

Lindab For a better climate

Annual Report and Sustainability Report 2022

Energy-efficient
solutions for
healthy indoor
environments



We want to contribute to a better indoor climate. We also want to contribute to a better global climate. For this reason, we are developing energy-efficient solutions for healthy indoor environments.





CONTENTS

Lindab in brief	4
Development in 2022	6
A word from the CEO	10
Strategic objectives	12
Strategy	15
Trends and drivers	18
Products	22
Customers and geography	32
Production, Investments, Acquisitions	36
Expertise	46
The share	50
Corporate governance report	52
Risks, TCFD	64
The EU taxonomy	72
Financial statements	75
Sustainability report, GRI index	144
Annual General Meeting	163

The formal annual report covers pages 64-69 and 75-137. The Sustainability Report on pages 144-161 constitutes the Company's and the Group's statutory Sustainability Report as required by the Annual Accounts Act. It is based on the GRI Standards 2021. The Sustainability Report also includes Lindab's TCFD (Task Force on Climate-Related Financial Disclosures) report on pages 70-71 and the EU Taxonomy Regulation on pages 72-74.

This document is a translation of the original, published in Swedish. In cases of any discrepancies between the Swedish and English versions, or in any other context, the Swedish version shall prevail.

Lindab – For a better climate

LINDAB IN BRIEF

A leader in ventilation

LINDAB IS A LEADING European ventilation company with solutions for energy-efficient ventilation and a healthy indoor climate. The products are characterised by high quality, ease of installation and durability. In northern and eastern Europe, Lindab also has an extensive range of roof and wall products, as well as rainwater systems.

12,366

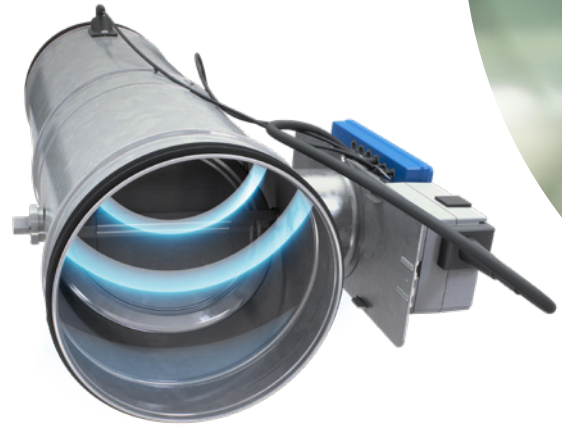
Net sales increased by 28 percent to SEK 12,366 million in 2022.

10.9

The adjusted operating margin amounted 10.9 percent in 2022.

-23

CO₂ emissions per million krona in sales have decreased by 23 percent since 2019.



1959

For over 60 years, Lindab has developed leading solutions with a focus on quality and sustainability.

20

Lindab is established with own operations in 20 European countries.

4,853

At the end of the year, Lindab had 4,853 employees in 170 locations.

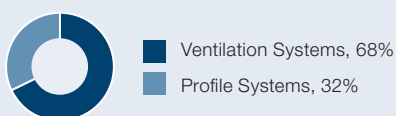


- ➔ **A growing market** driven by increased focus on energy savings and improved indoor climate.
- ➔ **Well-established brands**, high quality and extensive distribution networks.
- ➔ **Investment program** for increased efficiency, automation and safety.
- ➔ **Clear acquisition strategy** with acquisitions of complementary and well-managed companies.
- ➔ **Focus on results** with a decentralised organisation that works close to the customer.



Our vision:
To be the market leading ventilation company in Europe, specialised in air distribution and air diffusion.

Net sales, business area



Net sales, region



80%

80 percent of net sales that is eligible according to the EU taxonomy is classified as sustainable.

DEVELOPMENT IN 2022

High sales growth

OVERALL, 2022 was a strong year for Lindab as all financial targets were met. The 10 percent growth target was exceeded by a good margin. The operating margin exceeded 10 percent, and net debt was 1.6 times EBITDA. The Board of Directors proposes the dividend to be increased by 30 percent to SEK 5.20 per share.

24.3%

Currency-adjusted growth

10.9%

Adjusted operating margin¹⁾

1.6

Net debt/EBITDA

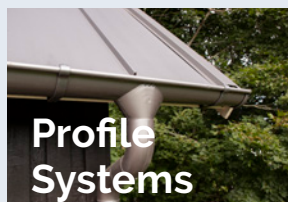
Financial key performance indicators²⁾

	2022	2021	2020	2019	2018 ³⁾
Continuing operations					
Net sales, SEK m	12,366	9,648	9,166	9,872	9,326
Growth, organic, %	10.8	17.4	-6.0	3.1	8.3
Adjusted operating profit ^{1) 4)} , SEK m	1,347	1,266	916	915	634
Operating profit, SEK m	1,325	1,266	846	915	547
Adjusted operating margin ^{1) 4)} , %	10.9	13.1	10.0	9.3	6.8
Earnings per share before dilution, SEK	12.73	12.53	-	-	-
Average number of employees	4,801	4,534	5,271	5,202	5,126
Total operations					
Earnings per share before dilution, SEK	12.73	7.02	7.80	8.89	5.16
Dividend per share, SEK	5.20 ⁵⁾	4.00	3.40	1.75	1.75
Return on shareholders' equity ⁴⁾ , %	15.8	9.9	11.6	14.3	9.1
Return on capital employed ⁴⁾ , %	14.1	11.0	11.5	13.6	9.4
Net debt/EBITDA, excl. one-off items ⁴⁾ , times	1.6	1.0	1.4	1.6	1.6
Cash flow from operating activities, SEK m	691	704	1,129	1,017	593

Business areas



Key performance indicators	2022
Net sales, SEK m	8,444
Share of Group, %	68
Growth, %	32
Adj. operating margin ⁴⁾ , %	10.4



Key performance indicators	2022
Net sales, SEK m	3,922
Share of Group, %	32
Growth, %	20
Adj. operating margin ⁴⁾ , %	13.4

Key performance indicators, sustainability

	2022	2021
Reduction of CO ₂ e emissions (scope 1 and 2), cf. 2019, %	-23	-9
Share of Lindab's suppliers assessed ⁶⁾ , %	51	11
Share of renewable fuels in transport, %	12	-
LTIF, number of workplace accidents per million hours worked	6.5	7.3
Share of employees recommending Lindab as an employer, %	90	91

1) Excluding one-off items and restructuring costs.

2) All key performance indicators 2018–2020 refer to total operations.

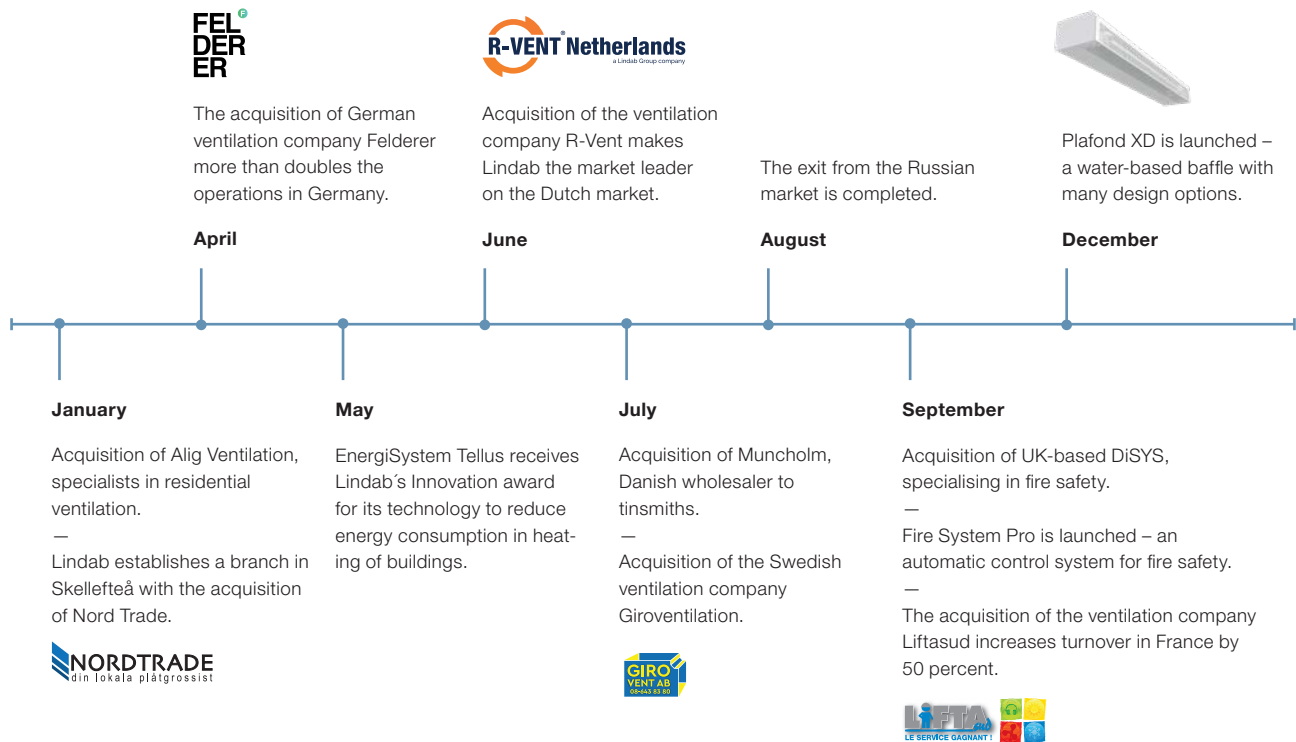
3) Due to changed accounting rules related to IFRS16, the comparative figures in this year are not completely comparable.

4) This key performance indicator is an "alternative key performance indicator" not defined in accordance with IFRS. For the definition, see page 143.

5) Proposed dividend.

6) Suppliers in low and medium-risk countries representing purchases of more than EUR 100 thousand and suppliers in high risk countries representing purchases of at least EUR 25 thousand are covered.

Significant events in 2022



Q1

Lindab started 2022 with another strong quarter. Sales growth was high thanks to a combination of strong demand and price increases.

Growth: 30%
Adj. operating margin: 12.4%

Q2

Lindab reported its best quarter ever in terms of sales and earnings, with quarterly sales exceeding SEK 3 billion for the first time.

Growth: 27%
Adj. operating margin: 12.7%

Q3

Acquisitions contributed to high growth, and Lindab moved forward in strategically important markets such as Germany, France and the Netherlands.

Growth: 30%
Adj. operating margin: 11.1%

Q4

The year ended with high sales growth and improved cash flow. The operating margin was negatively impacted by high inflation and lower gross margin.

Growth: 26%
Adj. operating margin: 7.6%

Business areas

Lindab's operations are reported in two business areas – Ventilation Systems and Profile Systems. Ventilation Systems products are offered in all countries where Lindab operates, while Profile Systems products are mainly sold in the Nordics and Eastern Europe.



Offers installers and other clients in the ventilation industry indoor climate solutions for ventilation, cooling and heating as well as air duct systems with accessories.

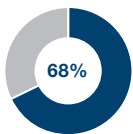
32%

Total growth

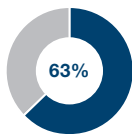
10.4%

Adjusted operating margin

Share of Group

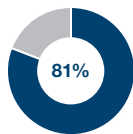


Net sales



Adjusted operating profit

Share of sustainable net sales



Of eligible net sales according to the EU taxonomy

Activities in 2022

- Launch of improved versions of products to prevent the spread of smoke and fire in the ventilation system. Launch of baffles with several design options. Continued launch activities for Ultra BT for demand-controlled ventilation.
- Acquisition of Alig Ventilation (Sweden), Felderer (Germany), R-Vent (Netherlands), Girovent (Sweden), DiSYS Technologies (UK) and Liftasud (France).
- Investments in, for example, the automation of production units in Sweden, the Czech Republic, Poland, the UK and Belgium.



Offers the construction industry products and systems in sheet metal for rainwater systems, cladding for roofs and walls as well as steel profiles for wall, roof and beam constructions.

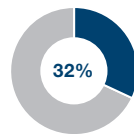
20%

Total growth

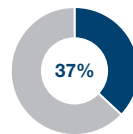
13.4%

Adjusted operating margin

Share of Group

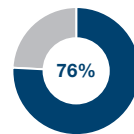


Net sales



Adjusted operating profit

Share of sustainable net sales

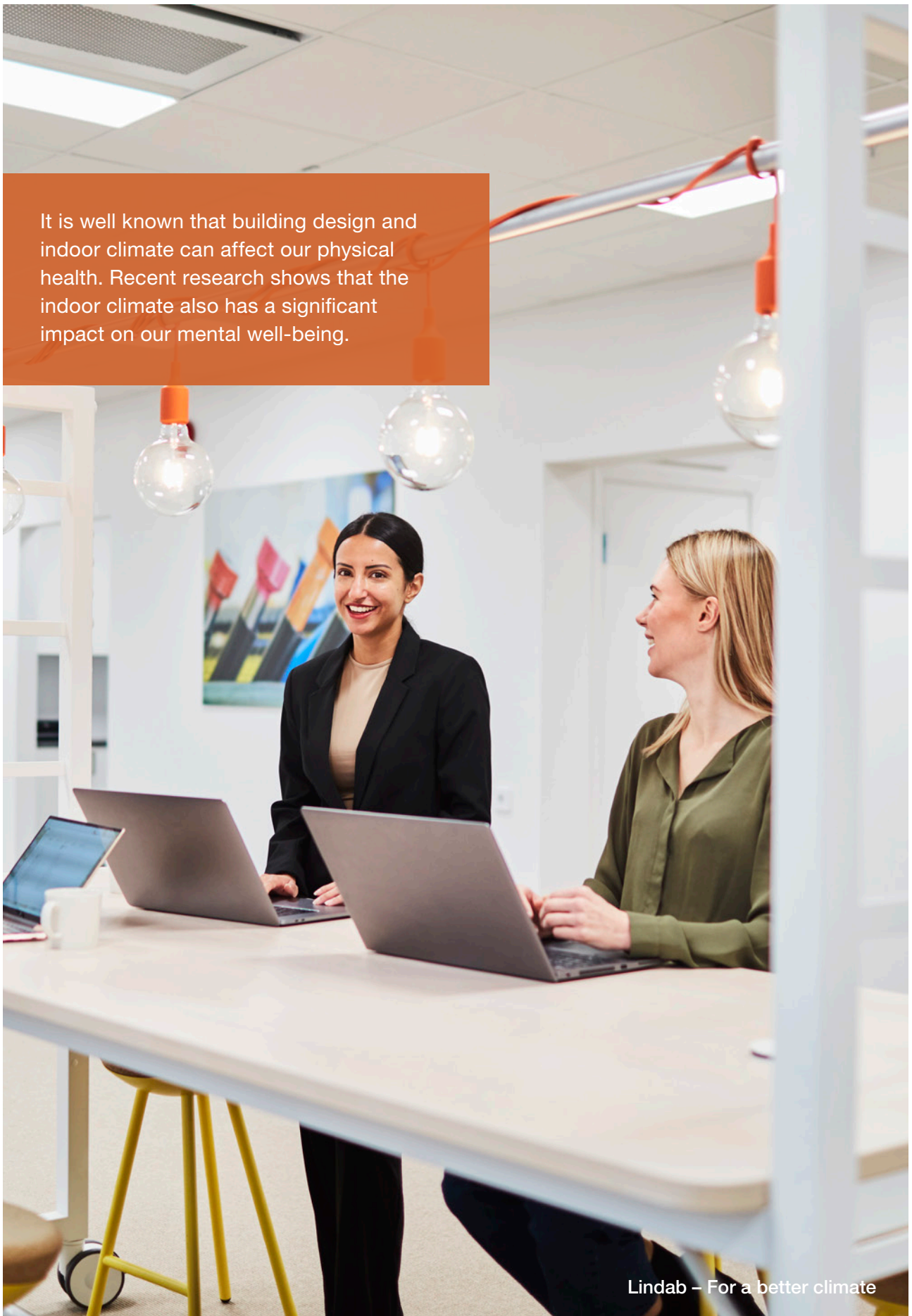


Of eligible net sales according to the EU taxonomy

Activities in 2022

- Improved offering to tinsmiths in Sweden through new recruitment and development of skills, leading to increased service levels.
- Rainwater system products were offered in more colours.
- Acquisitions of Nord Trade (Sweden) and Munchholm (Denmark).
- Investments in, for example, the expansion of a production unit in Sweden, automation of production units in Sweden, Denmark and Hungary and optimisation of logistics centers in Sweden.

