i>	<i>Total equity</i>
Opening balance 01/01/2019	1,000	-11,498	789,446	778,948	16,620	795,568
Profit for the year			100,322	100,322	2,986	103,308
Year's change of conversion reserve		35,489		35,489	480	35,969
Revaluation of provisions for pensions			-4,768	-4,768		-4,768
Other comprehensive income for the year		35,489	-4,768	30,721	480	31,201
<i>Transactions with owners</i>						
Changes in holding with non-controlling interests					3,470	3,470
Dividends to holding with non-controlling interests					-2,519	-2,519
Closing balance 12/31/2019	1,000	23,991	885,000	909,991	21,037	931,028
Profit for the year			372,020	372,020	13,820	385,840
Year's change of conversion reserve		-119,568		-119,568	-1,077	-120,645
Revaluation of provisions for pensions			-409	-409		-409
Other comprehensive income for the year		-119,568	-409	-119,977	-1,077	-121,054
<i>Transactions with owners</i>						
Group contribution paid			-150,000	-150,000		-150,000
Tax effect on paid Group contribution			32,100	32,100		32,100
Shareholder's contribution			117,900	117,900		117,900
Business acquisitions					9,073	9,073
Changes in holding with non-controlling interests			-1,198	-1,198	-1,037	-2,235
Disposals					-4,925	-4,925
Dividends to holding with non-controlling interests					-341	-341
Closing balance 12/31/2020	1,000	-95,577	1,255,413	1,160,836	36,550	1,197,386

CONSOLIDATED CASH FLOW STATEMENT

<i>Amount in thousand SEK (kSEK)</i>	<i>Note</i>	<i>1/1/2020 - 12/31/2020</i>	<i>1/1/2019 - 12/31/2019</i>
Operating activities			
Profit after financial items		511,445	147,954
Non-cash items	26	1,191,964	1,201,237
Income tax paid		-57,668	-59,188
Cash flow from operating activities before changes in working capital		1,645,741	1,290,003
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease (+) in inventories		239,706	-143,225
Increase(-)/Decrease (+) in operating receivables		33,017	-213,591
Increase(+)/Decrease (-) in operating liabilities		-210,610	574,842
Cash flow from operating activities		1,707,854	1,508,029
Investing activities			
Acquisition of subsidiaries	27	-16,293	-305,615
Purchase of intangible and tangible assets		-169,959	-186,117
Sale of tangible assets		11,224	7,278
Purchase of leasing vehicles		-1,134,916	-1,608,117
Sale of leasing vehicles		642,282	615,053
Purchase of financial fixed assets		-12,356	2,562
Cash flow from investing activities		-680,018	-1,474,956
Financing activities			
Borrowings	26	496,584	616,491
Repayment of debt	26	-1,002,211	-86,627
Repayment of lease liability	26	-539,529	-507,223
Cash flow from financing activities		-1,045,156	22,641
Cash flow for the year		-17,320	55,714
Cash and cash equivalents at the beginning of year		157,329	99,724
Exchange rate difference in cash		-7,739	1,891
Cash and cash equivalents at the end of year		132,270	157,329

NOTES

Amounts in thousands SEK (kSEK) unless stated otherwise.

NOT 1 MATERIAL FINANCIAL REPORTING STANDARDS

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

The Board approved these Consolidated Financial Statements for publication on April 9, 2021.

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

New financial reporting standards 2020

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

New financial reporting standards 2021

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

Consolidated Financial Statements

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

Acquisition method

The acquisition method is used for reporting the Group's business acquisitions. The purchase price for the acquisition of a subsidiary comprises the fair value of assets and liabilities. The purchase price

also includes all assets and liabilities at fair value as a result of an agreed contingent purchase sum. Subsequent fair value adjustments of a contingent purchase sum that is classified as an asset or liability are reported in accordance with IAS 39, either in the Income Statement or in Other Comprehensive Income. Contingent purchase sums that are classified as equity are not revalued and the subsequent adjustment is reported under Equity.

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

Changes in ownership in subsidiaries without changes in controlling interest

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

Translation of currencies

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

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

Exchange gains and losses that are attributable to loans and cash and cash equivalents are reported in the Income Statement as financial income or expense. Borrowings that are connected to acquisitions of foreign subsidiaries in the same currency are accounted as a hedge. The exchange rate effect on the borrowings is reported under Equity and other comprehensive income. All other exchange gains and losses are reported under Operating profit.

Intangible fixed assets

Goodwill

Goodwill that arises as a result of business acquisitions is included in intangible assets. Goodwill is not amortized, instead, an impairment test is conducted annually or more frequently if events or changes in conditions indicate a possible fall in value.

Goodwill is recognized at cost less accumulated impairments. In the event of the sale of a unit, the goodwill carrying value is included in the resulting gain/loss.

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

Customer relations

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

Intangible rights

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

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

Customer relations	7 years
Intangible rights	3-5 years

Tangible fixed assets

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

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

Depreciation of assets in order to distribute their acquisition value or revalued amounts down to the estimated residual value during their estimated useful life is made on a straight-line basis as follows:

Buildings	20-50 years
Costs incurred on another's property	10-15 years
Machinery	5-10 years
Equipment, tools and installations	3-5 years

The assets' residual value and useful life are tested at the end of each accounting period and adjusted as necessary. An asset's carrying value and useful life are depreciated immediately to its re-

coverable value if the asset's carrying value exceeds its estimated recoverable value. Gains and losses that arise from sales are established by comparing sales revenue and the carrying value and are reported under Other operating income or Other operating expense in the Income Statement.

Leasing vehicles

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

Impairment of non-financial assets

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

Financial instruments

Classification

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

Financial assets measured at amortized cost

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

Financial liabilities measured at amortized cost

The Group's other financial liabilities are classified as valued at amortized cost, using the effective interest method. Financial liabilities at amortized cost consist of borrowings, accounts payable and liabilities/loan to Group companies. Borrowings are initially recognized at fair value, net after transaction costs. Borrowing is subsequently reported at amortized cost. Any differences between the amount received (net after transaction costs) and the repayment amount is reported in the statement of Other comprehensive income, allocated over the maturity period, applying the effective interest method.

Borrowing is classified as short-term in the balance sheet if the company does not have an unconditional right to postpone the debt's maturity period for at least twelve months after the reporting period. Dividends paid are reported as a liability after the Shareholders General Meeting has approved the dividend. Accounts payable and other operating liabilities have expected short-term maturity and are valued without nominal amount discounting.

Financial assets and liabilities at fair value through the income statement

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

Impairment testing of financial assets

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

Inventories

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

Current and deferred taxes

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

The deferred tax is recognized on all temporary differences arising between the taxable value of assets and liabilities and their carrying value in the Consolidated Financial Statements. However, the deferred tax liability is not recognized if it arises as a result of the initial recognition of goodwill. Moreover, the deferred tax is not recognized

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

Remuneration to employees

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

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

Provisions

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

Revenue recognition

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

Vehicles

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

Service Market

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

Bonus from suppliers

Bonuses from suppliers on sold cars are reported as a reduced cost of commodities.

Government support

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

Leasing

The Group as lessor

For the lessor, the concept financial and operational leasing remains. Leasing in which a material proportion of the risks and benefits of ownership are retained by the lessor are classified as operational leases. Payments made for the leasing period are expensed on a straight-line basis in the Income Statement during the term of the lease. In financial leasing, the financial risks and benefits attributable to ownership are transferred to the lessee.