It is well known that building design and indoor climate can affect our physical health. Recent research shows that the indoor climate also has a significant impact on our mental well-being.



Lindab – For a better climate

Source: Healthy Homes Barometer 2022

A WORD FROM THE CEO

A larger Lindab with good profitability

THE VENTILATION MARKET has bright prospects. People want a healthy indoor climate and the demand for sustainable buildings is increasing. High energy prices and demands to reduce emissions are leading to a focus on energy savings and renovation of buildings. As a leading ventilation company, Lindab is in the best position to further develop its strong position in this growing market. The plan for how we will reach 20 billion in turnover, with good profitability, is clear and we are well on our way.

Ola Ringdahl, President and CEO

A solid platform to grow from

During my first years as CEO, we took Lindab through a major transformation. Decentralisation brought decisions closer to the customer. Underperforming units were sold off or restructured into profitable subsidiaries. We brought order to the Group and focused the business on the product areas and geographics where we are strongest. This created a reliable company that performed better than ever, despite the challenges of pandemics and raw material shortages.

Focus on profitable growth

Lindab is now in its second phase of change, with a focus on profitable growth. With the stable platform created, we can focus on growing both revenue and earnings. Our financial goals lead to a turnover of 20 billion SEK in 2027, a doubling compared to 2021. The goal is for the operating margin to exceed 10 percent and over time 12-15 percent may be possible. These are ambitious goals, but we have a clear plan to achieve them.



"Our financial goals lead to a turnover of 20 billion SEK in 2027, a doubling compared to 2021."

Successive geographical expansion

We are and will be a market leader with high-quality products. This means that we are growing with Europe as our base, as it is in this market that the demands for energy efficiency and high-quality products are highest.

We will expand into more countries when we have sufficient critical mass to take a leading position, for example through acquisitions. In 2022, we took a market-leading position in the Netherlands through the acquisition of our distributor, giving us an established business to grow from. Gradually, we will consider looking outside of Europe, as demand for high-quality ventilation increases in these markets.

For a better climate

Demand for energy-efficient solutions will be high for a long time to come. Ventilation systems are becoming more advanced and the technological content of our products is increasing rapidly. Demand-controlled ventilation, which uses sensors to detect and control the climate in each individual room, is an example of an area where Lindab has a leading product range that offers many benefits to both property owners and tenants. With higher technology content in the products, the added value for the customer is greater, the differentiation from competitors is even clearer and the profitability potential for the product is higher. The rate of building renovation needs to increase in Europe and we will be there with flexible solutions that make it easy to upgrade existing ventilation systems. We also have a strong position in new construction of energy-efficient buildings, which we will leverage and develop further.

Lindab has a strong sustainability profile. Our overall aim is to create a better indoor climate for people's well-being while reducing energy consumption in the building. This results in a business concept based on sustainability. In addition, increased requirements to ensure good working conditions through the entire supply chain will benefit Lindab as we already have almost all production and sourcing in Europe, a very conscious choice. The demands for sustainable solutions thus both drive customer demand and strengthen Lindab's profile as an attractive partner and employer.

“Our overall aim is to create a better indoor climate for people’s well-being while reducing energy consumption in the building. This results in a business concept based on sustainability.”



Acquisition of high-quality companies

Acquisitions will continue to play an important role in Lindab's future development. In 2022, we added eight companies to the group, corresponding to SEK 1.9 billion in annual sales. The development of the acquired companies has been strong, thanks to careful integration in line with Lindab's decentralised model. The size of the companies we acquire has gradually increased, a natural evolution as we move positions forward. We are open to making larger acquisitions if the opportunity arises, even though the ventilation market is mostly made up of smaller, local players. Lindab will continue to prioritise acquisitions of companies that complement us in terms of technology, products or distribution.

Investing in efficiency and automation

Another important building block of our strategy is investments. Since 2019, we are implementing the largest investment program in Lindab's history. Increased automation leads to higher production efficiency and a better working environment. Modern production lines enable us to scale up capacity to meet increasing demand. We choose investment projects with a short payback period and clear results. The successful investment program is an important reason why Lindab today has a revenue per employee that is 50 percent higher than it was in 2018.

The financial targets are unchanged

In 2022, we experienced a strong first half year. In the second half, former tailwinds turned into headwinds in the form of high energy prices and rising inflation. Margins were squeezed by

fluctuations in raw material prices. Despite this, full-year sales grew by 28 percent, of which organic growth was 11 percent. The operating margin remained at a comfortable 10.9 percent. All financial targets were met in 2022.

The world has experienced several years of challenging market conditions and 2023 does not look like breaking the trend. We are planning for lower demand in the short term, but at the same time ensuring that we are ready to take advantage of the positive drivers in our market. Lindab has a motivated organisation and an efficient supply chain. Our balance sheet is strong and we have streamlined the business. The investment program is contributing to increased efficiency and the prospects for further acquisitions are good. I look forward with confidence to the next phase with a focus on profitable organic and acquisition-driven growth. The financial targets are set and I and the rest of Lindab are determined to achieve them. In 2023, we will take further steps towards a growing Lindab with good profitability.

Thank you to everyone who has contributed to making 2022 a successful year for Lindab.

Greivie, March 2023

Ola Ringdahl
President and CEO

STRATEGIC OBJECTIVES

Long-term targets

LONG-TERM TARGETS create value through investments in priority areas. The financial targets focus on growth, profitability and debt. In addition, Lindab has a clear ambition to distribute at least 40 percent of the net profit to shareholders. Lindab's sustainability plan includes several targets, with five of the sustainability targets getting increased focus, to ensure continuous development in the right direction.

Financial targets¹⁾

Definition	Target	Outcome	Comments
<p>Annual growth</p> <p>The target for annual growth is to be at least 10 percent, combining organic and acquired growth.</p>	>10%	<p>2018 2019 2020 2021 2022</p>	Excluding currency effects, sales grew by 24.3 percent in 2022, exceeding the annual target by a good margin. Organic growth was 11 percent and acquisitions contributed 13 percent. Currency effects had a positive impact of 4 percent.
<p>Operating margin</p> <p>The target for the operating margin, adjusted for one-off items and restructuring costs, is to exceed 10 percent annually.</p>	>10%	<p>2018 2019 2020 2021 2022</p>	The adjusted operating margin for the full year was 10.9 percent, which means that the operating margin exceeded the target for the third consecutive year.
<p>Net debt/EBITDA</p> <p>The target for net debt is that it should not exceed three times EBITDA.</p>	<3.0	<p>2018 2019 2020 2021 2022</p>	Net debt/EBITDA increased to 1.6 in 2022 as a result of major acquisitions. A low debt ratio and a strong balance sheet give Lindab opportunities to finance investments and acquisitions.
<p>Dividend</p> <p>Lindab holds a strong financial position and intends to distribute at least 40 percent of the company's profit after tax. The company's financial position, acquisition opportunities and long-term financial needs shall be taken into account.</p>	40%	<p>2018 2019 2020 2021 2022</p>	Lindab has a high earnings capacity as well as a strong financial position. With this in mind, the Board of Directors proposes a dividend of SEK 5.20 for the fiscal year 2022, an increase of 30 percent compared to the previous year.

¹⁾ For 2021, annual growth and adjusted operating margin are reported, excluding divested businesses, while net debt/EBITDA is reported including divested businesses.

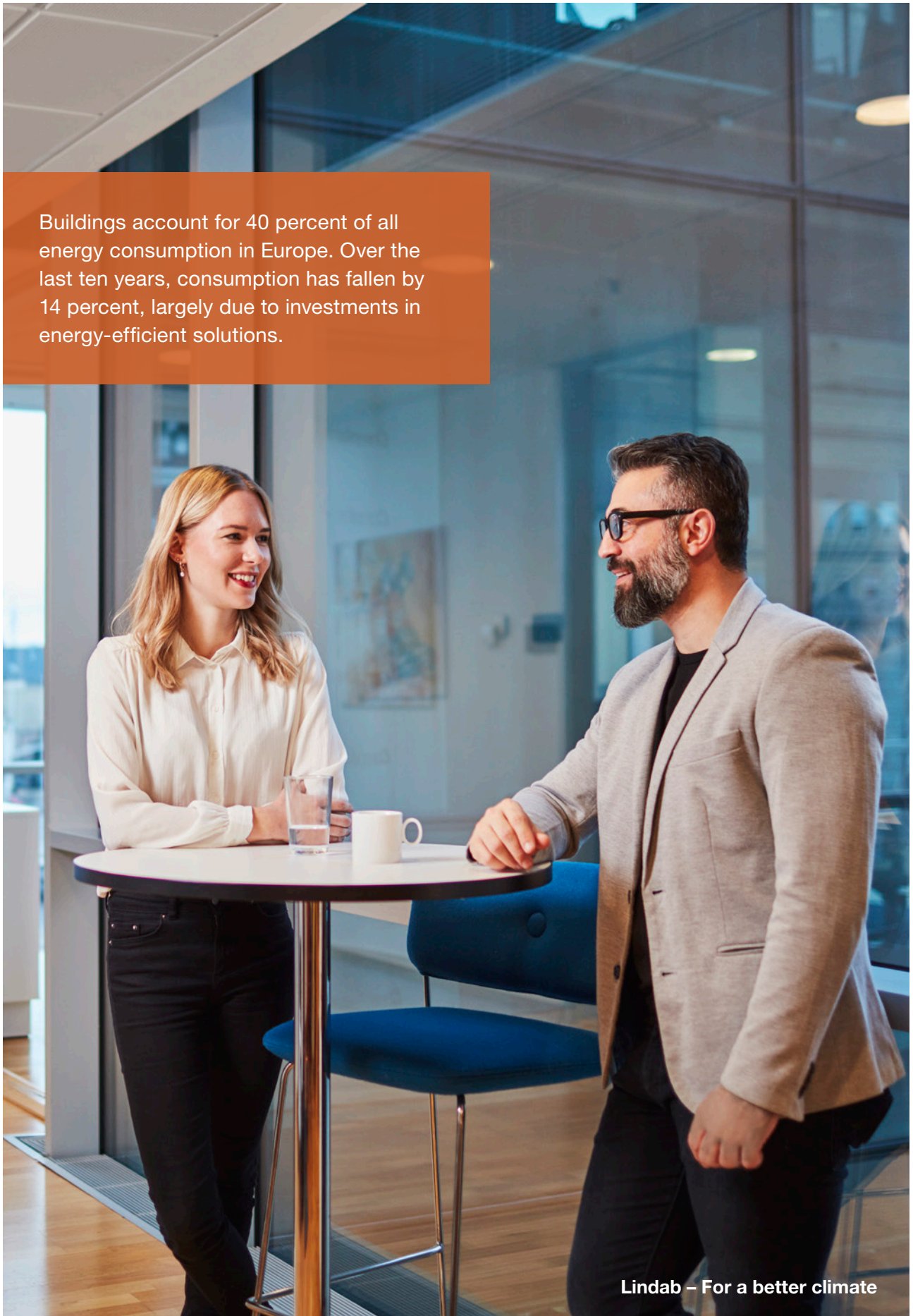
Sustainability targets

Definition	Target	Outcome	Comments
<p>Lower CO₂e emissions</p> <p>Our target for the Group's CO₂e emissions for scope¹ 1 and 2, is to reduce these by 50 percent in relation to sales, by 2030 compared with 2019.</p>	-50%	<p>2019 2020 2021 2022</p>	<p>Lindab's CO₂e emissions decreased by 23 percent to 1.5 tons per SEK million turnover from 2019 to 2022. The development is mainly due to increased modernisation of Lindab's facilities. In 2022, Lindab has made a more comprehensive analysis of the sustainability data to adapt to updated version of the GRI. Historical figures have therefore been corrected.</p>
<p>Motivated employees</p> <p>As an employee you should be proud to work for Lindab. We want at least 90 percent of our employees to recommend Lindab as an employer. This is measured in the Lindab Pulse Survey every year.</p>	90%	<p>2020 2021 2022</p>	<p>Lindab shall be an employer that is able to attract new talent and retain the right skills. For 2022, we reached 90 percent who would recommend Lindab as an employer, which means that for the third year in a row we achieved our target.</p>
<p>Fewer work-related injuries</p> <p>We seek to reduce work-related injuries, measured as LTIF (number of workplace accidents per million hours worked) to below 4 by 2026. Our long-term zero-vision for work-related injuries remains unchanged.</p>	<4.0	<p>2018 2019 2020 2021 2022</p>	<p>In 2022, LTIF decreased slightly to 6.7, compared to 7.3 in the previous year. There were no serious accidents. The new incident reporting system has led to more incidents being reported, allowing accidents to be prevented before they happen.</p>
<p>Supplier assessment</p> <p>Lindab's suppliers should be certified on a regular basis with regard to sustainability. By 2023, we should have certified all suppliers².</p>	100%	<p>2021 2022</p>	<p>In 2021, Lindab introduced a certification process for the suppliers used on a regular basis. Since then, 51 percent have been certified. From an initial focus on certifying suppliers in the highest risk countries, the focus is now on certifying all suppliers.</p>
<p>Environmentally friendly transport</p> <p>Our products are transported throughout Europe. We want 100 percent of our transport to use renewable fuel by 2040.</p>	100%	<p>12%</p>	<p>In the area of transport, Lindab has just started the transition. Of Lindab's total transports, 12 percent was done by train, ship or trucks with renewable fuel.</p>

1) Scope 1, 2 and 3 are classifications of different categories of CO₂e emissions. In simplified terms, scope 1 and 2 can be described as emissions associated with the company's internal operations, such as production facilities and its electricity consumption. Scope 3 are other emissions, where purchased steel and the use of sold products are the largest sources of emissions for Lindab.

2) Suppliers in low and medium-risk countries representing purchases of more than EUR 100 thousand and suppliers in high risk countries representing purchases of at least EUR 25 thousand are covered.

Buildings account for 40 percent of all energy consumption in Europe. Over the last ten years, consumption has fallen by 14 percent, largely due to investments in energy-efficient solutions.



Lindab – For a better climate

Source: Healthy Homes Barometer 2022

STRATEGY

Strategy for profitable growth

WE WANT TO CREATE a better climate. We do this by creating energy-efficient solutions for healthy indoor environments. Our vision is to be the leading player in the area we are strongest – ventilation in Europe. We focus on air distribution and air diffusion, that is, transporting, adjusting and distributing air.

Our purpose – For a better climate

Most of us spend a majority of our time indoors. The air we breathe is crucial for how we feel, our energy levels and whether we stay healthy. By developing energy-efficient ventilation solutions, we contribute to a better indoor climate that promotes human health and to a better climate for our planet.

Our strategy

Our strategy focuses on five areas that set the framework and direction for the operations and that enable us to achieve our vision and targets.



Quality

Lindab's brands are well-known and of high quality. Our customers know that our products are easy to install and can be trusted. Our employees also have the appropriate expertise, making us a knowledgeable speaking partner to whom customers can turn to with their ventilation and construction projects.



Efficient

We uphold a high level of expertise in advanced production methods, enabling us to manufacture high-quality products efficiently. Increased automation is also a way of enhancing both efficiency and safety. We shall benefit from digital channels to the market and from systems support in our operations. Lindab believes in continuous improvement throughout the company.



Local

Lindab should be located close to its customers and offer what is in demand in each market. This means the offer is different in different parts of Europe, depending on what ventilation installers and tinsmiths demand. We believe in local production to reduce transportation and provide the best service.



Trusted

We deliver what we promise, on time. Customers should always feel certain that Lindab has the products they need in stock. Trust in Lindab has been built up over many years through our entrepreneurial spirit, with each employee taking responsibility and resolving problems as they arise. Those who are closest to our customers know best what needs to be done.



Market leader

We should be the best, and preferably the largest, at what we do. Lindab focuses on selected countries in Europe where we are able to build strong customer relationships. We specialise in those parts of our offering in which we have high expertise and extensive experience. Our products shall maintain a superior technical standard and be compatible with other parts of the ventilation system.

Sustainability plan with three clear focus areas




Lindab’s sustainability plan influences how we implement the strategy in all areas. Based on the overall purpose “For a better climate,” we can make a difference on several levels. In the area of “Create Healthy Buildings,” we focus on how we can contribute to a better society. “Reduce the environmental impact from customers” is about how Lindab’s products contribute to higher energy-efficiency. Finally, the area of “Drive a sustainable business” focuses on how our operations and those of our subcontractors can become safer, more socially sustainable and climate-efficient.