The Group as lessee

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

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

Cash Flow Statement

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

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

Operating segments

The reporting of operating segments is consistent with the internal reporting to the highest executive decision maker. The highest executive decision makers have been defined as Group Management responsible for allocating resources to the operating segments and to evaluate their performance and to make the strategic decisions. The operating segments have identified two separate divisions, where the geographical division is considered to be a operating segments in accordance with IFRS 8.

Geographical division

The Group's sale of new and pre-owned vehicles and aftersales service activities in Sweden, Norway and Belgium. This includes additional services such as financing, insurance, private leasing, etc.

Vehicle sales and After-market

Vehicle sales cover the sale of new and pre-owned cars including commission income from financing and insurance. After-market covers service, workshop services and workshop products and spare parts.

The parent company handles group-wide services, reported as Segment reconciliation.

Parent Company financial reporting standards

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

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

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

Financial instruments are recognized at acquisition cost. All lease agreements are reported as operational leases, including the higher initial charge, but excluding costs for services such as insurance and maintenance. These are reported on a straight-line basis over the term of the lease.

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

NOTE 2 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

Currency risk

The Group is exposed to currency risks that arise as a result of exposure to foreign currencies. The main currency risk for the Group is the currency fluctuations that arise when the assets and liabilities

of the foreign subsidiaries are converted. Decisions have been made not to hedge these translation differences. Net assets in foreign currency amounted to MSEK 282 (MSEK 625) in EUR and to MSEK 1,278 (MSEK 1,247) in NOK.

Purchases are mainly made in local currency. Some purchases in the spare parts business in Norway are made in US dollars (USD) and in Euros (EUR). Currency risks arise as a result of future business transactions, reported assets and liabilities and net investments in operations abroad. As the Group is only exposed to currency risks to a limited extent, it has been decided not to hedge current payment flows. If the Swedish krona had weakened or strengthened by 10 percent in relation to the US dollar, with all other variables constant, the profit for the year as of December 31, 2020 would have been MSEK 1.4 (MSEK 1.1) lower/higher as a result of changes in purchase prices. If the Swedish krona had weakened or strengthened by 10 percent in relation to the Euro, with all other variables constant, the profit for the year as of December 31, 2020 would have been MSEK 5.4 (MSEK 4.3) lower/higher as a result of changes in purchase prices.

Interest rate risk in borrowing

The Group's interest rate risks arise as a result of long-term borrowing. In general, the Group does not use derivatives to adjust underlying interest rate exposure. Long-term loans consist of a bond in SEK with variable interest rate of, for the moment, approx. 3.6 percent. Other borrowings are at variable interest rates in SEK and EUR. Average interest rates are between 1.2 - 2.0 percent. If the interest rates on loans in Swedish kronor as of December 31, 2020 had been 1 percentage unit higher, with all other variables constant, the estimated profit after tax for the financial year would have been MSEK 18 (MSEK 23) lower/higher, mainly as a result of higher/lower interest rates for loans with variable interest rates. If the interest rates on loans in Euro had been 1 percentage unit higher, with all other variables constant, the estimated profit after tax for the financial year would have been MSEK 8 (MSEK 6) lower/higher.

Credit risk

Credit risks are managed at Group level, with exception of credit risks attributable to outstanding accounts receivable. Each company within the Group is responsible for following up and analyzing credit risks for each new customer prior to offering standard terms and conditions for payment and delivery. Credit risks arise as a result of cash and cash equivalents, holdings with credit institutions and bank deposits, as well as exposure to credit to customers, including outstanding receivables and agreed transactions. The use of credit limits is followed up regularly, and management does not expect any losses as a result of any parties defaulting on their payments. The credit risk in accounts receivable is specified in Note 17.

Liquidity risk

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

The table below analyses the Group's financial obligations distributed over the period remaining as at the year-end through to the agreed expiry date. The amounts in the table are agreed non-discounted cash flows, including future interest payments.

<i>Maturity of liabilities - Group</i>	<i>< 1 year</i>	<i>1-2 years</i>	<i>> 2 years</i>
Bond loans	54,750	1,541,063	0
Liabilities to Group companies	246,869	0	350,000
Liabilities to credit institutions	325,799	18,282	163,588
Overdraft facilities	522,426	0	0
Leasing liability	507,161	514,768	4,077,153
Accounts payable	1,509,774	0	0
Other liabilities	765,169	797,224	499,500
Accrued expenses	62,405	0	0
Total	3,994,352	2,871,337	5,090,241

<i>Maturity of liabilities - Parent Company</i>	<i>< 1 year</i>	<i>1-2 years</i>	<i>> 2 years</i>
Bond loans	54,750	1,541,063	0
Liabilities to Group companies	180,854	0	350,000
Liabilities to credit institutions	105,446	0	0
Overdraft facilities	522,426	0	0
Accounts payable	5,363	0	0
Total	868,839	1,541,063	350,000

NOTE 3 ESTIMATES AND ASSESSMENTS

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

Impairment testing of goodwill

The Group examines the existence of any impairment for goodwill, in accordance with the Group's accounting principles. The recoverable amounts of cash-generating units have been established by calculating the value in use. By necessity, these calculations include certain estimates (Note 13).

Repurchase agreements

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

Contract liabilities are in the form of cars sold with repurchase agreements, see note 22.

Inventories

Valuation of vehicles is made at the lower of acquisition cost and net realizable value. Net realizable value is established based on an estimated realizable value reduced by sales costs. Net realizable value was lower than acquisition cost by kSEK 35,965 (kSEK 26,345).

NOTE 4 NET SALES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>Net sales distribution</i>		
Vehicle sales	20,712,732	19,747,842
Workshop	1,790,652	1,800,997
Spare parts in automotive operations	2,606,474	2,304,773
Fee and commission income	433,997	409,943
Elimination	-1,549,709	-1,994,789
Other	69,768	32,616
	24,063,914	22,301,382
<i>Net sales per geographic market</i>		
Sweden	14,590,567	15,259,135
Norway	4,526,395	3,203,268
Belgium	3,852,581	3,057,293
Other EU countries	1,094,371	781,686
	24,063,914	22,301,382

The internal performance monitoring is divided into different operating segments. The operating segments have been changed to a segmentation according to geographical markets instead of brands. This gives an improved true and fair view and reflects the internal reporting to the management. The markets are Sweden, Norway, and Belgium. All markets include both vehicle sales and after-market. The geographical segmentation is regarded as operating segments in accordance with IFRS 8.

Vehicle sales refers to the sale of new and pre-owned vehicles of passenger cars, commercial vehicles and trucks. It also includes additional services such as financing, insurance, private leasing, etc.

After market includes service and repairs, sales of spare parts and accessories and tire hotels.

Operational earnings are defined as operating profit excluding items affecting comparability and amortization in surplus values.

	Sweden		Norway		Belgium		Segment reconciliation		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	14,982,030	15,637,644	4,465,292	3,249,092	3,852,581	3,070,758	764,011	343,888	24,063,914	22,301,382
EBITDA	927,800	774,398	316,352	146,314	99,432	62,676	573,974	572,937	1,917,558	1,556,325
Depreciation	-511,890	-521,935	-35,321	-48,479	-32,105	-23,565	-533,505	-534,667	-1,112,821	-1,128,646
Operational earnings	415,910	252,463	281,031	97,835	67,327	39,111	40,469	38,270	804,737	427,679
Margin	2.8%	1.6%	6.3%	3.0%	1.7%	1.3%	0.0%	0.0%	3.3%	1.9%
Amortization of surplus values	-17,081	-18,706	-23,820	-24,206	-35,309	-24,560			-76,210	-67,472
Operating profit	398,829	233,757	257,211	73,629	32,018	14,551	40,469	38,270	728,527	360,207
Operating margin	2.7%	1.5%	5.8%	2.3%	0.8%	0.5%	0.0%	0.0%	3.0%	1.6%
Financial items									-217,082	-212,253
Profit before tax									511,445	147,954
Tax expense									-125,605	-44,646
Profit of the period									385,840	103,308
Investments in										
- fixed assets	91,198	140,461	52,846	19,370	25,915	25,829	0	457	169,959	186,117
- Leasing vehicles	1,063,435	1,552,651	71,481	55,466	0	0	0	0	1,134,916	1,608,117

	Vehicle sales		After market		Segment reconciliation		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	21,216,497	20,190,401	4,397,126	4,105,770	-1,549,709	-1,994,789	24,063,914	22,301,382
EBITDA	945,057	725,703	405,738	261,968	566,763	568,654	1,917,558	1,556,325
Depreciation	-501,922	-522,810	-79,261	-73,679	-531,638	-532,157	-1,112,821	-1,128,646
Operational earnings	443,135	202,893	326,477	188,289	35,125	36,497	804,737	427,679
Margin	2.1%	1.0%	7.4%	4.6%			3.3%	1.9%
Amortization of surplus values	-38,105	-33,736	-38,105	-33,736			-76,210	-67,472
Operating profit	405,030	169,157	288,372	154,553	35,125	36,497	728,527	360,207
Operating margin	1.9%	0.8%	6.6%	3.8%			3.0%	1.6%
Financial items							-217,082	-212,253
Profit before tax							511,445	147,954
Tax expense							-125,605	-44,646
Profit of the period							385,840	103,308
Investments in								
- fixed assets	57,641	58,079	112,318	128,038			169,959	186,117
- Leasing vehicles	1,134,916	1,608,117					1,134,916	1,608,117

NOTE 5 OTHER OPERATING INCOME

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Rental income	10,712	9,511
Support/contributions received	15,102	431
Profit on sale of fixed assets	2,554	2,938
Other	0	12,967
Total	28,368	25,847

Government support, relating to Covid-19 consists of furloughing and sick pay costs, amounting to kSEK 13,379. Government support are presented as Other operating income in the consolidated income statement. There are no unfulfilled conditions or contingent liabilities associated with the support.

NOTE 6 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

	1/1/2020- 12/31/2020	Of which men	1/1/2019- 12/31/2019	Of which men
Average number of employees				
Sweden	1,661	1,492	1,868	1,671
Norway	491	424	480	414
Belgium	488	437	380	329
Germany	4	3	5	3
Denmark	7	6	0	0
Group Total	2,651	2,362	2,733	2,417

The Board of Directors consists of 5 (5) persons, of which 0 (0) woman. Other senior executives include 9 (9) persons, including 1 (1) woman.

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Salaries, other remuneration and social security costs		
Board of Directors, CEO and other senior executives	18,665	18,241
(of which bonuses)	(4,353)	(5,653)
Other employees	1,395,809	1,546,645
Total Salaries and other remuneration	1,414,474	1,564,886
Social security costs	378,258	424,580
Pension costs	114,957	115,119
	1,907,689	2,104,585

The CEO of the parent company, Anders Hedin and the board member Hampus Hedin are employed in Hedin Group AB. Board members do not receive a director's fee. One board member submits invoices for services rendered.

NOTE 7 REMUNERATION TO AUDITORS

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>PwC</i>		
Audit assignment (of which kSEK 1,292 to PwC AB)	3,848	4,831
Tax consulting (of which kSEK 153 to PwC AB)	153	152
Other assignments (of which kSEK 41 to PwC AB)	686	0
	4,687	4,983
<i>Other</i>		
Audit assignment	12	271
Other assignments	379	77
	391	348
Total	5,078	5,331

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

NOTE 8 LEASES

Group as lessee

	12/31/2020	12/31/2019
In the Balance sheet the following amounts is reported related to leases:		
Right-of-use assets		
Premises	4,656,163	4,783,946
Equipment and vehicles	44,235	28,779
	4,700,398	4,812,725
Lease liabilities		
Short-term	499,666	500,978
Long-term	4,119,000	4,332,659
	4,618,666	4,833,637

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
In the Income statement the following amounts is reported related to leases:		
Depreciation of right-of-use assets		
Premises	-519,807	-521,530
Equipment and vehicles	-11,831	-10,627
	-531,638	-532,157
Interest expenses (included in financial expenses)		
Premises	-71 580	-67 212
Equipment and vehicles	-584	-464
	-72 164	-67 676

The total cash-flow applicable to leases was kSEK 571,830 (568,654). Expenses attributable to short-term contracts, or lease contracts of lower value, are insignificant and reported as Other external expenses.

Group as lessor

Assets that are leased under operating leases are reported as tangible fixed assets. These assets consist of rental of premises, as well as sold vehicles combined with future repurchase commitments at a guaranteed residual value. The lease income for the year amounts to kSEK 490,979 (510,338).

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Future minimum lease fees at the closing date amounted to:		
Within one year	241,011	217,182
Between one and five years	246,180	204,358
After five years	0	0
	487,191	421,540

NOTE 9 FINANCIAL INCOME

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Interest income, other	3,330	1,584
Dividends	765	459
Profit from other securities	3,037	2,767
Exchange gains	1,267	20,245
Total	8,399	25,055

NOTE 10 FINANCIAL EXPENSES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Interest expenses	-147,638	-150,875
Interest expenses IFRS 16	-72,163	-67,676
Exchange losses	-5,680	-18,703
Other financial expenses	0	-54
Total	-225,481	-237,308

NOTE 11 EXCHANGE RATE DIFFERENCES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Financial income	1,267	20,245
Financial expenses	-5,680	-18,703
Total	-4,413	1,542

NOTE 12 TAX ON PROFIT FOR THE YEAR

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>Current tax</i>		
Current tax on profit for the year	-142,532	-71,645
Tax attributable to previous years	-1,380	-298
	-143,912	-71,943
<i>Deferred tax</i>		
Deferred tax	18,307	27,297
Total	-125,605	-44,646

Reconciliation of effective tax rate;

Profit before tax	511,445	147,954
Tax according to the applicable tax rate for the parent company (21,4%)	-109,449	-31,662
Effect of foreign tax rates	-1,730	-2,076
Non-deductible costs	-6,741	-7,687
Non-taxable income	3,724	4,962
Standard tax rate on allocation reserves	-143	-116
Change of tax rate	-336	0
Other permanent differences	-10,930	-8,067
	-125,605	-44,646