Lindab joins Science Based Targets

In January 2023, Lindab committed to Science Based Targets. This means that Lindab will set science-based climate targets in accordance with the Paris Agreement that will then be verified by third parties. Science Based Targets is a collaboration between CDP, the World Resources Institute, WWF and the UN Global Compact.

● Create healthy buildings

Focus area	Target	Page	We primarily contribute to:
Increase awareness about healthy indoor air	Increase public knowledge and awareness regarding good indoor air. Increase demand for a healthy indoor climate when choosing a home, office or other indoor environment.	20	 
Drive standardisation and legislation	Influence and drive regulations and standards in trade associations and other collaborative forums in all our markets. if there is no association present, we will work to establish one.	20	

● Reduce the environmental impact from customers

Focus area	Target	Page	We primarily contribute to:
Sustainable and energy-efficient solutions	Lower customers’ environmental impact through our products. Publish environmental product declarations for global products equivalent for 50 percent of sales from global products by 2025. Launch a green product line 1 ¹ by 2027.	30–31	 
Digital tools and technologies to optimise energy usage	Offer connected products enabling indoor climate optimisation and reduced energy consumption. Develop smart products with the aim of increasing product life span and offer better peripheral services. Expand and improve sustainability information in the webshop and digital product catalogues in 2023.	30–31	
A circular economy with a high degree of reuse.	Design products that can be reused, refurbished or recycled. Collaborate within the industry to create circular flows with a focus on reducing environmental impact. Define measurable target for circularity by 2023.	30–31	

1) Products designed to minimise environmental impact throughout their life cycle: this means renewable energy sources in production, innovative CO₂-reduced materials and 100 percent recyclability.

Matilda Isaksson

Group Sustainability Manager at Lindab






What steps has Lindab taken in its sustainability work over the year?

The sustainability plan is constantly being improved, and we are adding tougher deadlines and more detailed targets. During the year, we've really stepped up our local sustainability work, because the projects that make a real difference happen at the local level. We have also focused on improving the quality of the data we collect so we have the right basis for making decisions about which activities lead to the most change.

What is the focus for 2023?

We did a lot of preparatory work for Science Based Targets before we officially joined in early 2023. Work is in full swing to develop the detailed plans for external verification. Accounting for emissions at all stages is complex and requires knowledge and structure at many levels in the company. At the same time, we are preparing for the comprehensive sustainability legislation that will enter into force in 2024. It is important to streamline reporting so we can focus on activities that improve sustainability, and not just on reporting them.

Drive a sustainable business

Focus area	Target	Page	We primarily contribute to:
Sustainable sourcing	<p>Early adoption of fossil-free steel, in order to reduce our CO₂e emissions.</p> <p>Get 100 percent of suppliers¹⁾ to sign the Code of Conduct by 2022.</p> <p>Certify 100 percent of the suppliers¹⁾ by 2023.</p> <p>Define a scope 3 target for CO₂ emissions during 2023.</p>	42–44	 
Sustainable production	<p>Reduce CO₂e emissions in scope 1 and 2, calculated in relation to sales, by 50 percent in 2030, compared to 2019.</p> <p>Analyse waste to landfill and define a reduction goal in 2023.</p> <p>Reduce scrap rate with 50 percent by 2030, compared to 2019.</p>	42–44	
Sustainable transport	<p>Use 100 percent renewable fuel or electric vehicles by 2040.</p> <p>Switch to company cars using renewable fuel or electricity, by 2030</p> <p>Have 100 percent of transport contracts to include environmental requirements by 2025.</p> <p>Collaborate with customers and suppliers to create transport solutions with focus on reducing the environmental impact.</p>	42–44	
Attractive employer	<p>Reduce the number of workplace accidents per million hours worked (LTIF) to 4 or less by 2026. Long-term vision of zero accidents.</p> <p>Have the same percentage of each gender in senior management positions by 2030 as in the Group in total.</p> <p>Have staff turnover of 5–10 percent.</p> <p>Be recommended as an employer by at least 90 percent of the employees.</p>	48–49	
Community involvement	<p>Support community activities linked to Lindab's operations and nearby locations.</p> <p>Create good conditions for engagement in nonprofit work.</p>	48–49	

¹⁾ Suppliers in low and medium-risk countries representing purchases of more than EUR 100 k and suppliers in high risk countries representing purchases of at least EUR 25 k are covered.

TRENDS AND DRIVERS

Strong driving forces

WITH INCREASED FOCUS on energy-efficient solutions that create a healthy indoor climate, there are strong, positive drivers in the market where Lindab operates. The EU's Green Deal has increased the focus on sustainable renovation and new construction, with a target of 35 million buildings in Europe to be renovated by 2030.

“Air pollution is the biggest environmental threat to health. The primary cause of air pollution is also a major contributor to climate change.”

WHO
(World Health Organisation)

40%

Buildings account for 40 percent of energy consumption and 36 percent of energy-related greenhouse gas emissions in the EU. Each year, only 1 percent of the buildings are renovated to reduce energy consumption.

2/3

Two thirds of Europe's buildings are not energy-efficient, and many of these are occupied by low-income families. Energy-efficient renovations can reduce household energy costs and at the same time improve quality of life.

95%

Up to 95 percent of existing buildings in the EU are expected to remain in 2050 and account for the overwhelming majority of the real estate stock. To achieve the climate goals, existing buildings need to be made green.

Sources: European Commission: "A European Green Deal" (2019), "Renovation Wave Strategy" (2020), The European Ventilation Industry Association (EVIA)

1

Climate goals set the agenda

Based on the global Paris Agreement, climate targets are being set world-wide. The EU aims to become the world's first climate neutral continent by 2050. Subobjectives and activities are adapted accordingly, with a strong focus on energy-efficiency.

2

A wave of renovation is coming

As Europe's building stock is aged and new construction levels are low, the focus is on energy renovation to reduce climate impact. EU wants to double the rate of renovation, and many countries are launching plans to do just that.

3

The energy issue is a hot topic

Energy-efficiency in buildings contributes to climate neutrality, but also to lower costs. Europe's energy crisis, partly as a result of the war in Ukraine, has increased energy prices, providing further drivers for energy-efficiency.

4

Increased awareness of well-being

The European Commission has highlighted human health and well-being as one of the most important co-benefits of energy-efficiency. And the pandemic has increased understanding of the importance of a good indoor climate.

5

Technology steps up the pace

Connected and smart systems for ventilation, cooling and heating, among other things, are being introduced at an accelerating pace, even in older buildings. The investment pays for itself quickly and the system can be maintained remotely.

Sources: European Commission, 2020, "The European Green Deal Investment Plan and Just Transition Mechanism Explained," European Commission, 2021, "Commission Recommendation on Energy Efficiency First: From Principles to Practice," Healthy Homes Barometer 2022

Lindab's sustainability plan: **Market**



This is what we want to achieve:

- Increase public** knowledge and awareness regarding good indoor air.
- Increase demand** for a healthy indoor climate when choosing a home, office or other indoor environment.
- Influence and drive** regulations and standards in trade associations and other collaboration forums in all our markets.
- If there is no** association present, we will work to establish one.

Examples of activities in 2022:



New requirements for a better climate

The Scandinavian countries are working to introduce legislation for climate declarations of buildings to reduce greenhouse gas emissions from the construction and the building itself. But there are differences in the legislation. Some countries take into account the whole life cycle, while others only look at the raw materials and production. Lindab is actively working to influence legislation as we see a great risk that the goals will not be met if only the manufacture of the product is considered and not the entire life cycle.



For common standards

Lindab is working to develop standardised approaches, formats and methods for calculating the environmental impact of ventilation products over their life cycle. Lindab participates in the task force "Environmental Product Declaration", a special group within Eurovent and CEN/TC 156 Ventilation for Buildings, to ensure a harmonised approach, which simplifies the choice of products for both customers and manufacturers.

Raising climate awareness

Lindab is working to raise awareness of good indoor climate. Materials for school classes have been developed to raise awareness of clean air in a playful way. Lindab also releases films and summaries of scientific articles to raise awareness and drive development.



74%

An active player in a growing number of markets

Lindab aims to build a strong position in each market. This includes involvement in regional and local organisations that help to accelerate the development of sustainable buildings. In 2022, Lindab was involved in more than 50 forums at European level and in 14 of the 20 markets where we operate.

Renovating a building results in reduced carbon dioxide emissions and higher energy savings, but also in improved health and well-being for those who use the building.



Lindab – For a better climate

Source: Healthy Homes Barometer 2022

PRODUCTS

Energy-efficient products

LINDAB'S VENTILATION PRODUCTS aim to improve indoor air quality while reducing energy consumption. In the western world, we spend up to 90 percent of our time indoors, in an environment where indoor air can be as much as five times more polluted than outdoor air. To improve human health, an increased focus on air quality is necessary.

At the same time, it takes a lot of energy to ventilate a building. Buildings account for around 40 percent of energy use in the EU, with heating, cooling and ventilation being the largest single item. Energy-efficient ventilation leading to improved indoor air quality should therefore be a high-priority area.

Renovation

Building renovation is a crucial area to address in order to reduce energy consumption and is motivated by both environmental and economic considerations. The ventilation system is well integrated into the ceiling and walls, so a flexible product is required to minimise the impact on the building. Lindab's Ultra BT room-control system enables installation of a demand-controlled ventilation system in an existing building. Part of the ventilation duct in a ceiling can be replaced with a unit that measures and adapts the air supply depending on the air quality in the room. Ultra BT is controlled by Bluetooth so the installer can optimise and adjust the system through an app. By switching to a demand-controlled ventilation system in an existing building, energy consumption can be reduced by up to 70 percent.

Examples of energy savings in renovation¹⁾

A 5,000 sqm office building with demand-controlled ventilation installed can save about 24 kWh per sqm which corresponds to 120,000 kWh per year. It would mean a reduction of approximately 64,000 kg CO₂e.



¹⁾ The estimates used for the calculation in the example are published at <https://www.lindabgroup.com/energy-savings-example>.

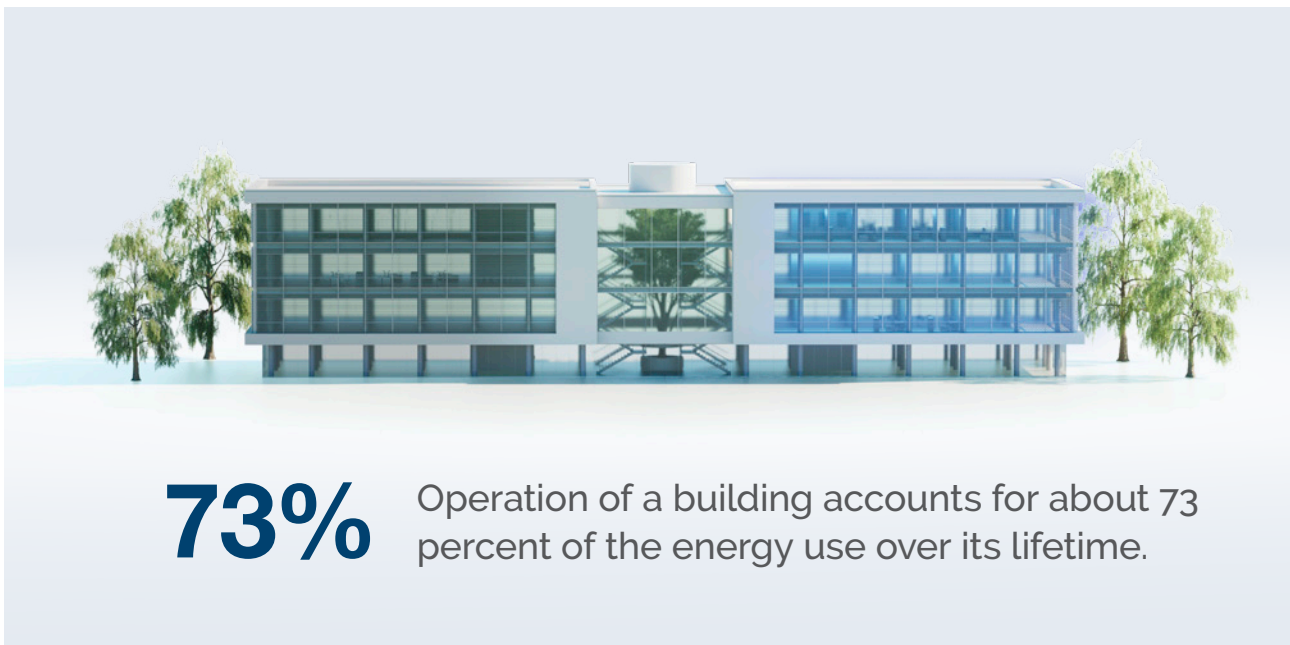
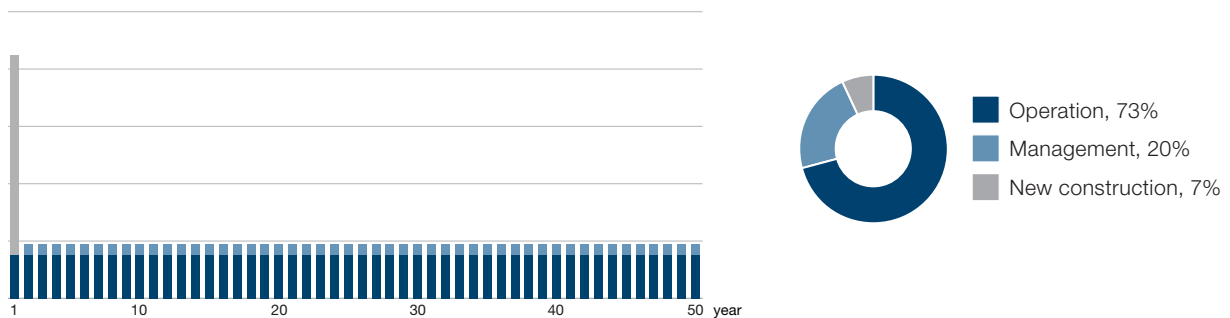
Energy consumption over a building's lifetime

By looking at energy consumption over the lifetime of the building, new buildings can be designed to have a minimal environmental impact. A building's energy consumption and climate impact are mainly influenced by its design, choice of materials and energy efficiency. If a building in Sweden is assumed to have a lifetime of 50 years, 73 percent of the energy is used to operate the building, while only 7 percent is related to the construction of the building. The remaining 20 percent is related to property management¹⁾. Since cooling, heating and ventilation are the areas that consume the most energy and also account for the greatest cost, the design of the ventilation system is central to

reducing a building's energy use. Despite the significant impact on both the environment and cost, we find that the ventilation system design is still not one of the key issues when designing a building.

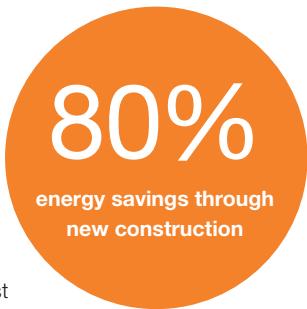
Another aspect that affects the total energy consumption is how easy it is to adapt the use of the building, for example to convert offices into housing, or to convert a commercial property into offices. With a demand-controlled ventilation system in the building, its usage can change without major changes to the system. It adapts to the new use of the property.

Energy use over the lifetime of a building¹⁾



¹⁾ Source: Swedish National Board of Housing, Building and Planning, "Byggnaders inbyggda energi: en livscykelmodell" (KTH) and Lindab's own calculations.

New construction



New buildings in the EU are required to be near zero-energy buildings, which means that almost no energy is added for heating and cooling. A near zero-energy building must therefore be well insulated, and effective ventilation is needed to provide fresh air. Different airtightness classes can be selected for ventilation. Airtightness class D is the highest level and Lindab was the first in the world to have its products certified by Eurovent in this class. Airtightness class D is three times as airtight as level C, which in turn is three times as airtight as class B, and so on. In the Nordic countries, airtightness class D is common in new construction, especially in sustainability-certified buildings. Further south in Europe, the highest airtightness class is not as much in demand because houses do not have the same level of insulation. By choosing a higher airtightness class, energy consumption can be reduced by 8–12 percent. Other factors affecting energy consumption are how the ventilation is installed and whether the ventilation is adapted to the way the building is used. A demand-controlled ventilation system uses sensors to register the air quality and occupancy in different parts of the building and directs fresh air where it is needed. Compared to a constant-flow ventilation system, energy consumption can be reduced by 60–80 percent. DCV One is one of Lindab’s products that does just that. It is installed in the ceiling and distributes as much air as the room needs to achieve a healthy indoor climate.