NOTE 13 INTANGIBLE FIXED ASSETS

	Intangible rights	Customer relations	Goodwill	Total
<i>Acquisition costs</i>				
Opening balance 01/01/2019	14,174	414,661	1,151,584	1,580,419
Purchase	11,665			11,665
Business acquisitions	0	140,550	250,315	390,865
Sales/disposals	-543			-543
Conversion differences	417	7,391	18,962	26,770
Closing balance 12/31/2019	25,713	562,602	1,420,861	2,009,176
Purchase	11,840			11,840
Business acquisitions	11		5,027	5,038
Sales/disposals	-4,295			-4,295
Conversion differences	-897	-40,258	-89,425	-130,580
Closing balance 12/31/2020	32,372	522,344	1,336,463	1,891,179
<i>Accumulated depreciation</i>				
Opening balance 01/01/2019	-2,969	-55,039	0	-58,008
Depreciation for the year	-5,632	-67,471		-73,103
Sales/disposals	403			403
Conversion differences	-579	-814		-1,393
Closing balance 12/31/2019	-8,777	-123,324	0	-132,101
Depreciation for the year	-6,548	-76,210		-82,758
Sales/disposals	2,937			2,937
Conversion differences	2,935	12,541		15,476
Closing balance 12/31/2020	-9,453	-186,993	0	-196,446
Carrying amount 12/31/2019	16,936	439,278	1,420,861	1,877,075
Carrying amount 12/31/2020	22,919	335,351	1,336,463	1,694,733

Impairment testing of goodwill

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

When calculating recoverable amount for cash-generating units, a discount factor of 9.4% (9.3%) before tax has been used, based on the weighted average cost of capital (WACC) and value in use, as the basis for the recoverable amount. The recoverable amount exceeds goodwill for all cash-generating units.

The following cash-generating units have reported goodwill values;

	12/31/2020	12/31/2019
Hedin Bil, Sweden	461,041	461,041
Hedin Automotive, Norway	536,312	607,328
Hedin Automotive, Belgium	339,110	352,492
Total	1,336,463	1,420,861

The breakdown of cash-generating units has changed to a geographical division. Division into the cash-generating units reflects the corresponding division into operating segments.

NOTE 14 TANGIBLE FIXED ASSETS

	Land and buildings	Costs incurred on another's property	Equipment, tools and installations	Leasing vehicles	Right-of-use assets	Total
<i>Acquisition costs</i>						
Opening balance 01/01/2019	279,950	163,150	600,489	1,696,007	0	2,739,596
IFRS 16					4,495,682	4,495,682
Purchase	5,126	81,470	84,610	1,608,117	508,124	2,287,447
Business acquisitions	7,074	24,809	24,384	121,420	289,986	467,673
Sales/disposals	-2,789	-512	-12,570	-879,981		-895,852
Transfers	2,280	2,762	-22,151		17,109	0
Conversion differences	4,237	916	4,239	9,644	33,981	53,017
Closing balance 12/31/2019	295,878	272,595	679,001	2,555,207	5,344,882	9,147,563
Purchase	20,927	40,509	103,361	1,134,555	591,835	1,891,187
Business acquisitions	7,306		4,782		7,862	19,950
Sales/disposals		-16,022	-43,017	-1,011,603		-1,070,642
Transfers		5,375	-5,375			0
Conversion differences	-14,107	-6,205	-11,392	-38,776	-190,807	-261,287
Closing balance 12/31/2020	310,004	296,252	727,360	2,639,383	5,753,772	9,726,771
<i>Accumulated depreciation</i>						
Opening balance 01/01/2019	-11,742	-20,217	-355,361	-349,745	0	-737,065
Depreciation for the year	-8,681	-28,192	-80,992	-472,993	-532,157	-1,123,015
Sales/disposals	431		9,633	272,140		282,204
Conversion differences	-2,677	-150	-3,808	-76		-6,711
Closing balance 12/31/2019	-22,669	-48,559	-430,528	-550,674	-532,157	-1,584,587
Depreciation for the year	-12,731	-31,701	-84,712	-445,492	-531,638	-1,106,274
Sales/disposals		15,123	30,115	369,321		414,559
Transfers		-1,360	1,360			0
Conversion differences	1,317	4,075	5,848	2,949	10,422	24,611
Closing balance 12/31/2020	-34,083	-62,422	-477,917	-623,896	-1,053,373	-2,251,691
Carrying amount 12/31/2019	273,209	224,036	248,473	2,004,533	4,812,725	7,562,976
Carrying amount 12/31/2020	275,921	233,830	249,443	2,015,487	4,700,398	7,475,079

NOTE 15 OTHER LONG-TERM SECURITIES

	Carrying amount	
	12/31/2020	12/31/2019
Unlisted shares	20,730	2,275
	20,730	2,275
Accumulated acquisition cost:		
Opening carrying amount	2,275	7,504
Purchases	18,637	48
Conversion differences	-79	137
Sales	-103	-5,414
Carrying amount at year-end	20,730	2,275

NOTE 16 OTHER LONG-TERM RECEIVABLES

	Carrying amount	
	12/31/2020	12/31/2019
<i>Accumulated acquisition cost:</i>		
Opening carrying amount	6,563	0
Business acquisitions	139	6,729
Purchases	90	0
Conversion differences	-4	-80
Repayment	-6,456	-86
Carrying amount at year-end	332	6,563

NOTE 17 ACCOUNTS RECEIVABLES

	12/31/2020		12/31/2019	
Due date				
Not due	631,771		545,388	
Past due up to 30 days	193,575		309,070	
Past due 30-60 days	37,414		47,984	
Past due more than 60 days	45,963		67,703	
	908,723		970,145	

The maximum exposure of credit risk at end of the year for accounts receivables are the amounts disclosed. The fair value of the accounts receivables is the carrying amount, as the discount factor is insignificant. No accounts receivables have been pledged apart from disclosed in Pledged assets, note 24. The credit loss provision is estimated to kSEK 13,479 (kSEK 11,573).

NOTE 18 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2020		12/31/2019	
Accrued bonus from suppliers	156,310		130,877	
Prepaid rent	0		111,048	
Other items	58,998		84,502	
	215,308		326,427	

NOTE 19 CASH AND CASH EQUIVALENTS

	12/31/2020		12/31/2019	
Cash and bank balances	132,270		157,329	
	132,270		157,329	

NOTE 20 PENSIONS

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Opening carrying amount	89,983	87,090
Pension payments	-5,751	-5,710
Interest	1,065	1,709
Revaluation due to changes in financial assumptions	1,921	5,747
Revaluation due to experience-based adjustments	-1,401	319
Reclassification	0	828
	85,817	89,983

Defined benefit pension plans

For white collar employees in Sweden, the ITP 2 plan's defined benefit pension commitments for retirement and family pensions are secured through the insurance with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Classification of ITP plans funded through an insurance in Alecta, a defined benefit plan covers several employers. The company has not had access to information and therefore could not report its proportional share of the plan's liabilities, management assets and expenses. This meant that the plan could not be reported as a defined benefit plan. Therefore, the pension plan ITP 2, secured through insurance in Alecta, is reported as a defined contribution plan. The premium for the defined-benefit retirement and family pension is individually calculated and depends, inter alia, on the salary, previously earned retirement and expected remaining retirement period. The annual pension insurance contributions in Alecta amount to kSEK 27,975 (kSEK 27,978).