DCV One has advanced sensors that detect occupancy and air quality in the room and adjust the ventilation accordingly.

Examples of energy savings in new construction¹⁾

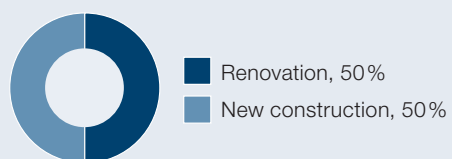
A 5,000 sqm office building is being built. If the developer chooses to install a ventilation system with higher airtightness B and installs a demand-controlled ventilation system, energy consumption can be reduced by 21.2 kWh per sqm or approximately 106 000 kWh per year. It corresponds to approximately 56 500 kg CO₂e emissions.

Building certifications

There are both global and national sustainability certifications for buildings. LEED and BREEAM are two of the most well-known where the building has to meet certain requirements in terms of energy consumption, indoor climate and choice of materials. Lindab has a wide range of ventilation products that meet the high requirements of certifications.



The distribution of sales between new construction and renovation varies depending on the general economy. Viewed over an extended period, each area accounts for about half of sales.



¹⁾ The estimates used for the calculation in the example are published at <https://www.lindabgroup.com/energy-savings-example>

Energy losses during installation

In practice, few ventilation systems live up to the airtightness promised by the products. This is because leakage has occurred during installation. When leakage occurs, the fan has to work harder, and the need for cooling and heating increases. Five percent leakage requires three times more power to increase airflow and results in a 16 percent increase in energy consumption. Lindab's ventilation fittings are designed with a specially designed edge and a rubber gasket that allow them to partially compensate for incorrect installation. It also makes the assembly process faster but still correct. Installing a fully airtight ventilation system is difficult even for a skilled installer. When comparing different tightness classes, the higher tightness class has 10–20 percent lower energy consumption when both the product characteristics and the installation are taken into account.

Examples of correctly installed ventilation in new buildings¹⁾

In our previous example with a newly constructed office building of 5,000 sqm, a correctly installed ventilation system, without leakage, would result in a further reduction of kWh with 3.6 kWh per sqm or approximately 18 500 kWh per year. It corresponds to approximately 9 600 kg CO₂e emissions.



20%

energy savings from
correct installation

Common causes of leaks in ventilation systems:

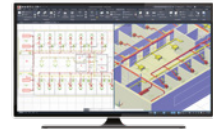
- the ducts do not fit well enough so there is leakage at the joints
- the products are screwed together and then disassembled, without sealing the old screw holes
- accidental holes in the ducts when other products are installed next to the ventilation

¹⁾ The estimates used for the calculation in the example are published at <https://www.lindabgroup.com/energy-savings-example>

Product offer

Ventilation products for a better climate

Lindab offers the ventilation industry everything from individual components to the most energy-efficient system solutions on the market. This creates an optimal indoor climate with significantly lower energy consumption. Sales of ventilation products account for 68 percent of sales.



Software

Lindab's IT solutions simplify the sizing, quantity calculation and planning of complete, energy-efficient ventilation and indoor climate systems.



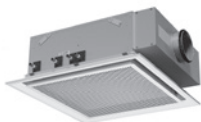
Silencers

The acoustic solutions include a complete range of silencers for a quiet and comfortable indoor climate.



Duct system

Ducts, both circular and rectangular, transport air to different parts of the building.



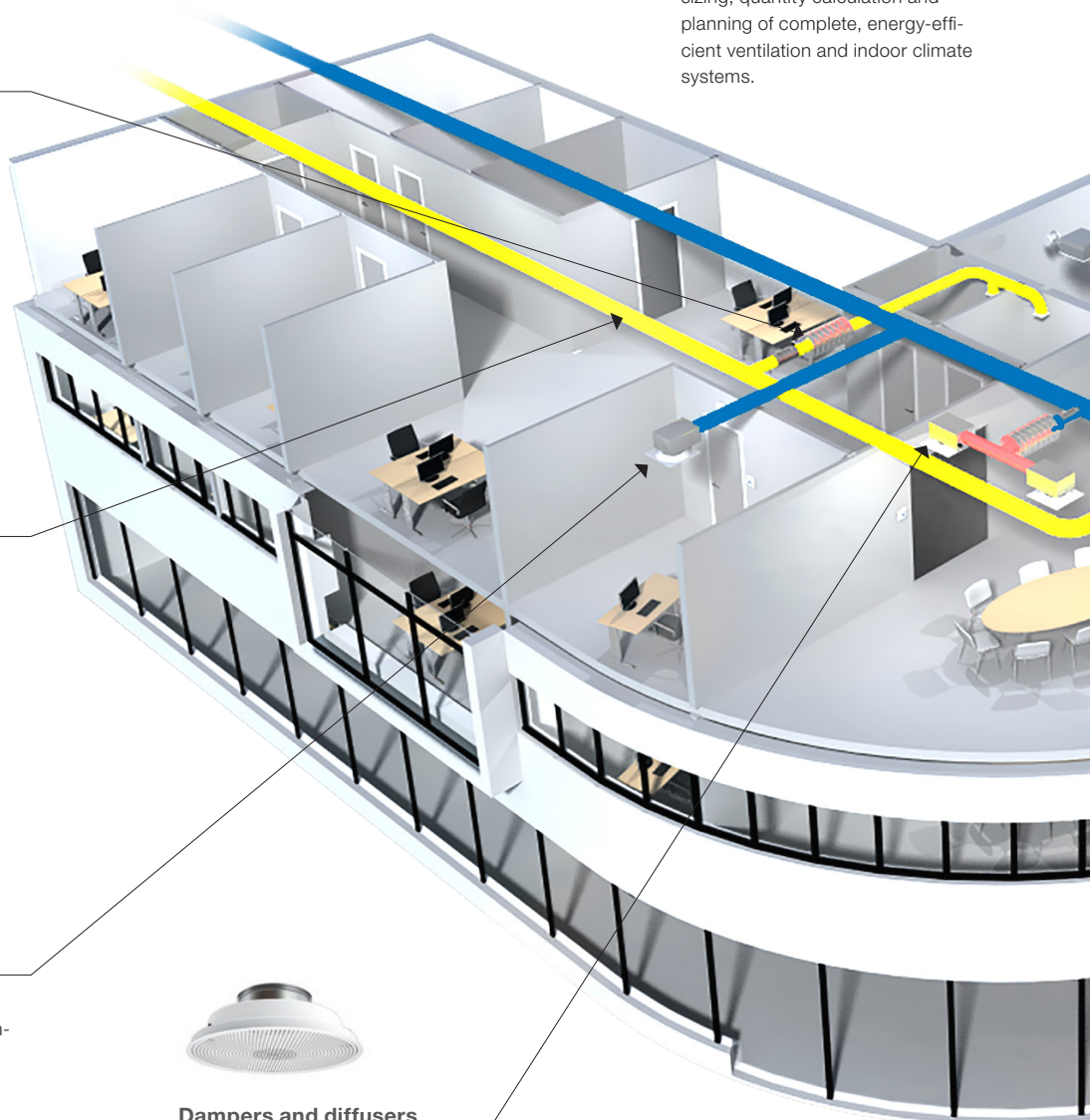
Baffles

Baffles that distribute air in the room. Available in air-only or combined cooling/heating versions.



Dampers and diffusers

Diffusers, grilles and dampers and accessories are used to regulate and control the climate in a room.



Lindab's focus:

Air distribution

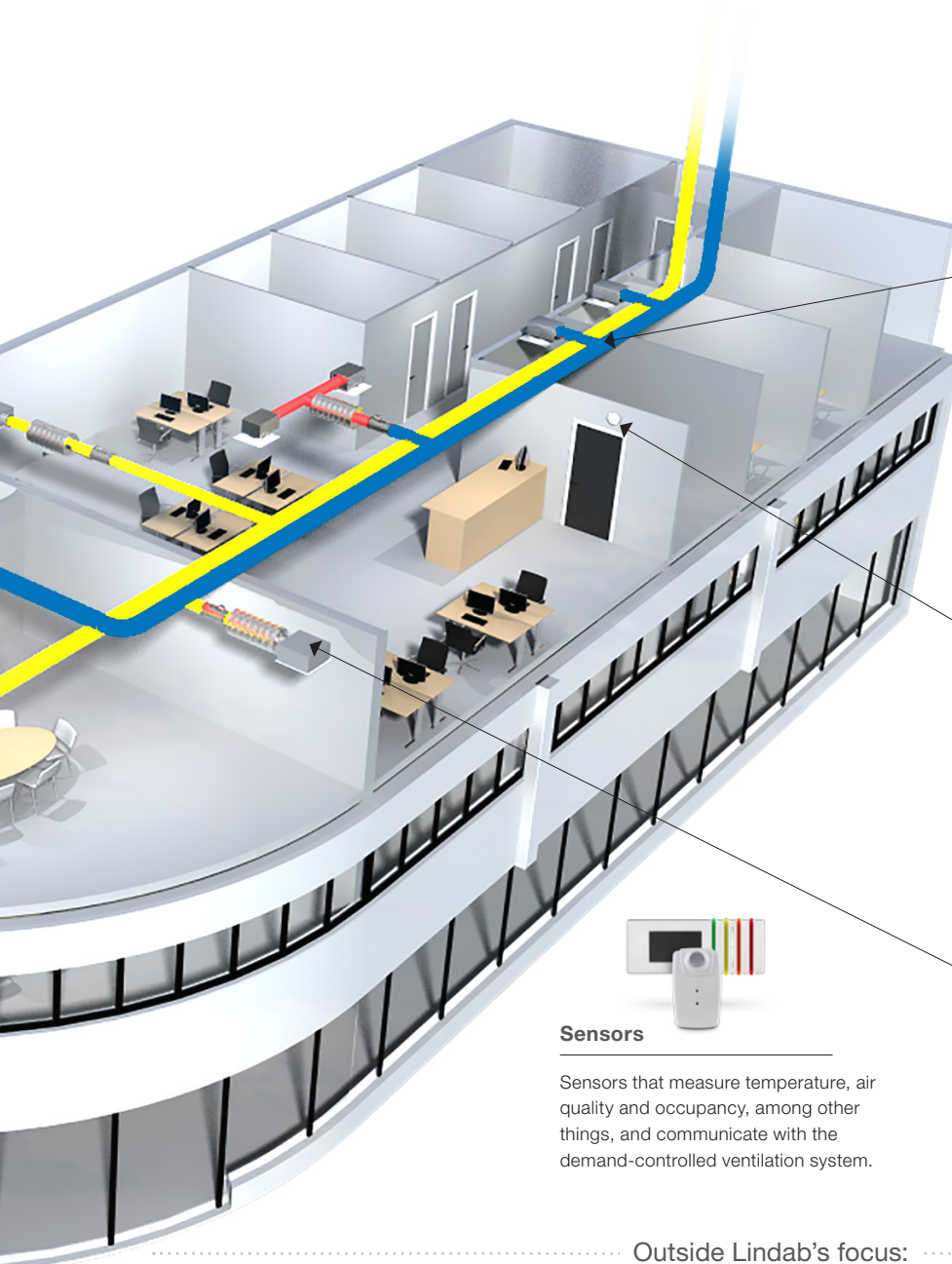
Ventilation ducts, dampers and silencers interact to regulate and transport air to the appropriate part of the building.

Air diffusion

Ceiling and wall-mounted baffles and valves that diffuse and extract air in individual rooms.

Fire and smoke protection

Fire dampers that prevent fire from spreading. Dedicated ventilation ducts to transport smoke away.

**Fire and smoke dampers**

Circular and rectangular fire and smoke dampers that prevent the spread of fire and smoke through the ventilation system.

**Smoke ducts/evacuation**

A smoke evacuation system controls combustion gases and directs them out of the building.

**Demand-controlled ventilation**

Demand-controlled ventilation ensures the right indoor climate by allowing actual demand to control it, which also provides optimal energy consumption.

**Sensors**

Sensors that measure temperature, air quality and occupancy, among other things, and communicate with the demand-controlled ventilation system.

Outside Lindab's focus:

Central air handling units

Take in outdoor air and clean, cool and heat this for onward transport into the building. Lindab does not focus on this part of the ventilation system.

Building Management Systems

Control and monitoring of the building's complete indoor environment. Lindab has products that communicate with the central control, but does not provide a central control system for the entire building.

Product offer

Products that simplify construction

Lindab's steel and sheet metal products include solutions for roofs, walls and profiles. Building products account for 32 percent of sales and are offered mainly in the Nordic countries and parts of Eastern Europe.



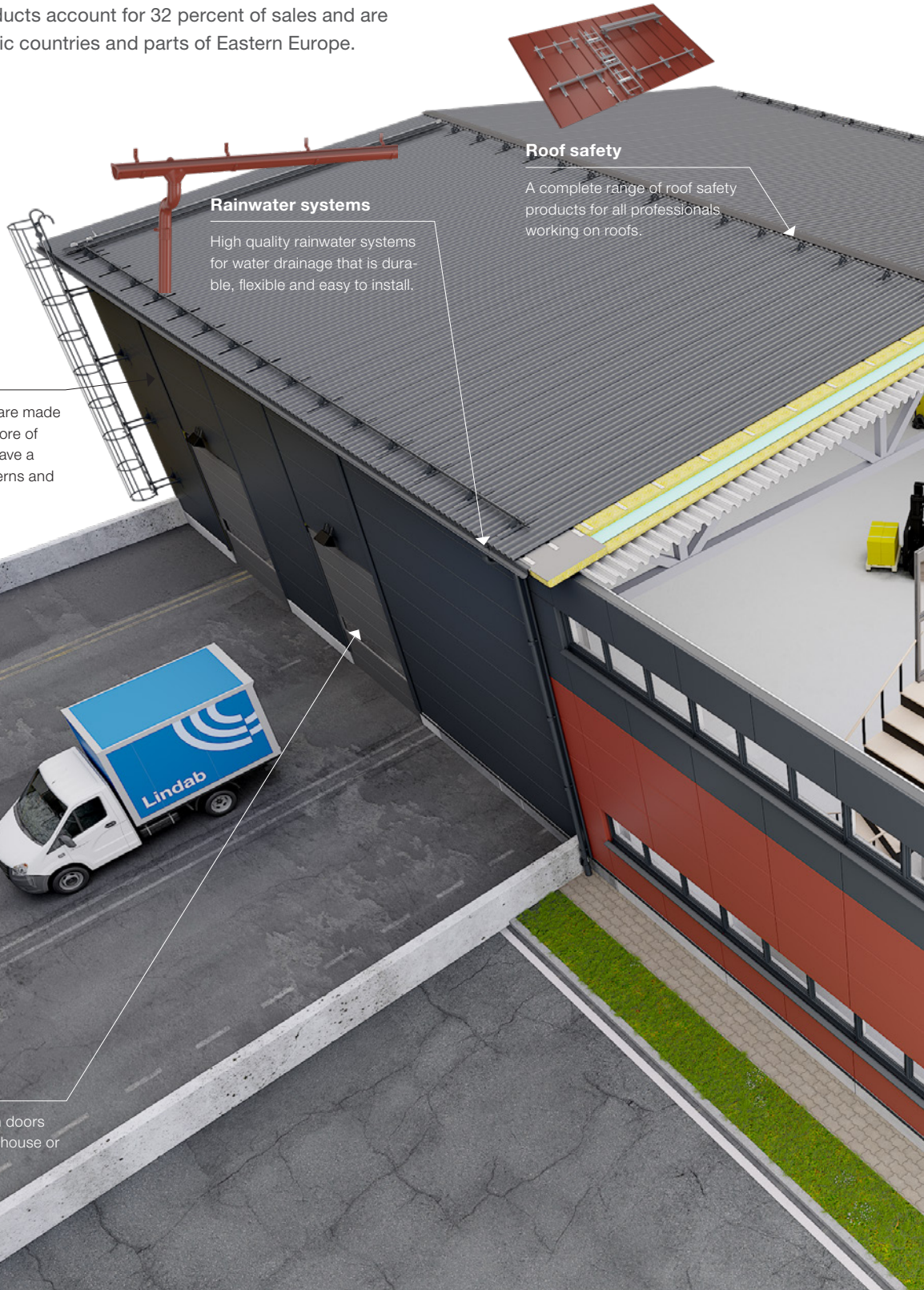
Sandwich panels

Lindab's sandwich panels are made of thin sheet metal with a core of mineral wool. The panels have a wide range of surface patterns and colors.



Industrial doors

Quality steel and aluminum doors suitable for industrial, warehouse or agricultural applications.

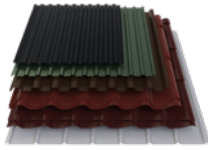


Rainwater systems

High quality rainwater systems for water drainage that is durable, flexible and easy to install.

Roof safety

A complete range of roof safety products for all professionals working on roofs.



Profiled sheeting

A wide range of profiled steel sheets for ceilings and/or walls in many different colours and materials.



High profile

High profiles are used as load-bearing structures on roofs with insulation and waterproofing or uninsulated external roofs when larger spans are required.



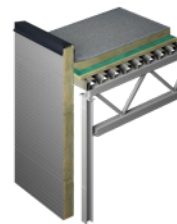
Interior wall profiles

Hot-dip galvanised interior wall profiles that are mold resistant, dimensionally stable, lightweight and easy to assemble.



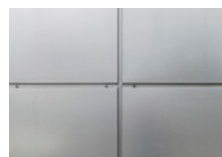
Fasteners

A wide range of fasteners, from farmer's screws to staples and rivets.



Complete hall buildings

Lindab offers complete hall systems for commercial properties.



Facade cassettes

An esthetic solution for wall coverings of halls, office buildings and public buildings.



Lindab's sustainability plan: **Products**



This is what we want to achieve:

Reduce the environmental impact from customers through our products.

Publish environmental declarations for 50 percent of sales from global products by 2025.

Launch a green product line by 2027.

Offer connected products to optimise indoor climate and reduce energy consumption.

Developing smart products with the aim of increasing their lifetime and offering better peripheral services.

Design products that can be reused, refurbished or recycled.

Expand and improve sustainability information in webshop and digital product catalogues in 2023.

Collaborate within the industry to create circular flows with a focus on reducing environmental impact.

Define measurable target for circularity by 2023.

Examples of activities in 2022:

Circularity in focus

We want to increase our and the construction industry's knowledge about the reuse of ventilation products. Lindab is in dialogue with other actors in the industry on how to handle reuse. More knowledge and testing is needed to understand the possibilities. The first pilot project for the reuse of ventilation systems is underway. The aim is to analyse and evaluate the performance of the products after several years of use in a building and to test different methods for reuse.

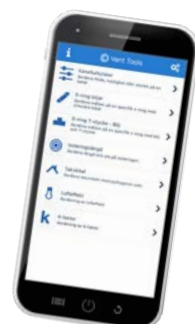


Smart product with wireless control

Lindab has several products that reduce customers' energy consumption. When renovating, energy consumption can be reduced by up to 70 percent when installing the newly launched Ultra BT. This is done with wireless measuring of air flow, indoor climate and regulation of the air in a room or zone. In a single project, the saving was 14,000 kWh per year, corresponding to 7.5 tons of CO₂, thanks to this product. The potential savings are great given the need for renovation of the existing property stock.

Sustainable IT solutions

Lindab's IT solutions simplify the dimensioning, volume calculation and planning of energy-efficient ventilation systems. During the year, a new webshop platform was launched, which allows for increased sustainability data and product information, to enable customers to make more informed choices.



11

Even more environmental product declarations in place

Lindab has published eleven Environmental Product Declarations (EPDs), which show the total environmental impact of the product during its life cycle. In both of Lindab's business areas, there is strong demand for EPDs, which is further strengthened by the climate declaration legislation in the Scandinavian countries. Five years ago, Lindab published its first EPD.

Examples of activities in 2022:

Energy-saving partnerships

Lindab partners with companies that are leaders in the field of analytical services, to increase the ability to analyse and monitor ventilation systems. Danish Leapcraft is an example of a successful collaboration through which joint solutions have been developed. Data is forwarded to a cloud-based platform where the indoor climate can be analysed and optimised, making it possible to improve the indoor climate while reducing energy consumption.



40–70%

Smart products combined with smart analytics services can reduce energy consumption by as much as 40–70 percent.



Reducing customers' energy consumption

Pascal System Management provides an overview and the possibility to control the indoor climate. The demand-controlled system is connected to Lindab's products around the building. The system can be controlled according to Lindab predefined parameters or use the customer's own settings. A demand-controlled system provides significant energy savings for the customer. Pascal, for example, provides 50 percent lower fan energy consumption. Pascal has been updated and relaunched in late 2022.



Climate impact of products

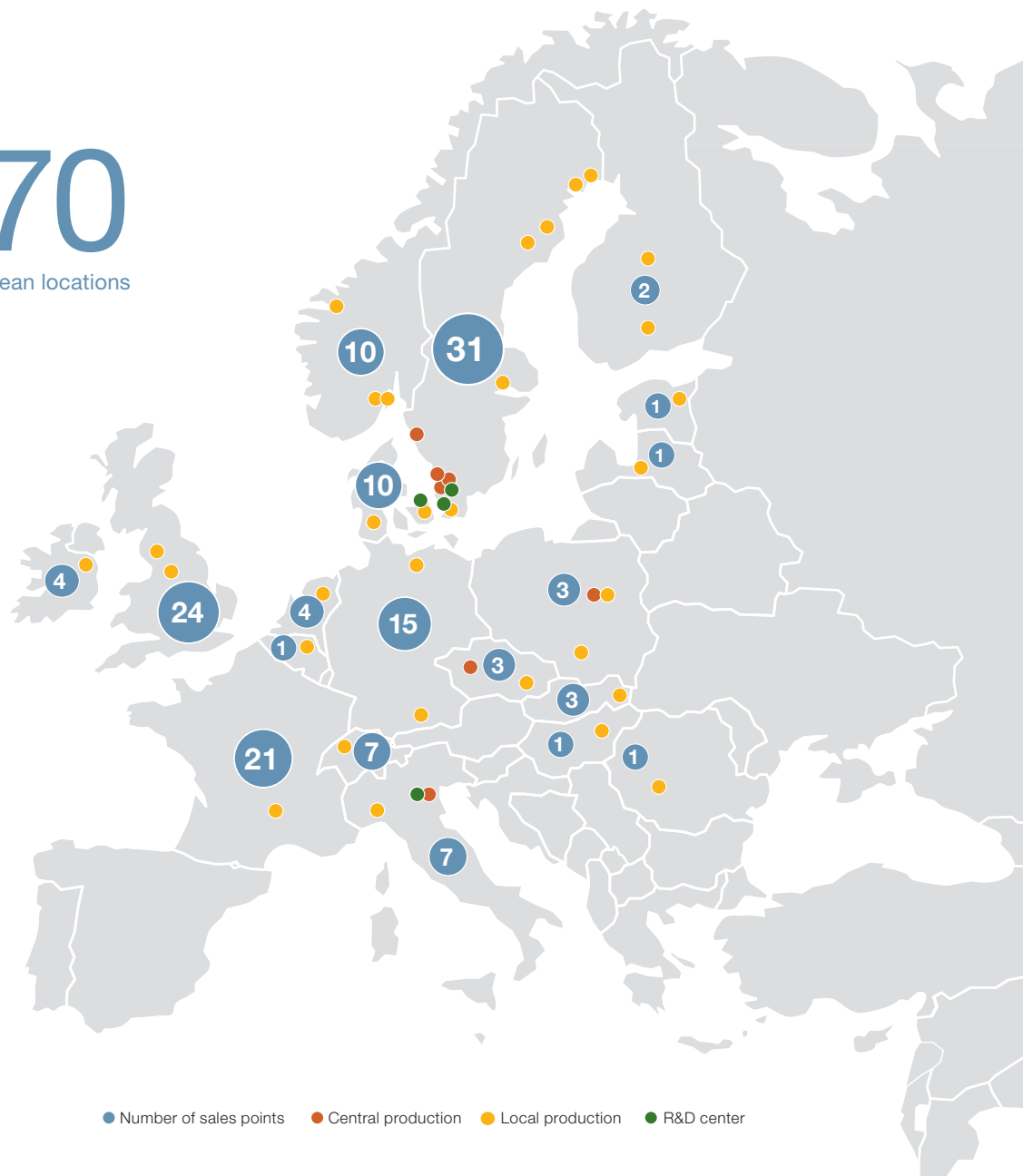
It is important for Lindab as well as for our customers and users to report the climate impact on product level. This involves conducting comprehensive life cycle assessments of existing products. These are then used to develop new and existing products to further reduce their climate impact. Lindab has started to perform life cycle analyses as part of the development process to evaluate design and materials.

CUSTOMERS AND GEOGRAPHY

Europe is our market

WE ARE FOCUSING OUR resources on the countries and product areas in which we are able to build strong positions and achieve profitable growth. Today we are present in 20 countries in Europe from 170 locations, with activities such as sales, manufacturing, logistics, product development and offices.

170
European locations



Nordics region

Western Europe

Central Europe



Share of the Group's net sales ¹⁾	53%	34%	12%
Share of net sales by business area	<ul style="list-style-type: none"> Ventilation Systems 52% Profile Systems 48% 	<ul style="list-style-type: none"> Ventilation Systems 96% Profile Systems 4% 	<ul style="list-style-type: none"> Ventilation Systems 60% Profile Systems 40%
Distinctive for the region	Mature and well-regulated region still primarily dominated by a large number of local suppliers.	Mature region with major local variations and different degrees of regulation, as well as a large number of suppliers.	Region with substantial variation in purchasing power, regulations and preferences, as well as a low degree of consolidation.
Sales channels	Direct sales of ventilation and building products to customers through own pro-shops and distribution centers. A low number of dealers are used.	Direct sales of ventilation products to customers via own distribution centers. A high number of dealers are used.	Direct sales of ventilation and building products to customers via own distribution centers. A low number of dealers are used.
Market position	Market leader in air distribution and among the leading suppliers in air diffusion. Market leader in rainwater systems and among the leading suppliers of metal roofs.	Market leader in air distribution and among the leading suppliers in air diffusion.	Market leader in air distribution and among the leading suppliers in air diffusion. Among the leading suppliers of rain water systems and metal roofs.
Other major players in the region	Fläkt Group, ETS Nord, Swegon, Systemair, Plannja, Rukki, Areco, Arcelor.	Trox, Swegon, Systemair, Aldes, Fläktwoods, Vento, Wavin, Polypipe, Kingspan.	Trox, Systemair, Rukki, Alnor, Kingspan, Arcelor, Pruszynski.
Sales development 2018–2022, SEKm			

1) 1 percent of the Group's sales pertain to Other markets.

Regionally adapted offer



High standards in the Nordics region

With its cold climate and well-insulated houses, building standards and requirements for efficient ventilation are high. Lindab sells both ventilation and building products through its own network of branches.

Stricter regulatory system in the UK

Ventilation regulations have been tightened in recent years. Lindab has large ventilation sales via distribution centers, and also sells rain water systems.

Unique conditions in Germany

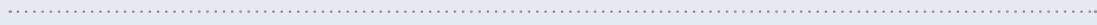
Large customers with a few dealers/wholesalers controlling the terms. Lindab sells ventilation products for projects all over the country.

Rapid market development in Poland

Rapid development over the last decade, but still dominated by many small local players. Lindab offers both ventilation and building products.

Fragmented and lower requirements in France

Fragmented market with lower regulation compared to Northern Europe. Lindab sells ventilation products through its own distribution centers.



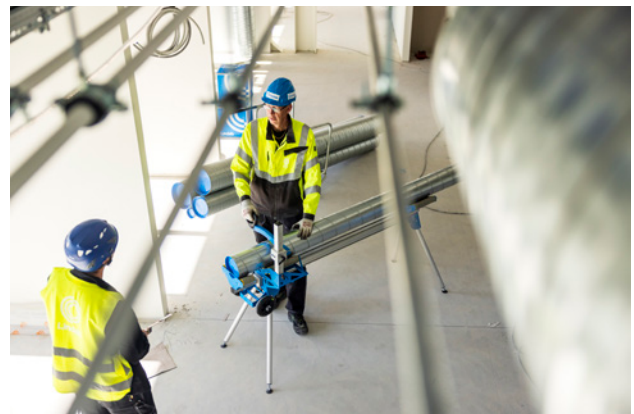
Two major customer groups

Every year we meet tens of thousands of customers, from large contractors and regional family businesses to the local craftsmen. We provide them with the products and systems they need to assemble and install. We also provide them with advice and expertise when they need support. And we make sure that our part of the solution always simplifies the process for those responsible for the contract.

Ventilation installers

The customer group we have the closest dialogue with, within ventilation, are those responsible for, and who install, our ventilation and indoor climate products – the ventilation installers.

Usually, a ventilation contractor has the overall responsibility for all aspects of the installation of the ventilation system in the building. They plan, dimension and calculate everything needed for a system – and then use their own installers or subcontractors for installation. Although a ventilation installer may belong to a major company, they often conduct their operations on a smaller scale. The installer prioritises a good workflow with high quality and easy-to-install products that are available on stock when changes are made on short notice in the project.



In addition to installing the products, the daily work of a ventilation installer involves logistics and cooperation with other building contractors.

Tinsmiths

The tinsmith profession is more than a thousand years old. The ability to process sheet metal, with its esthetic, durable and environmental properties, will remain important in future construction.

Tinsmiths often work individually or in small local companies. Lindab acts as a partner in each individual project. A local presence is also of great importance, and Lindab must be present where the work is carried out. Lindab offers sheet metal workers smart aids and tools that make the job easier, faster and less demanding on the body. One of Lindab's most important tasks is to provide tinsmiths with leading-edge products from the perspective of quality and sustainability.



Lödde Plåt in Skåne, Sweden has been successfully engaged in the sheet metal working business for over fifty years and has a strong partnership with Lindab.

PRODUCTION, INVESTMENTS, ACQUISITIONS

How value is created

THE COMBINATION OF CENTRAL efficiency and local flexibility results in competitive, high-quality products that are supplied close to customers via their own pro-shops and distribution centers. Investments in automation and acquisitions of quality companies are additional ways to create value for customers, shareholders and employees.

Lindab's value chain is based on proximity to customers and offering what is demanded in each market. By having its own distribution network and efficient warehousing, the customer can rely on Lindab to deliver on time and with high precision. Lindab's pro-shops and distribution centers are staffed with knowledgeable employees who help customers with product selection and techni-

cal support. Decentralised responsibility close to the customer is combined with centralised steel purchasing to reduce costs and increase efficiency. A few central production units manufacture volume products with a high degree of automation. This provides a cost-effective process while ensuring quality. Local production of bulky products reduces transport and also provides

Our value chain



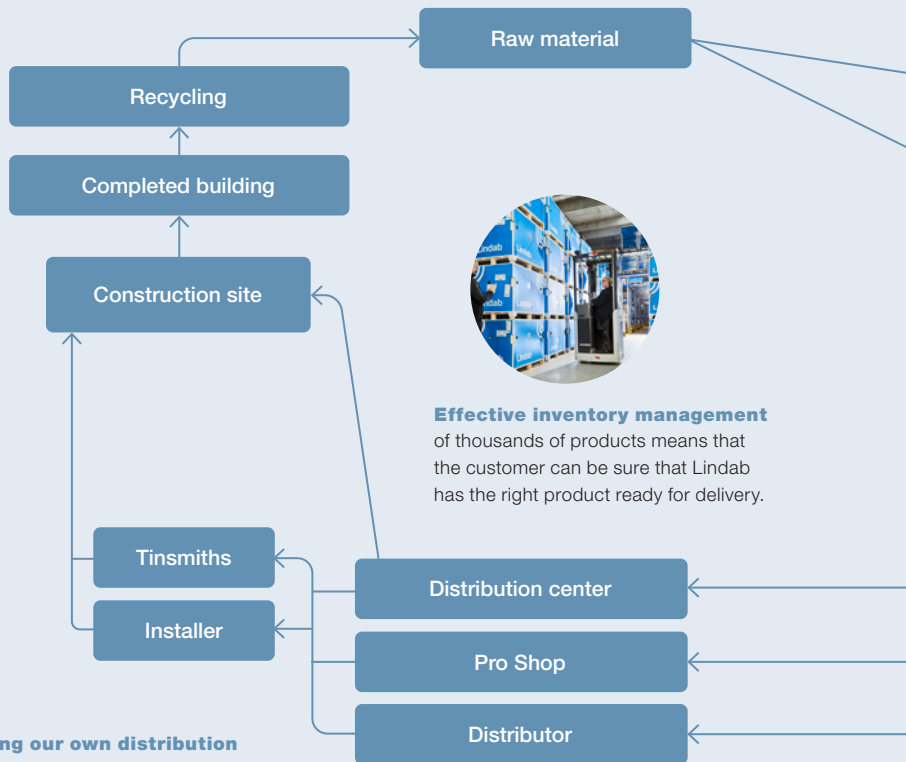
Recycling of steel is efficient, as 100 percent can be recycled without losing its specific properties.