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

Sensitivity analysis	Assumption	Change
Discount rate	+0.5%	-4,542
Inflation	+0.5%	4,872
Life span	+1 year	4,194

NOTE 21 DEFERRED TAX

Deferred tax assets	12/31/2020	12/31/2019
Opening carrying amount	61,911	49,842
Reported in income statement	369	10,502
Recognized in other comprehensive income	111	1,298
Conversion differences	-1,424	-871
Business acquisitions	0	1,140
	60,967	61,911

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

Deferred tax liabilities	12/31/2020	12/31/2019
Opening carrying amount	-159,765	-141,104
Reported in income statement	17,939	16,795
Recognized in other comprehensive income	-4,797	0
Conversion differences	7,654	-998
Business acquisitions	-625	-34,458
	-139,594	-159,765

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

NOTE 22 FINANCIAL LIABILITIES

	12/31/2020	12/31/2019
Non-current borrowings		
Bond loans	1,495,800	1,493,400
Subordinated loan from Parent Company	350,000	350,000
Liability relating to sold cars with repurchase agreements	1,277,561	1,241,383
Financial lease liability	4,119,000	4,332,659
Other liabilities	5,912	25,018
Other liabilities to credit institutions	158,970	184,655
	7,407,243	7,627,115
Current borrowings		
Overdraft facilities	514,705	1,023,408
Liability relating to sold cars with repurchase agreements	753,861	776,508
Financial lease liability	499,666	500,978
Liabilities to credit institutions	318,635	407,331
	2,086,867	2,708,225

A bond loan has been issued to finance the business acquisitions. The loan runs for a period of 5 years at floating rate, and is listed on Nasdaq Stockholm. For new loan financing above a certain level and payment of dividends to shareholders, the company must meet certain levels of interest-bearing liabilities in relation to EBITDA and interest coverage ratio.

The parent company Hedin Group AB has submitted a loan of kSEK 350,000. The loan runs without interest and is subordinated to other liabilities.

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

The Group has a granted overdraft of kSEK 1,225,000 (kSEK 1,225,000), renegotiated on an annual of basis. Of the approved overdraft facility, kSEK 514,705 (kSEK 1,023,408) has been used as of December 31, 2020.

NOTE 23 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2020	12/31/2019
Debt relating to employees	316,576	303,782
Interest expense	19,069	12,922
Prepaid income	4,500	38,698
Other items	245,674	230,109
	585,819	585,511

NOTE 24 PLEDGED ASSETS

	12/31/2020	12/31/2019
Floating charges	1,179,505	1,168,668
Inventories, accounts receivables and equipment	1,017,659	908,896
Land and buildings	184,868	183,632
Net assets in subsidiaries	0	0
	2,382,032	2,261,196

Liabilities for the collateral amounted to kSEK 1,338,745 (kSEK 1,448,037) at year-end.

NOTE 25 CONTINGENT LIABILITIES

	12/31/2020	12/31/2019
Guarantee commitments FPG/PRI	1,260	1,320
Repurchase guarantees	45,897	76,124
Other guarantees	9,075	8,339
	56,232	85,783

NOTE 26 SPECIFICATIONS TO CASH FLOW STATEMENT

	12/31/2020	12/31/2019
Depreciation	1,189,031	1,196,118
Provisions/receivables relating to pensions	-4,166	2,893
Unrealized exchange rate differences	0	1,895
Gains/losses on sale of fixed assets	4,699	-2,069
Other non-cash items	2,400	2,400
	1,191,964	1,201,237
<i>Financial liabilities</i>	<i>12/31/2020</i>	<i>12/31/2019</i>
Opening carrying amount	9,558,832	4,172,402
Cash flow	-1,045,156	22,641
Business acquisitions	10,742	302,259
Leasing liability	539,181	5,003,806
Conversion differences	-323,350	57,724
	8,740,249	9,558,832
<i>Interest payments</i>	<i>1/1/2020- 12/31/2020</i>	<i>1/1/2019- 12/31/2019</i>
Paid interests	-219,801	-218,551
Received interests	3,330	1,584

NOTE 27 BUSINESS ACQUISITIONS

Acquisitions in 2020

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

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

Acquisitions in 2019

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

On the 18th of February Hedin Automotive Belgium AB acquired a body and paint shop next to our dealership in Lier, Belgium. The company, Star repair bvba, has four employees. The purchase price was kSEK 4,058, including goodwill of kSEK 1,696 that is attributable to synergies with our present business around Antwerp.

GS Bildeler AS acquired 91 percent of the shares in EBC Brakes Norge AS on 26th of February.

The purchase price was kSEK 2,150 in a new share issue. EBS Brakes is a wholesaler of automotive brakes and vehicle care products.

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

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

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

	<i>Hedin Automotive Norway Group</i>	<i>Total 2020</i>	<i>2019</i>
Intangible fixed assets	11	11	140,550
Tangible fixed assets	12,087	12,087	467,673
Financial fixed assets	213	213	7,869
Inventories	25,683	25,683	185,052
Operating receivables	9,313	9,313	80,521
Cash and cash equivalents	2,167	2,167	119,413
Operating liabilities	-17,836	-17,836	-486,586
Acquired net assets	31,638	31,638	514,493
Goodwill	5,027	5,027	250,315
Provisions	-625	-625	-34,458
Non-controlling interests	-6,838	-6,838	-3,063
Financial liabilities	-10,742	-10,742	-302,259
Purchase price	18,460	18,460	425,029
Liquid funds in acquired businesses	-2,167	-2,167	-119,413
Impact on the Group's cash and cash equivalents	16,293	16,293	305,615

In 2020, the acquired businesses contributed with approximately kSEK 16,901 (kSEK 698,714) in net sales and kSEK -160 (kSEK 32,091) in operating profit.

If the acquired companies had been consolidated from January 1, 2020, the consolidated income statement would show net sales of kSEK 24,155,655 (kSEK 24,200,164) and operating profit of kSEK 731,630 (kSEK 432,648).

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

During the year, no additional purchase price was paid in connection with the acquisition of businesses. There is also no current acquisition agreement where additional purchase price may expire at a later date.

NOTE 28 FINANCIAL INSTRUMENTS

The table below shows financial instruments per category.

<i>December 31, 2020</i>	Valued at fair value	Measured at amortized cost	Total
<i>Assets</i>			
Long-term securities	20,730		20,730
Receivables from Group companies		15,076	15,076
Accounts receivables and other receivables		908,723	908,723
Cash and cash equivalents		132,270	132,270
Total assets	20,730	1,056,069	1,076,799

<i>December 31, 2020</i>	Measured at amortized cost	Total
<i>Liabilities in the balance sheet</i>		
Borrowings	3,771,583	3,771,583
Loans from Group companies	350,000	350,000
Accounts payable	1,509,774	1,509,774
Liabilities to Group companies	246,869	246,869
Accrued expenses	62,405	62,405
Total liabilities	5,940,631	5,940,631

<i>December 31, 2019</i>	Valued at fair value	Measured at amortized cost	Total
<i>Assets</i>			
Long-term securities	2,275		2,275
Receivables from Group companies		12,188	12,188
Accounts receivables and other receivables		970,145	970,145
Cash and cash equivalents		157,329	157,329
Total assets	2,275	1,139,662	1,141,937

<i>December 31, 2019</i>		Measured at amortized cost	Total
<i>Liabilities in the balance sheet</i>			
Borrowings		4,375,195	4,375,195
Loans from Group companies		350,000	350,000
Accounts payable		1,713,413	1,713,413
Liabilities to Group companies		270,556	270,556
Accrued expenses		44,527	44,527
Total liabilities		6,753,691	6,753,691

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

NOTE 29 RELATED TRANSACTIONS

The Group purchase and sell to companies in the Hedin Group. Tires and rims are purchased from KW Wheels AB, Dawa Däck AB, Inter Wheel Sweden AB, Pro-Imp AB and KW Däckdepå AB at a value of kSEK 135,494 (kSEK 143,338). Spare parts and cars of kSEK 115,849 (kSEK 21,103) are purchased from Klintberg & Way Parts AB. From Klintberg & Way Cars AB and Klintberg & Way Automotive AB cars are purchased at a value of kSEK 22,002 (kSEK 100,856). Cars of kSEK 334,678 (kSEK 283,264) are sold to Mabi Sverige AB and rental services of kSEK 24,898 (kSEK 25,865) are purchased. The Group also purchase construction services from the Tuve Bygg Group with a total of kSEK 13,791 (kSEK 25,865) and sell services to Unifleet AB and Car to Go Sweden AB of kSEK 2,051 (kSEK 24).