High delivery performance is a crucial factor in delivering to construction projects where time frames and construction conditions can change on short notice.



Maintaining our own distribution network allows us to guarantee good availability through our own shops and distribution centres, where personnel with appropriate skills can assist customers.



Effective inventory management of thousands of products means that the customer can be sure that Lindab has the right product ready for delivery.

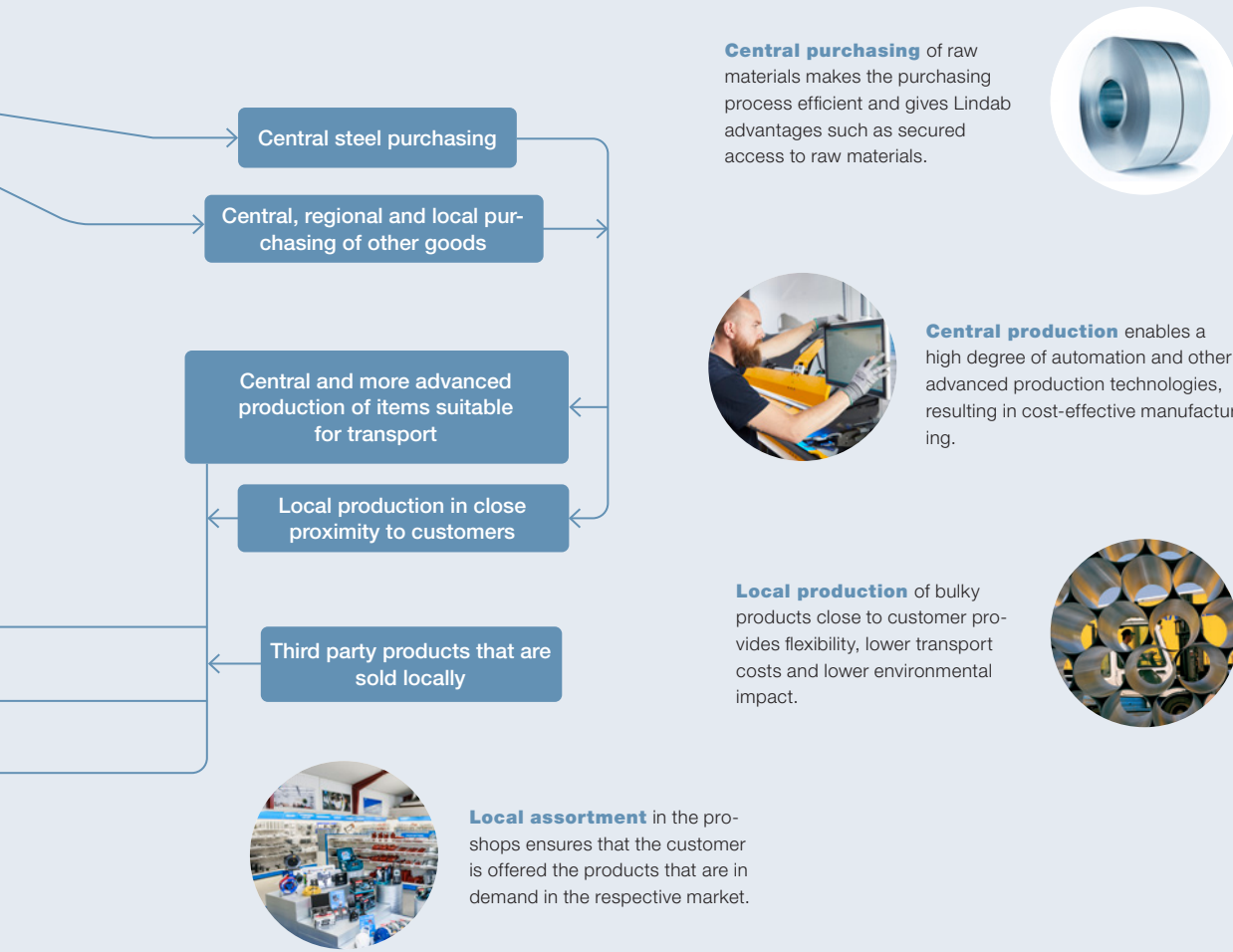
better service, as the product is quickly on site. Overall, we offer customers thousands of different products, some of which are customised and delivered directly to the construction site.

Investments have been made in both central and local production to increase the level of automation, reduce energy consumption and increase safety for employees.

Another way to create value is through acquisitions. The geographical presence and product offering has been strengthened with 17 acquisitions since 2020. At the end of the year, Lindab was present in 170 locations around Europe, many of them with production, warehouses and pro-shops.

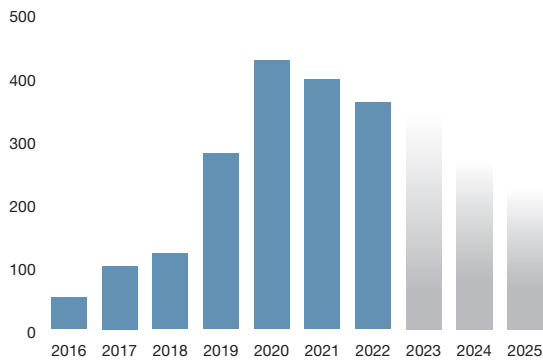
“Lindab's customers especially appreciate our quality, high level of knowledge and the fact that the products are always in stock”

Joakim Lönnberg, Director of Region North Europe



Significant investment

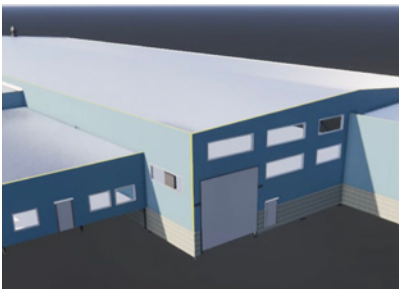
The largest investment program in Lindab's history continues with good results. The focus is on automation, increased capacity and efficiency, while reducing environmental impact and increasing safety. Most of the investment program has now been completed, and investments will be phased out gradually until 2025.



Over SEK 350 million invested in 2022

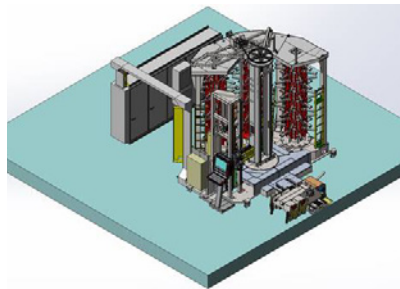
The investment program is rapidly generating a pay-back and currently comprises some 15 large projects at Lindab's facilities around Europe. A total of SEK 1,457 million has been invested since 2019, including SEK 359 million in 2022.

Examples of investments during the year:



30 years more with a larger press factory

Lindab's press factory in Grevie, Sweden, cuts and presses sheet metal for ventilation ducts. The factory was built back in 1988, and through continuous improvements, the number of pressed units has multiplied. But everything has a limit. With annual growth, there is not enough capacity to meet demand, which risks negatively impacting productivity and profitability. Lindab is therefore investing in a major expansion that will ensure continued sheet metal pressing for at least another 30 years.



Automation brings many benefits

Lindab Steel handles central purchase and distribution of steel within the Group. Lindab Steel's steel cutting machine lines are running at full capacity, increasing the risk of breakdowns, which would have serious consequences for all Lindab units. Investments are therefore being made in new equipment and in robotics for automated tool change. This will increase capacity by over 30 percent, but also reduce labor and maintenance costs, and reduce scrap metal.



Rectangular investment

The production of rectangular ducts is often less automated compared to circular ducts. Investments were made during the year, including in Lindab's Belgian operations and in Ductmann's UK facility, to increase productivity, capacity and safety. In Ductmann, a company Lindab acquired in 2019, the investment will lead to doubled capacity and halved delivery time to the customer, while ensuring the highest quality of the rectangular ducts.

Indoor air can be five times more polluted than outdoor air, providing an incentive to invest in better indoor climates in workplaces and schools, where we spend a large part of our time. It is also profitable.

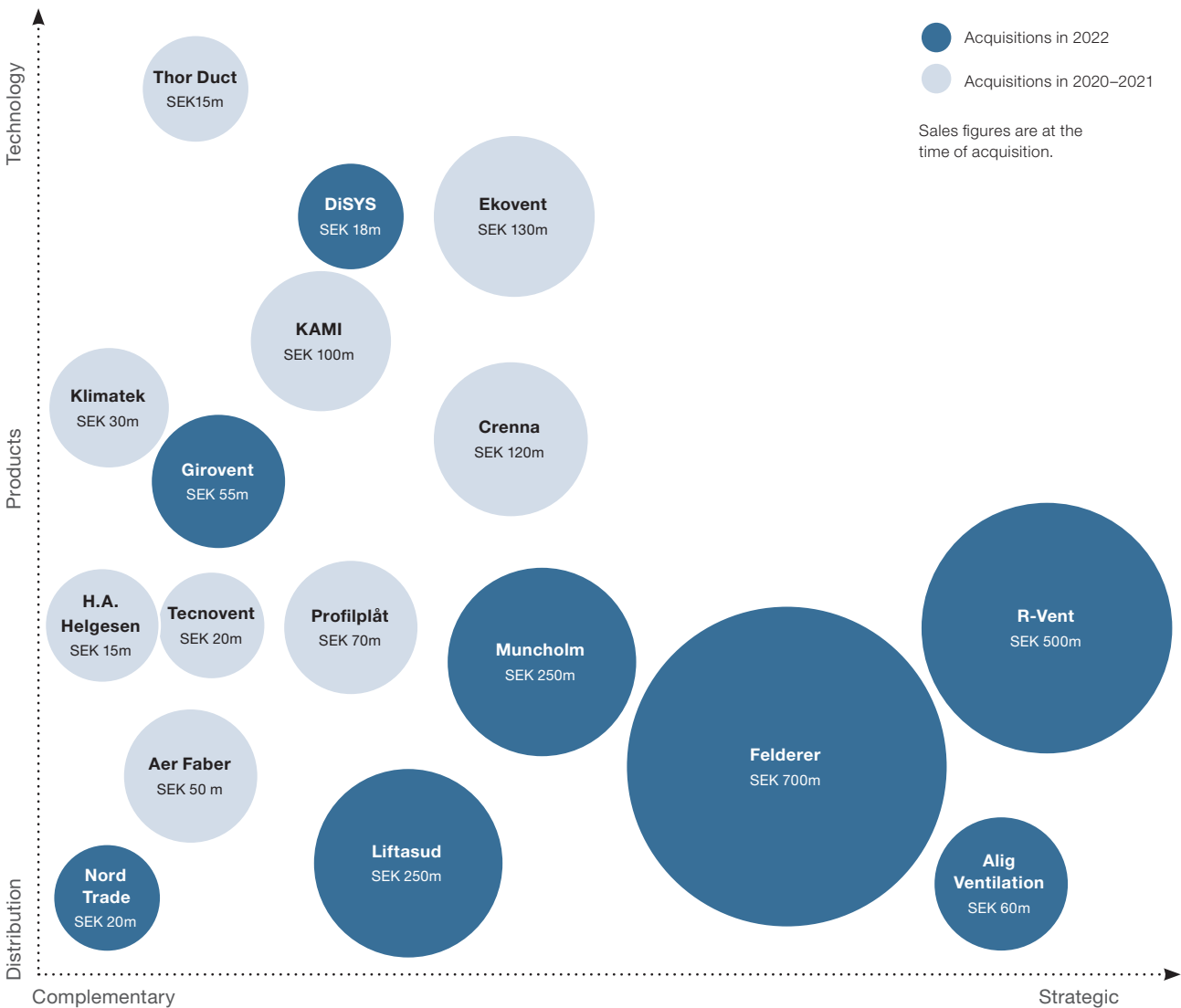


Lindab – For a better climate

Source: <https://phys.org/news/2017-05-air-quality-productivity.html>

Acquisition of well-managed companies

Acquisitions are an important part of Lindab's strategy. The ventilation industry comprises numerous small players, and our objective is to consolidate the industry. The acquired companies are well-managed, successful businesses that complement Lindab in selected product areas or geographic markets. The acquired companies will continue to operate independently under their own brands while benefiting from Lindab's sales network and central resources.



The year's acquisitions

In 2022, eight acquisitions were made: six in ventilation and two in building products. The acquisitions add total annual sales of SEK 1,853 million.



The acquisition of Swedish Alig Ventilation AB complements Lindab's range of products and expertise for ventilation in smaller residential properties. The company handles both renovation and new construction.



Norrland is an expansive region in Sweden with initiatives such as Northvolt and H2 Green Steel. Lindab is strengthening its presence in the region through the acquisition of its distributor of building products in Skellefteå, Nord Trade AB.



Lindab is complementing its UK operations with the acquisition of DiSYS Technologies Ltd. The acquisition gives Lindab access to advanced technology for fire protection in ventilation systems.



With the acquisition of Felderer AG, one of Germany's largest distributors of ventilation products, Lindab more than doubles its turnover in Germany and at the same time gains a stronger position in the whole country.



Lindab is complementing its operations in the Stockholm region in Sweden with the acquisition of Giroventilation AB. With the acquisition, Lindab strengthens both sales and production of rectangular ventilation ducts.



With the acquisition of the ventilation company R-Vent Netherlands BV, Lindab establishes its own operations in the Netherlands and at the same time becomes the market leader. R-Vent is the leading distributor of ventilation products in the country.



Lindab complements its operations in Denmark with the acquisition of Muncholm A/S, Denmark's leading wholesaler for tinsmiths. Muncholm offers durable roofing and facade solutions, and machinery.



With the acquisition of SAS Liftasud, Lindab expands its distribution network in France, strengthens its expertise in acoustic solutions for ventilation systems and increases its turnover in the country by approximately 50 percent.

EKOVENT® - part of Lindab

The ventilation company Ekovent was acquired by Lindab in October 2020. CEO Gabriella Wikander Johansson talks about what this has meant.



What happened immediately after the acquisition?

In the short term, we focused on developing Ekovent using the synergies from Lindab. An important part was support for investments to make us stronger, which also led to an improved work environment.

What do you see as central to being part of Lindab?

That it's all about cooperation, learning from each other, and using each other's strengths. We collaborate on the customer side, using our different sales channels, optimising purchasing and strengthening our product development. In addition, we have gained a better understanding of the importance of sustainability for value creation.

Lindab's sustainability plan: **Procurement, production and transportation**


Drive a sustainable business

This is what we want to achieve:

Be an early adopter of fossil-free steel to reduce our CO₂e emissions.

Get 100 percent of suppliers¹⁾ to sign the Code of Conduct by 2022.

Certify 100 percent of suppliers¹⁾ by 2023.

Reduce CO₂e emissions in scope 1 and 2 by 50 percent by 2030 compared to 2019, calculated in relation to sales.

Define a scope 3 target for CO₂e emissions during 2023.

Analyse waste to landfill and define a reduction target for 2023.

Reduce scrap rate with 50 percent by 2030, compared to 2019.

Use 100 percent renewable fuels or electric vehicles by 2040.

Switch to company cars using renewable fuel or electricity by 2030.

Have 100 percent of transport contracts to include environmental requirements by 2025.

Collaborate with customers and suppliers to create transport solutions with focus on reducing the environmental impact.

Sustainable sourcing | Examples of activities in 2022:

Carbon dioxide tariffs

Lindab is closely following the introduction of the Carbon Border Adjustment Mechanism (CBAM). During 2022, we bought just 5 percent of our steel outside the EU. The introduction of tariffs is beneficial for Lindab, as we already prioritise European steel with a lower environmental impact. The introduction of tariffs will accelerate the transition of the entire steel industry and thus align with our CO₂-reduced steel targets.



Towards fossil-free steel

The transition to fossil-free steel is Lindab's most significant individual action in terms of its effect on the environment. We continue to work with our steel suppliers to become one of the first in Europe to have access to fossil-free steel. During the year, we have visited TATA Steel in the Netherlands and the HYBRIT plant in Luleå to learn more about different processes. Lindab is a volume guarantor for H2 Green Steel and SSAB (HYBRIT) to promote the transition to more environmentally friendly steel.



Certification of suppliers

During the year, Lindab has intensified its efforts to audit and certify its suppliers. For suppliers in high-risk countries, all suppliers with a minimum purchase value of EUR 25,000 are reviewed, and for low and medium-risk countries, the minimum is EUR 100,000. Lindab has also taken the necessary steps to prepare for the EU Directive for Corporate Sustainability Due Diligence (CSDD). Lindab's approach to supplier evaluation follows the due diligence process. In the coming years, the risk classification will be extended to take into account more aspects. By 2022, the target was for all suppliers to have signed the Code of Conduct. At year-end, 86 percent had signed the Code of Conduct and we are working urgently to ensure that all sign the Code of Conduct by 2023.

¹⁾ Suppliers in low and medium-risk countries representing purchases of more than EUR 100 k and suppliers in high risk countries representing purchases of at least EUR 25 k are covered.

Sustainable production | Examples of activities in 2022:



More solar power

Lindab increased the use of fossil-free energy in production, including the installation of solar cells. At the end of the year, Lindab had four production facilities in two countries that received part of their energy supply from their own solar power. Additional facilities will install solar cells in 2023. Many of the investments are replacing fossil fuels such as oil and coal. In total, Lindab's solar cells generated 136 MWh per year.



Use of waste heat

Construction of a new press factory in Grevie, Sweden, is planned, and the project will start during 2023. An innovative system for reusing heat from the machines will be installed. The system will heat Lindab's entire operation in Grevie, which is the largest production facility in the Group. An analysis to find a system to reuse waste heat from the paint line in the Czech Republic is underway. These types of innovative solutions are crucial for Lindab to achieve its emissions targets.



Reduced scrap

An important way to improve resource use is through increased knowledge. During the year, Lindab has involved employees to find ways to reduce metal waste based on best practices. Training on how to reduce scrap throughout the manufacturing process is under development. With better monitoring, production errors and mistakes will be reduced, as will metal waste.

Sustainable transportation | Examples of activities in 2022:



Biogas transportation to Germany

At Lindab, transportation routes are planned on an ongoing basis to limit the number of kilometers driven and reduce the climate impact. A gas-powered truck has been deployed to transport products from Jels in Denmark to northern Germany. With biogas in the tank, CO₂e emissions for this route can be reduced by almost 95 percent.

From truck to train

Lindab is working systematically to shift transportation from trucks to trains, which will significantly reduce CO₂e emissions. The route from Grevie to Boliden, which takes place once a week, is now made with biogas trucks and trains, which has reduced emissions by almost 95 percent. From the panel factory in Luleå, project-specific deliveries, on average twice a week, are made by train instead of truck, which has reduced emissions by 90 percent.

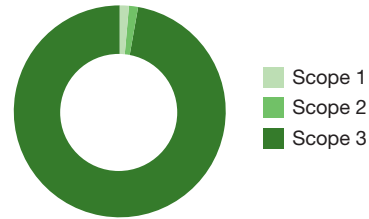
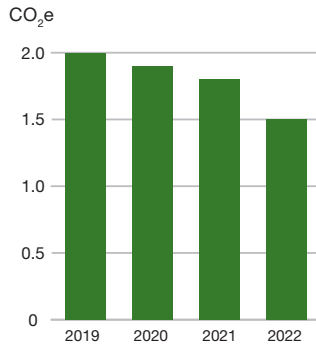


Smarter packing

Shipping of ventilation ducts is bulky and is also governed by hygienic requirements. By packing the ducts in each other, the load capacity per truck is increased. The method is not revolutionary in itself, but in Norway it has been systematised and tailored to individual projects. Properly loaded, this cuts in half the number of transports and reduces plastic waste. Norway has introduced a reduced standard length for circular ducts, which makes it possible to transport large dimensions standing up and smaller ones lying down, thus improving the overall filling rate.

Outcome for Sourcing, Production and Transportation – 2022

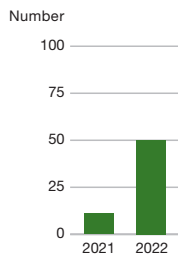
Greenhouse gas emissions



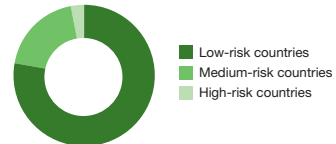
Tones CO ₂ e	2022	2021	2020
Scope 1 ¹⁾	7,792	8,167	8,208
Scope 2 (market-based) ¹⁾	8,402	8,772	8,915
Scope 3 ¹⁾	1,108,361	–	–
Out of scope	643	653	343

Lindab aims to halve carbon dioxide emissions for scope 1 and 2 from 2019 to 2030. By 2022, carbon dioxide emissions have been reduced by 23 percent per million Swedish krona in turnover or by 16 percent in total tons. In 2022, Lindab started to measure carbon emissions also in scope 3 in order to set targets for how to reduce total emissions. Scope 3 constituted more than 98 percent of Lindab's total emissions during the year.

Certified suppliers



The share of certified suppliers increased from 11 percent to 51 percent in 2022. While focus was initially on certifying suppliers in the highest risk countries, the focus is now on certifying all suppliers, with the goal of 100 percent certification by 2023. Lindab has 97 percent of its suppliers in low or medium risk countries.

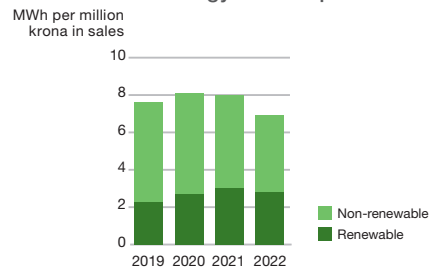


Transport with renewable fuels



Lindab recently started collecting data on the percentage of the Group's transport that is done by train, ship or truck using electricity or renewable fuel. For 2022, that share was 12 percent.

Energy consumption



Lindab's energy consumption per million krona in sales was reduced by 11 percent from 2019 until 2022. The main reason is investment in more modern production technology.

¹⁾ Scope 1, 2 and 3 are classifications of different categories of CO₂e. In simplified terms, scope 1 and 2 can be described as emissions associated with the company's internal operations, such as production facilities and its electricity consumption. Scope 3 refers to others emissions.

Thanks to digitalisation and sensor technology, we can now measure various parameters in indoor air. This allows air quality and energy consumption to be optimised in a far more advanced way than before.

Lindab – For a better climate

EXPERTISE

Commitment and expertise

WE BELIEVE IN DECENTRALISED responsibility where each country can quickly adapt its operations. Since 1959, trust in Lindab has been built up through our entrepreneurial spirit, where each employee can take responsibility and solve problems as they arise. This put focus on implementation and on delivering results.

Malin Blanck

Regional Manager Pro-shop in region West since June 2022

Tell us about the journey that brought you to this role.

Before joining Lindab, I graduated in business administration with a focus on organisation and leadership, and before that I worked as a shop manager in the construction trade. Today I am responsible for four of Lindab’s shops. I run sales, have HR responsibility, structure working methods and develop shop concepts. It is a position where I can take advantage of my previous role as a shop manager, as well as my education in business administration.

What do you value most about working at Lindab?

Entrepreneurship. My role is new at Lindab and has given me great opportunities to help shape it from the ground up. Precisely that – having the opportunity to influence and build an organisation – is something that motivates me a lot.

What advice would you give to other Lindab employees?

Dare to be open and honest about what you want. Tell your manager about your future visions and career ambitions. Talk about how you want to grow and where you see yourself in the future. Make a plan with your boss and start working your way forward, one day at a time. In fact, most things are possible if we work for it.



Lindab’s core values

We believe that customers’ success drives our success. This is realised by leading the development of solutions in our core segments.



We strive for long-lasting relations built on an uncomplicated, humble and trustworthy approach. Efficient and fast decision-making is an important part of this.



Neatness and order throughout impacts efficiency, as well as the company’s general image and contributes to a sense of pride among employees.



Our HR strategy

Lindab's long-term target is to be an attractive employer with skilled and motivated employees. Our HR strategy is linked to Lindab's five overarching strategic areas and sets the framework and direction for us to achieve our vision and targets.



Quality

We offer our employees support, development and a pleasant working environment, with neatness and order, which helps to create motivation and pride in the company.



Efficient

Through modern ways of working, a culture of internal and external collaboration and a down-to-earth way of thinking, we create safer, more enjoyable and more efficient workplaces.



Local

We strive to create local and global partnerships, to increase opportunities for our employees to grow internally within the Lindab Group.



Trusted

Lindab must take responsibility for providing its employees with good leaders and the right conditions for a safe and inclusive workplace that enables growth.



Market leader

By having the most skilled and committed people in the market, we create the right conditions to be part of our customers' success.



Lindab’s sustainability plan: **Employees**



This is what we want to achieve:

Reduce the number of workplace accidents per million hours worked (LTIF) to 4 or less by 2026. Long-term vision of zero accidents.

Have the same percentage of each gender in senior management positions by 2030 as in the Group in total.

Have a staff turnover of 5–10 percent.

Be recommended as an employer by at least 90 percent of the employees.

Support community activities linked to Lindab’s operations and nearby locations.

Create good conditions for engagement in nonprofit work.

Examples of activities in 2022:



“Watch your hands”

In 2022, we ran the “Watch your hands!” campaign, as hand injuries are the most common type of injury at Lindab. The campaign was divided into three phases – the beginning of the year focused on explaining the benefits of protective gloves, followed by practical training, and the end of the year focused on the safety culture surrounding the issue. Extensive materials were produced for all managers, including table signs and fact sheets, supplemented by local materials.

Important conversations

Employee performance and development talks are held with all employees. These are carried out annually for white-collar employees and every two years for blue-collar employees. The aim is to create an opportunity for the manager and the employee to have a conversation that focuses on the employee’s situation, development and goals. The aim is to constantly develop both the employee and the company.



Increased well-being in focus

An already tough economic situation has been increased by higher energy prices, creating anxiety and stress for many employees. Lindab in the UK has therefore chosen to extend the range of benefits offered to include mental health support. Employees already have benefit vouchers they can redeem for various services. These have now been expanded to include therapy sessions. This has led to a more open climate of conversation about mental illness and a greater acceptance that this is an area that needs more focus.

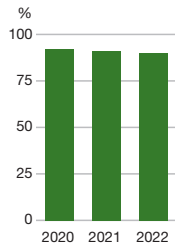


Academy soon in every country

Lindab Academy and its courses have continued to be implemented in more parts of Lindab. Classroom instruction takes place in Farum (Denmark) and Grevie (Sweden). Many units also organise local training for their employees, customers and students. Rollout of the newly upgraded e-learning platform continued in 2022 and now covers 15 countries. The aim is for all countries and employees to have access to the platform’s training by 2023. In addition to general HR training, the platform includes 27 ventilation-related training courses, several training courses on building products and a general safety training course. More courses are added on an ongoing basis.

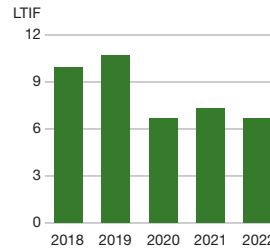
Outcome for Employees – 2022

Attractive employer



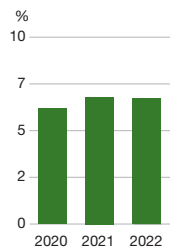
For 2022, we reached 90 percent who would recommend Lindab as an employer, which means that for the third year in a row we achieved the 90 percent target.

Work-related accidents



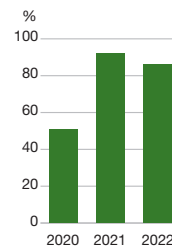
In 2022, LTIF¹⁾ decreased slightly to 6.7 compared to 7.3 in the previous year. There were no serious accidents. The target is to achieve an LTIF of less than 4 by 2026.

Staff turnover



Our objective is to maintain staff turnover of 5–10 percent. In 2022, it was 6.7 percent, which was in line with previous year.

Performance & development



A close dialogue between employees and managers is a prerequisite for a high level of well-being. For 2022, reviews were conducted with 86 percent of white-collar employees. The target is 100 percent.

Proportion of women

22%

The proportion of women in Lindab was 22 percent in 2022, which is 1 percentage point higher than in the previous year.

Proportion of women in local management teams

26%

For Lindab Group, including subsidiaries, women accounted for 26 percent of the management teams. This is slightly higher than the target that the gender balance should be the same as in the company as a whole.

Gender distribution on the Board of Directors

3+4

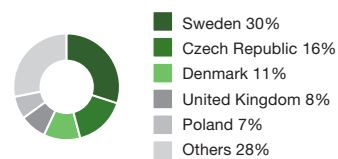
Three out of seven members of Lindab's Board of Directors elected at the Annual General Meeting are women. Lindab's Board of Directors has had an even distribution of men and women since 2016.

Number of employees

4,853

At the end of the year, Lindab had 4,853 employees in 20 countries. The number of employees increased by 304 people in 2022.

Proportion of employees by country



Lindab has its largest production facilities in the two countries with the most employees: Sweden and the Czech Republic.

1) LTIF stands for Lost Time Injury Frequency and measures the number of workplace accidents per million hours worked.

THE SHARE

A challenging stock market year

THE LINDAB SHARE WAS LISTED ON THE Nasdaq Stockholm exchange in December 2006. The share is included in the Industrials sector and is part of Nasdaq's Large Cap segment. In 2022, the share price fell by 60.4 percent to SEK 127.40, giving a market capitalisation of about SEK 10.0 billion at the end of the year.

The decrease in Lindab's share price by 60.4 percent can be compared with the Stockholm Stock Exchange's OMXSPI index, which fell by 25.2 percent over the same period, and the Industrials sector, which fell by 19.9 percent. Over the year, a total of approximately 54 million (49) Lindab shares were traded at a value of approximately SEK 9.9 billion (10.7). The Lindab share is traded on several stock exchanges and trading platforms. Official trading in the share on Nasdaq Stockholm accounted for most of the share's turnover. Remaining trades occurred on unofficial trading platforms, such as BATS Chi-X Europe and Turquoise.

The share and shareholders

Lindab has only a single share class, class A. Each share carries one vote and an equal share in the company's earnings. At the end of the year, there were 14,483 (14,013) shareholders in Lindab. The largest shareholder at the same time was Didner & Gerge Fonder, with 9.6 percent of the shares outstanding. Fjärde AP-fonden was the second-largest shareholder with 9.3 percent of the shares outstanding, followed by Handelsbanken

Fonder with 4.7 percent. Combined, the ten largest shareholders accounted for 42.0 percent of the shares outstanding. Foreign ownership amounted to 34.7 percent. At year-end, Lindab held 2,200,838 treasury shares, which do not carry voting rights or dividend rights. The holding corresponds to 2.8 percent of the total number of shares.

In 2022, 175,000 treasury shares were exchanged upon exercise of call options. Options were exercised at an exercise price of SEK 120.00. At the end of the year, excluding related parties' holdings, Lindab's Executive Management held 124,565 shares, and 554,500 call options. Of the outstanding call options, 210,000 have an exercise price of SEK 101.90, 183,950 an exercise price of SEK 222.00 and 238,050 an exercise price of SEK 219.90.

Incentive programs

For more information on remuneration and employee stock option programs, including the above-mentioned call option program, see Note 6 on pages 112–114.

Share price performance since the IPO



Ticker: LIAB
 Exchange: Nasdaq Stockholm
 List: Large Cap
 Sector: Industrials
 Market capitalisation: SEK 10.0 billion

Share price performance in 2022



Share price performance, January 1–December 31, 2022, SEK

— Lindab
 — OMXSPI

- The share price fell by 60.4 percent to SEK 127.40.
- The highest price paid was SEK 325.00 on 3 January, and the lowest price paid was SEK 110.10 on 25 October.
- On average, 215,630 shares (194,731) were traded per day and the turnover rate was 71 percent (62).
- At the end of the year, 5 (4) analysts were monitoring Lindab, of whom 3 (3) had a Buy/Increase recommendation, 2 (1) a Hold recommendation and 0 (0) a Sell/Decrease recommendation.

The strong net profit, combined with Lindab's good financial position, enables a proposal for an increase of the dividend to SEK 5.20 (4.00) for the financial year 2022.