The parent company, Hedin Group AB, provides internal services such as controlling and management, finance, procurement, IT etc. During the year 2020, Hedin Group AB has sold services to the Group at a total of kSEK 31,810 (kSEK 20,295).

NOTE 30 EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

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

Of the Group's total purchases and sales measured in kSEK, 2% (2%) of the purchases and 1% (1%) of the sales are attributable to sales companies in the Hedin Group.

The total receivables from Group companies and liabilities to Group companies are reported in the consolidated balance sheet. The parent company Hedin Group AB has submitted a loan of kSEK 350,000. The loan runs without interest and is subordinated to other liabilities. The loan will be repaid at 12/31/2022.

The company has an obligation 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 43 on a straight-line basis over 2.5 years.

In 2016, the affiliate company I.A. Hedin Fastighet AB with associated subsidiaries was divested to Fastighets AB Balder. The properties are rented by I.A. Hedin Bil Group for a period of 12 years. Erik Selin has been a board member of I.A. Hedin Bil AB since March 2017. The transaction was not classified as related transactions at the time of sale.

INCOME STATEMENT - PARENT COMPANY

<i>Amounts in kSEK</i>	<i>Note</i>	<i>1/1/2020- 12/31/2020</i>	<i>1/1/2019- 12/31/2019</i>
Operating income			
Net sales	1	137,071	119,631
Other operating income	2	1,254	0
		138,325	119,631
Operating expenses			
Other external expenses	3,4	-63,288	-62,545
Employee benefit expenses	5	-68,015	-72,123
Depreciation of tangible fixed assets		-1,631	-2,353
		5,391	-17,390
Profit (loss) from financial items			
Anticipated dividend from subsidiaries		95,456	0
Interest income and similar income	6	32,195	58,733
Interest expenses and similar charges	7	-71,846	-78,061
		61,196	-36,718
Appropriations	8	69,347	117,348
		130,543	80,630
Income tax	9	-7,685	-17,333
		122,858	63,297

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

BALANCE SHEET - PARENT COMPANY

<i>Amounts in kSEK</i>	<i>Note</i>	<i>12/31/2020</i>	<i>12/31/2019</i>
ASSETS			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Intangible rights	10	5,724	0
		5,724	0
<i>Tangible fixed assets</i>			
Costs incurred on another's property	10	1,085	1,387
Equipment, tools and installations	10	2,372	3,619
		3,457	5,006
<i>Financial fixed assets</i>			
Shares in Group companies	11	1,704,863	1,479,890
Other long-term securities	12	11,000	0
Deferred tax assets	13	2,567	44
		1,718,430	1,479,934
Total fixed assets		1,727,611	1,484,940
<i>Current assets</i>			
<i>Current receivables</i>			
Receivables from Group companies	11	1,625,922	2,240,882
Tax assets		0	2,108
Other receivables		1,137	8,376
Prepaid expenses and accrued income	14	4,848	4,570
		1,631,907	2,255,936
<i>Cash and cash equivalents</i>		48,263	265
Total current assets		1,680,170	2,256,201
TOTAL ASSETS		3,407,781	3,741,141

BALANCE SHEET - PARENT COMPANY

<i>Amounts in kSEK</i>	<i>Note</i>	<i>12/31/2020</i>	<i>12/31/2019</i>
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital. 1,000 shares		1,000	1,000
Statutory reserve		200	200
		1,200	1,200
Non-restricted equity			
Profit and loss brought forward		531,725	350,528
Profit for the year		122,858	63,297
Total Equity		654,583	413,825
		655,783	415,025
Untaxed reserves			
Untaxed reserves	15	61,308	44,656
Total Untaxed reserves		61,308	44,656
Non-current liabilities			
Liabilities to credit institutions	16	1,495,800	1,493,400
Liabilities to parent company	16	350,000	350,000
Total non-current liabilities		1,845,800	1,843,400
Current liabilities			
Overdraft facility	16	514,705	1,023,408
Liabilities to credit institutions		103,888	155,982
Accounts payable		5,363	5,507
Liabilities to Group companies		180,854	224,321
Tax liabilities		6,701	0
Other liabilities		2,669	2,569
Accrued expenses and deferred income	17	30,710	26,273
Total current liabilities		844,890	1,438,060
TOTAL EQUITY AND LIABILITIES		3,407,781	3,741,141

REPORT ON CHANGES IN EQUITY - PARENT COMPANY

<i>Amounts in kSEK</i>	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Unrestricted equity</i>	<i>Total</i>
Open balance January 1, 2019	1,000	200	350,528	351,728
Profit for the year			63,297	63,297
Closing balance 12/31/2019	1,000	200	413,825	415,025
Shareholder's contribution			117,900	117,900
Profit for the year			122,858	122,858
Closing balance 12/31/2020	1,000	200	654,583	655,783

CASH FLOW STATEMENT - PARENT COMPANY

<i>Amounts in kSEK</i>	<i>Note</i>	<i>1/1/2020- 12/31/2020</i>	<i>1/1/2019- 12/31/2019</i>
Operating activities			
Profit after financial items		61,196	-36,718
Non-cash items	20	-91,425	4,753
Income tax paid		-1,398	-10,604
Cash flow from operating activities before changes in working capital		-31,627	-42,569
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in operating receivables		6,960	-8,913
Increase(+)/Decrease(-) in operating liabilities		4,393	-203
Cash flow from operating activities		-20,274	-51,685
Investing activities			
Acquisition of subsidiaries		-50	-304
Sale of subsidiaries		223	0
Acquisition of intangible and tangible fixed assets		-5,807	-457
Purchase of financial fixed assets		-11,000	0
Change in intercompany transactions		645,703	123,560
Cash flow from investing activities		629,069	122,799
Financing activities			
Repayment of debt		-52,094	-44,900
Change in overdraft facilities		-508,703	-26,204
Cash flow from financing activities		-560,797	-71,104
Cash flow for the year		47,998	10
Cash and cash equivalents at the beginning of the year		265	255
Cash and cash equivalents at the end of the year		48,263	265

NOTES

Amounts in kSEK unless stated otherwise.

NOTE 1 NET SALES

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

NOTE 2 OTHER OPERATING INCOME

Other operating income of kSEK 1,254 (kSEK 0) consists of government support relates to Covid-19, which are support for furloughing and sick pay costs. There are no unfulfilled conditions or contingent liabilities associated with the support.