Lindab's largest shareholders

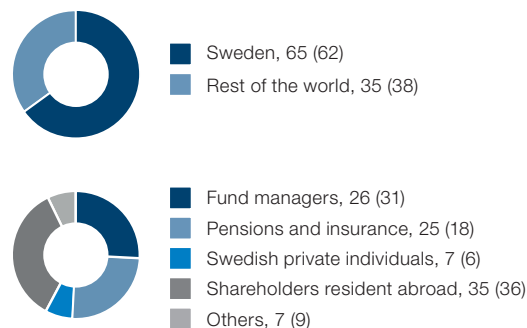
	2022		2021	
	Shares	Capital & votes, %	Capital & votes, %	Capital & votes, %
Didner & Gerge Fonder Aktiebolag	7,382,979	9.6	4.7	
Fjärde AP-fonden	7,140,534	9.3	9.3	
Handelsbanken Fonder	3,597,903	4.7	7.0	
AFA Försäkring	2,896,250	3.8	3.1	
Livförsäkringsbolaget Skandia	2,661,490	3.5	3.6	
Cliens Fonder	2,363,000	3.1	1.2	
Others	50,599,826	66.0	71.1	
Total no. of shares outstanding¹⁾	76,641,982	100.0	100.0	

¹⁾ Total number of shares excl. Lindab's own holding of 2,200,838 shares (2,375,838).

The share capital amounts to SEK 78,842,820 divided between 78,842,820 class A shares. Each share carries one vote. Lindab's holding of its own shares does not entitle the company to any votes or dividends.

Source: Euroclear

Shareholder distribution, %



Per share data

SEK/share, unless otherwise stated	2022	2021	2020	2019	2018	2017	2016	2015	2014
Earnings per share before dilution (continuing operations) ¹⁾	12.73	12.50	7.25	–	–	–	–	–	–
Earnings per share before dilution (total operations) ¹⁾	12.73	7.02	7.80	8.89	5.16	4.54	4.02	3.99	3.71
Earnings per share after dilution (total operations) ¹⁾	12.70	7.00	7.80	8.89	5.16	4.54	4.02	3.99	3.71
Dividend	5.20 ²⁾	4.00 ³⁾	3.40	1.75	1.75	1.55	1.40	1.25	1.10
Yield, % ³⁾	4.08	1.24	1.99	1.46	2.75	2.27	1.90	1.99	1.68
Dividend as % of profit after tax ¹⁾	40.1	57.1	40.3	20.0	34.0	34.1	35.0	31.0	30.0
Share price at end of period	127.40	321.40	170.40	119.60	63.50	68.20	73.05	62.90	65.60
Highest price paid	325.00	325.00	172.90	121.00	74.50	98.00	89.60	78.35	83.70
Lowest price paid	110.10	168.30	64.30	63.80	56.10	64.75	54.50	55.95	52.35
Shareholders' equity, after dilution	88.08	73.89	67.82	65.89	58.49	54.09	50.41	45.98	43.81
Number of shares outstanding	76,641,982	76,466,982	76,356,982	76,331,982	76,331,982	76,331,982	76,331,982	76,331,982	76,331,982

¹⁾ Calculated on the current number shares outstanding at end of year. ²⁾ Proposed dividend. ³⁾ Dividend as a percentage of the quoted price at the end of the period.
 n/a = not applicable.

CORPORATE GOVERNANCE REPORT

A good structure in place

THERE ARE THREE main factors that characterise today's Lindab. A decentralised and clear performance culture, a nearly fully invested operation and a strong focus on having the right person in the right place. This lays a solid foundation and allows us to continue to develop successfully even in a more uncertain economic climate.

Comments by the Chairman of the Board

Rapid adaptation is a key element of a decentralised business model. The organisation has been put to the test a number of times in recent years, but has been able to deal effectively with both the effects of the pandemic, and the impact on energy prices and inflation of the tragic war in Ukraine. It all really comes down to having leaders in the organisation who have a strong focus on the business, then you do what you need to do to maintain profitability. Continued hard work is required as we are likely to face an economic downturn, which may require even tougher decisions.

For us on the Board, it has been good to have this structure in place, which has allowed us to focus fully on setting the long-term agenda for Lindab together with the management. In 2022, this included a large number of acquisitions, several of them significant. We are establishing positions in new markets and strengthening them in existing ones, in order to better exploit synergies in different areas and complement the offering, which in turn contributes to higher margins. Lindab's expanded M&A team works closely with the companies in the various countries, and has been able to be much more aggressive than many others in the market thanks to the Group's low debt and declining investment needs.

An area we also support and drive is the strong discussion around ESG issues. It's present when we make acquisitions, when we invest in production and logistics, and not least when we set our goals. I am pleased to say that in recent years we have moved forward both our positions and ambitions in this area, and through the recruitment of dedicated specialists across the organisation, these topics are present in all contexts and at all levels.



In early 2023, we raised our ambitions further with our announcement to join Science Based Targets, to develop targets and plans that really help reduce global warming and mitigate climate change. It will require some work, but is important, and it also strengthens our market positions.

I am now in my seventh year as Chairman, and I can look back at a fantastic development. From being under-invested and cautious, I and the rest of the Board are now privileged to support a business that is at the forefront in its particular fields, and where there is a clear plan to grow further. The ventilation company Lindab is set to become the European leader in transporting and distributing air, and that journey has really only just begun. Even in a downturn, there will be good opportunities to grow profitably, both organically and through acquisitions. In essence, it's about making the right decisions across the organisation, whatever they are. This is the core of Lindab's business model and will contribute to continued success.

Peter Nilsson
Chairman of the Board

Lindab's corporate governance is based on the Articles of Association, the Companies Act, the Annual Accounts Act, the Rules of procedure of the Board of Directors, the regulations issued by the Stockholm Stock Exchange, the Swedish Code of Corporate Governance (the Code) and other laws and regulations applicable in Sweden.

Shareholders

Lindab has 76,641,982 shares (76,466,982) outstanding of a single series and conveying equal rights to the company's assets and earnings. Lindab also holds 2,200,838 (2,375,838) of its own shares of the same series, bringing the total number of shares to 78,842,820 (78,842,820). As of December 31, 2022, Lindab had 14 483 (14,013) shareholders. The largest shareholders, in relation to the number of shares outstanding, were Didner & Gerge Fonder with 9.6 percent (4.7), Fjärde AP-fonden with 9.3 percent (9.3), Handelsbanken Fonder with 4.7 percent (7.0) and AFA Försäkring with 3.8 percent (3.1). At the end of the year, the ten largest shareholders held 42.0 percent (42.0) of the number of shares outstanding. Additional information on shareholders and performance of the share in 2022 can be found on pages 50–51.

Annual General Meeting

Shareholders exercise their right to influence Lindab's affairs at the Annual General Meeting, or, where applicable, an Extraordinary General Meeting, which is Lindab's highest decision-making body. The Annual General Meeting is usually held in April–May in the Municipality of Båstad, Sweden. The Meeting determines matters specified under the Companies Act and the Code, including matters concerning amendments to the Articles of Association and the election of the Board of Directors and Auditors.

Annual General Meeting 2022

The Annual General Meeting for the financial year 2021 was held on May 12, 2022 at the Lindab Experience Center in Grevie. An opportunity for shareholders to exercise their voting rights by mail prior to the meeting was arranged. At the Annual General Meeting, 271 shareholders were represented, corresponding to 59.5 percent of the capital and votes. The minutes of the Annual General Meeting have been available on the company website since May 24, 2022. The Annual General Meeting 2022 reached resolutions on matters including:

- the re-election of Board members Peter Nilsson, Per Bertland, Sonat Burman-Olsson, Viveka Ekberg and Anette Frumerie, Marcus Hedblom and Staffan Pehrson

- the re-election of Peter Nilsson as Chairman of the Board
- the re-election of auditing company Deloitte AB as the company's auditor
- guidelines for the remuneration of senior executives
- a share option program for senior executives
- a dividend of SEK 4.00 per share with a semi-annual payment of SEK 2.00 per share, with the record date set as May 16, and a second dividend of SEK 2.00 per share, with the record date set as November 7
- the authorisation of the Board of Directors to approve transfers of the company's own shares.

Annual General Meeting 2023

The 2023 Annual General Meeting will be held on May 11, 2023. In accordance with the Articles of Association, the notice to attend the Annual General Meeting shall be posted in Post- och Inrikes Tidningar (Swedish official gazette) and on the company's website. An advertisement stating that the notice has been issued is to be placed in Swedish financial newspaper Dagens Industri. Shareholders wishing to participate in the Meeting by postal voting shall (a) be entered in the company's share register six weekdays prior to the Meeting, that is, by May 3, 2023, and (b) register by casting their postal votes in the manner specified in the notice to attend Annual General Meeting.

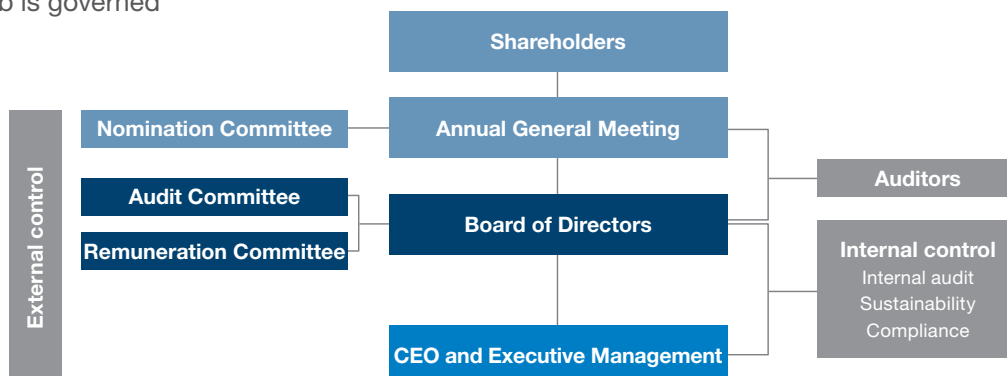
Nomination Committee

The Nomination Committee submits proposals to the Annual General Meeting regarding the election of a chairman for the Meeting, the Board of Directors, the Chairman of the Board and Auditors, as well as regarding fees to the Board and Auditors and regarding the composition of the Nomination Committee ahead of the ensuing Annual General Meeting.

In accordance with instructions adopted by the Annual General Meeting for the Nomination Committee the company is to have a Nomination Committee comprising at least four members, one of whom is to be the Chairman of the Board. The chairman of the Nomination Committee is to be the member appointed by the largest shareholder in the event that the Nomination Committee does not agree otherwise. The Nomination Committee's term of office extends until a new Nomination Committee has been constituted. A Nomination Committee was constituted on October 7, 2022, comprising:

- Thomas Ehlin, appointed by Fjärde AP-fonden (chairman)
- Henrik Didner, appointed by Didner & Gerge Fonder
- Anna Sundberg, appointed by Handelsbanken Fonder
- Peter Nilsson, as Chairman of the Board of Lindab International AB (publ).

How Lindab is governed



In accordance with the resolution by the Annual General Meeting, the Nomination Committee has to assess annually the composition and work of the Board of Directors and prepare proposals for the 2023 Annual General Meeting regarding:

- election of a chairman for the 2023 Annual General Meeting
- election the Board of Directors and the Chairman of the Board
- fees to be paid to the Board of Directors, any committees and the auditors
- composition of the Nomination Committee for the 2024 Annual General Meeting

The Nomination Committee carries out an annual evaluation of the work of the Board, the members and composition of the Board, and of the Chairman's report. The Nomination Committee has noted that the Board and the work of the Board are functioning well.

In order to promote equality and diversity within Lindab, the Board has adopted an equal treatment policy that ensures that no one within Lindab is discriminated against on the basis of gender, religion, ethnicity or other similar grounds. The Nomination Committee's policy is also to achieve diversity and gender balance in the Board and has applied Rule 4.1 of the Swedish Corporate Governance Code (the "Code") as its diversity policy when preparing its proposal for the election of Board members. Of the currently proposed Board members, three are women and four are men (42.9 and 57.1 percent respectively). The Nomination Committee considers it important that the company continues to work actively to promote diversity both in the Board and in the company in general.

The Nomination Committee considers that the composition of the Board of Directors, taking into account the provisions of section 4.1 of the Code, has been appropriate in view of the Company's business, stage of development and other circumstances, and has been characterised by diversity and breadth in terms of the skills, experience and background of the members elected at the General Meeting. Finally, the Nomination Committee has assessed that the Board meets the applicable independence requirements set out in the Code.

In 2022, the Nomination Committee held two minuted meetings. In 2023, the Nomination Committee has held one minuted meeting ahead of the 2023 Annual General Meeting.

Shareholders seeking contact with the Nomination Committee may send an e-mail to valberedningen@lindab.com, or a letter to "Lindab's Nomination Committee, Att.: Ola Ranstam, Lindab International AB, 269 82 Båstad".

Board of Directors

According to the Articles of Association, the Board of Directors shall comprise at least three and at most ten members with at most ten deputies. The members and deputies are elected at the Annual General Meeting for the period until the end of the first subsequent Annual General Meeting. The employees appoint two employee representatives to the Board of Directors, with two deputies.

Composition of the Board of Directors in 2022

The Annual General Meeting on May 12, 2022 resolved that the Board of Directors is to comprise seven members with no deputies. The CEO attends Board meetings in a reporting capacity. Parts of the Executive Management participate in Board meet-

ings. The various assignments of the Board members are shown on pages 58-59.

Responsibilities of the Chairman of the Board

The Chairman of the Board leads the work of the Board, monitors the operations in dialogue with the CEO and is responsible for ensuring that other Board members receive the information and documentation required for quality discussions and decision-making. The Chairman of the Board represents the company on matters of ownership.

Responsibilities of the Board of Directors

The Board of Directors is to ensure that the organisation and management of the Group, as well as the guidelines for the administration of its affairs are appropriate and that internal control is satisfactory. The responsibilities of the Board of Directors also include establishing strategies, targets and internal control instruments, resolving particularly important matters, issuing financial reports, as well as assessing the operational management and ensuring that succession planning is in place. The responsibilities of the Board of Directors include supervising the work of the CEO by monitoring the operations on an ongoing basis.

Work of the Board of Directors

The work of the Board of Directors is regulated by rules of procedure adopted annually. Among other things, the rules of procedure stipulate instructions for the company's CEO, the duties of the Chairman of the Board, the agenda of the Board of Directors and a resolutions procedure, as well as other instructions and policies.

In 2022, the Board of Directors held twelve meetings. Financial performance was reported and followed up on at each ordinary meeting. The Board of Directors held one meeting with the Auditor without company management being in attendance. This meeting reviewed the effectiveness of the Auditor's cooperation with company management in conducting the audit and related matters. Members of Executive Management were in attendance at all Board meetings.

The work of the Board of Directors and the CEO was assessed during the financial year. This assessment showed the work of the CEO and the Board of Directors to be effective.

Main topics at Board meetings in 2022

Feb 10	Year-end report, dividend. Report from the auditors
Feb 18	Acquisitions
Mar 25	Annual Report, notice to attend the Annual General Meeting
April 27	Interim report
May 12	Investments
May 12	Statutory meeting
June 12	Acquisitions
June 21	Acquisitions, investments, internal audits and control
July 19	Interim report, investments
Sept 29	Investments, strategy
Oct 24	Interim report
Dec 9	Budget

Board of Directors and breakdown of Board fees

Name	Year elected	Company	Ownership	Board fee incl. committee, SEK	Remuneration Committee meetings	Audit Committee meetings	Attendance at Board meetings
Peter Nilsson ¹⁾	2016	Independent	Independent	1,266,700	6/6	-	12/12
Per Bertland	2016	Independent	Independent	521,700	6/6	-	12/12
Sonat Burman-Olsson	2011	Independent	Independent	468,300	-	-	12/12
Viveka Ekberg	2016	Independent	Independent	651,700	-	7/7	12/12
Anette Frumerie	2017	Independent	Independent	560,000	-	7/7	12/12
Marcus Hedblom	2020	Independent	Independent	560,000	-	7/7	12/12
Staffan Pehrson	2020	Independent	Independent	468,300	-	-	12/12
Pontus Andersson ²⁾	1995			26,300	-	-	12/12
Ulf Jönsson ^{2,4)}	2022			17,500	-	-	5/7
Anders Lundberg ^{2,3)}	2016			8,800	-	-	5/5
Total				4,549,300			

1) Chairman

2) Employee representatives replaced by deputies if unable to attend.

3) Resigned from the Board on May 12. The term of office covers 5 meetings.

4) Elected to the