NOTE 3 REMUNERATION TO AUDITORS

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>PwC AB</i>		
Audit assignment	1,082	1,388
Tax consulting services	153	143
Other assignments	41	0
Total	1,276	1,531

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 activities of the auditor include advice as a result of observations made during the audit, and advice in other contexts. All other items are classified as Other assignments.

NOTE 4 OPERATIONAL LEASING

Operating leases for the year amounted to kSEK 5,759 (kSEK 6,069).

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Future minimum lease payments at the closing date amounted to:		
Within one year	5,775	5,759
Between one and five years	23,100	21,248
After five years	17,325	25,303
	46,200	52,310

NOTE 5 EMPLOYEES AND EMPLOYEES BENEFIT EXPENSES

	1/1/2020- 12/31/2020	Of which men	1/1/2019- 12/31/2019	Of which men
Average number of employees				
Sweden	82	30	93	36
Total	82	30	93	36

The Board of Directors consists of 5 (5) persons, of which all men. Other senior executives amount to 2 (2) persons, of which 1 (1) woman.

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Salaries, other remuneration and social security costs		
Board of Directors, CEO and other senior executives	3,796	4,081
(of which bonuses)	(1,476)	(1,715)
Other employees	42,252	43,451
Total Salaries and other remuneration	46,048	47,532
Social security costs	15,379	16,722
Pension costs	5,539	5,884
	66,966	70,138

The CEO of the parent company, Anders Hedin and the board member Hampus Hedin are employed in Hedin Group AB. Board members do not receive a director's fee. One board member submits invoices for services rendered.

NOTE 6 INTEREST INCOME AND SIMILAR INCOME

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Interest income, external	1,699	255
Interest income, group companies	30,115	42,854
Exchange rate differences	381	15,624
Total	32,195	58,733

NOTE 7 INTEREST EXPENSES AND SIMILAR CHARGES

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Interest expenses, external	-71,846	-72,973
Interest expenses, group companies	0	-5,088
Total	-71,846	-78,061

NOTE 8 APPROPRIATIONS

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
Group contribution paid/received	86,000	125,000
Provision to tax allocation reserve	-15,800	-9,200
Difference between fiscal and reported depreciation on fixed assets	-853	1,548
Total	69,347	117,348

NOTE 9 TAX ON PROFIT FOR THE YEAR

	1/1/2020- 12/31/2020	1/1/2019- 12/31/2019
<i>Current tax</i>		
Current tax on profit for the year	-10,207	-17,377
	-10,207	-17,377
<i>Deferred tax</i>		
Deferred tax	2,522	44
Total	-7,685	-17,333
<i>Reconciliation of effective tax rate;</i>		
Profit before tax	130,543	80,630
Tax according to the applicable tax rate for the parent company (21,4%)	-27,936	-17,255
Non-deductible costs	-130	-40
Non-taxable income	20,428	0
Standard tax rate on allocation reserves	-47	-38
	-7,685	-17,333

NOTE 10 INTANGIBLE AND TANGIBLE FIXED ASSETS

	Intangible rights	Costs incurred on another's property	Equipment, tools and installations	Total
<i>Acquisition costs</i>				
Opening balance 01/01/2019	0	1,777	13,692	15,469
Purchase	0	124	333	457
Closing balance 12/31/2019	0	1,901	14,025	15,926
Purchase	5,724	0	83	5,807
Closing balance 12/31/2020	5,724	1,901	14,108	21,733
<i>Accumulated depreciation</i>				
Opening balance 01/01/2019	0	-214	-8,353	-8,567
Depreciation for the year	0	-300	-2,053	-2,353
Closing balance 12/31/2019	0	-514	-10,406	-10,920
Depreciation for the year	0	-302	-1,330	-1,632
Closing balance 12/31/2020	0	-816	-11,736	-12,552
Carrying amount 12/31/2019	0	1,387	3,619	5,006
Carrying amount 12/31/2020	5,724	1,085	2,372	9,181

NOTE 11 SHARES IN GROUP COMPANIES

	12/31/2020	12/31/2019
<i>Accumulated acquisition cost:</i>		
At the beginning of the year	1,479,890	1,429,586
Purchase	50	304
Shareholder's contribution	225,146	50,000
Disposals	-223	0
Carrying amount at year-end	1,704,863	1,479,890

Specification of the parent company's participations in Group companies

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

<i>Dotterföretag / Org nr / Säte</i>	<i>in %</i>	<i>Carrying value</i>
- Hedin Göteborg Bil AB, 556061-3456, Mölndal	100	95,320
- Hedin Helsingborg Bil AB, 556134-5710, Mölndal	100	86,580
- Hedin Stockholm Bil AB, 556944-7492, Mölndal	100	92,777
- Hedin Örebro Bil AB, 556041-2180, Mölndal	100	28,067
- Hedin Mölndal Bil AB, 556281-3617, Mölndal	100	57,336
- Hedin Performance Cars AB, 556604-9234, Mölndal	100	171,866
- Car Store Sweden AB, 556835-7585, Mölndal	100	313
- Hedin Automotive Belgium AB, 559074-6466, Mölndal	100	20,050
- KC Motors AB, 556983-5423, Täby	100	2,407
- Hedin e-commerce AB, 559231-7639, Mölndal	100	50
- Hedin Automotive AS, 989 690 728, Stavanger, Norge	100	1,149,784
- Other shares in group companies		313
Total		1,704,863

Current receivables from Group companies refer to receivables from subsidiaries.

NOTE 12 OTHER LONG-TERM SECURITIES

	Carrying amount	
	12/31/2020	12/31/2019
Unlisted shares	11,000	0
	11,000	0
Accumulated acquisition cost:		
Opening carrying amount	0	0
Purchase	11,000	0
Carrying amount at year-end	11,000	0

NOTE 13 DEFERRED TAX ASSETS

	12/31/2020	12/31/2019
Opening carrying amount	44	0
Reported in income statement	2,522	44
	2,566	44

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2020	12/31/2019
Prepaid rent	1,969	1,518
Accrued income	0	305
Other	2,879	2,747
	4,848	4,570

NOTE 15 UNTAXED RESERVES

	12/31/2020	12/31/2019
Tax allocation reserve fiscal year 2016	5,600	5,600
Tax allocation reserve fiscal year 2017	11,700	11,700
Tax allocation reserve fiscal year 2018	17,200	17,200
Tax allocation reserve fiscal year 2019	9,200	9,200
Tax allocation reserve fiscal year 2020	15,800	0
Accumulated difference between tax depreciation and depreciation according to the plan	1,808	956
	61,308	44,656

NOTE 16 FINANCIAL LIABILITIES

	12/31/2020	12/31/2019
Non-current borrowings		
Bond loans	1,495,800	1,493,400
Subordinated loan from Parent Company	350,000	350,000
	1,845,800	1,843,400
Current borrowings		
Overdraft facilities	514,705	1,023,408
	514,705	1,023,408

A bond loan has been issued to finance the business acquisitions. The loan runs for a period of 5 years at floating rate, and is listed on Nasdaq Stockholm. The lenders have made certain requirements regarding interest-bearing liabilities in relation to EBITDA, interest coverage and restrictions related to admission of new loans.

The parent company Hedin Group AB has submitted a loan of kSEK 350,000. The loan runs without interest and is subordinated to other liabilities. The loan matures on 12/31/2022.

The Group has an overdraft facility of kSEK 1,225,000 (kSEK 1,225,000), which is renegotiated on an annual basis.

The fair value of the borrowing corresponds to the carrying amount, since the discount effect is not significant. The total borrowings run at variable margins of approx. 1.2 – 2.0%.

NOTE 17 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2020	12/31/2019
Personnel costs	10,197	9,760
Accrued interest expenses	15,045	12,568
Prepaid income	1,981	0
Other	3,487	3,945
	30,710	26,273

NOTE 18 PLEDGED ASSETS

	12/31/2020	12/31/2019
Shares in subsidiaries	20,050	50
	20,050	50

NOTE 19 CONTINGENT LIABILITIES

	12/31/2020	12/31/2019
Guarantee for subsidiaries	112,000	112,000
	112,000	112,000

NOTE 20 CASH FLOW

	12/31/2020	12/31/2019
<i>Non-cash items</i>		
Depreciation	1,631	2,353
Anticipated dividend from subsidiaries	-95,456	0
Other non-cash items	2,400	2,400
	-91,425	4,753
<i>Interest payments</i>		
	1/1/2020- 12/31/2020	1/1/2019- 12/31/2020
Paid interests	-68,217	-81,643
Received interests	28,566	62,315

NOTE 21 GROUP INFORMATION

Of the Parent Company's total purchases and sales measured in SEK are 53% (32%) of the purchases and 100% (100%) of the sales attributable to intra-group transactions.

NOTE 22 PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

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

Balanced earnings	531,725
Profit for the year	122,858
Total	654,583

The Board of Directors proposes that unappropriated earnings of kSEK 654,583 be distributed as follows:

Balance carried forward	654,583
Total	654,583

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

SIGNATURES

Möndal 04/09/2021



Jan Litborn
Chairman of the Board



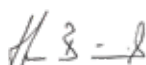
Anders Hedin
CEO/Board member



Hampus Hedin
Board member



Erik Selin
Board member



Hans Börsvik
Board member

Our audit report has been submitted April 9, 2021

PricewaterhouseCoopers AB



Bo Karlsson
Authorized accountant



AUDITOR'S REPORT

Unofficial translation

To the general meeting of the shareholders of I.A. Hedin Bil Aktiebolag (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 I.A. Hedin Bil Aktiebolag (publ) for the year 2020 except for the corporate governance statement on page 48. The annual accounts and consolidated accounts of the company are included on pages 46-82 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 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on page 48. 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 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 inventories

The Group's inventory amounts to SEK 2 774 million as of 31 December 2020, which is a significant item in the balance sheet. If the net selling price is lower than the acquisition value, an obsolescence allowance for stock obsolescence is recorded. The obsolescence allowance is based on an individual assessment of the vehicle inventory and for the spare part inventory it is based on an age analysis.

Please see note 1 and note 3 in the annual report for more information regarding inventory.

We have assessed the Group's routines and controls regarding the valuation of the inventories in the audit. We have also analyzed the outcome of age analysis and individual valuation of vehicle inventories and compared to external transactions.

Valuation of Goodwill and customer relations

The Group's intangible assets in the form of customer relations and goodwill amounts to a book value of SEK 360 and SEK 1 336 million, respectively. The valuation of these is based on estimates and assessments of future cash flows.

The Group examines at least annually if any impairment loss exists for goodwill. For customer relations amortizations are made and in cases of any indication of depreciation a test for impairment is performed.

See note 1, note 3 and note 13 in the annual report for information regarding goodwill, intangible assets and impairment test of non-financial assets.

For the impairment test based on the calculation of value in use, our audit procedures include the following elements:

- An assessment of the mathematical correctness of the cash flow calculation and a reconciliation of the cash flow forecasts against the assumed budget and business plan.
- Assessment that the company's valuation model is consistent with established valuation techniques.
- An estimation of the assumptions with the greatest impact on impairment tests.
- For intangible assets that are subject to amortization we have evaluated whether an indication of impairment testing has existed.

Revenue recognition

Net sales for the Group amounted to SEK 24 963 million. Net sales refer to agreements with customers which include delivery of both goods and services. Income is reported when the amount can be measured reliably and it is likely that the company will gain future economic benefits and thus when significant risks and benefits as well as commitments for the goods have been transferred to the buyer.

Sales with repurchase agreements are reported as operating leases and the income is distributed straight-lined from the date of sale to the date of repurchase.

Please see note 1 and note 3 in the annual report for information regarding revenue recognition and net sales.

We have taken part of agreements to assess the company's identification and accounting of goods and services.

We have tested a selection of controls regarding the distribution and allocation of income.

For a selection of transactions we have assessed the timing and value of income recognition for goods and services based on when delivered or provided.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-50. 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

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 I.A. Hedin Bil Aktiebolag (publ) for the year 2020 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's equity, consolidation requirements, liquidity and position in general.

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

Auditor's responsibility

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

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

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. 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 46 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/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

PricewaterhouseCoopers AB, 405 32 Göteborg, was appointed auditor of I.A. Hedin Bil Aktiebolag (publ) by the general meeting of the shareholders on the 23.04.2020 and has been the company's auditor since 6 June 2020. IA Hedin Bil Aktiebolag (publ) became a company of general interest in 2017.

Göteborg 9 April 2021

PricewaterhouseCoopers AB

Bo Karlsson
Authorized Public Accountant

BOARD OF DIRECTORS AND GROUP MANAGEMENT

JAN LITBORN

Born: 1951

Chairman of the Board since: 2017

Education: LL. B. (lawyer) at Stockholm University,
Stockholm School of Economics (no degree)

ANDERS HEDIN

Born: 1962

Board member since: 1985

Education: High school - Economics

HAMPUS HEDIN

Born: 1990

Board member since: 2012

Education: High school - Economics (no degree)

HANS BÖRSVIK

Born: 1953

Board member since: 2017

Education: Master of Science in Business and Economics,
University of Gothenburg,
Legal studies, University of Lund

ERIK SELIN

Born: 1967

Board member since: 2017

Education: High school - Economics

Anders Hedin, President and CEO

Hampus Hedin, Vice Koncernchef

Per Mårtensson, CFO

Victor Bernander, Finance Manager

Andréas Joersjö, Chefsjurist

Charlotte Martinsson, HR Manager

Anna-Karin Höijer, Procurement Manager

Tomas Ernberg, COO I.A. Hedin Bil AB

Rickard Magnusson, CEO Hedin Performance Cars AB

Henrik Lessèl, CEO Hedin Automotive Belgium AB

Marcus Larsson, CEO Hedin Automotive AS

Johan Frisk, CEO Bavaria Sverige AB

Hallvard Vikeså, CEO Bavaria Norge AS

Morten Westby, CEO Hedin Stockholm Bil AB och KC Motors AB

Anderz Larqvist, CEO Hedin Mölndal Bil AB

Jörgen Loikas, COO Hedin Göteborg Bil AB och Hedin Helsingborg Bil AB

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The digital version is available on hedinbil.se

ANNUAL REPORT HEDIN BIL

2020 was a year of unexpected challenges and conditions for the whole world due to the Covid-19 pandemic. Despite all the challenges, our business has found the right focus, which has led to good results, streamlining and development of the business.

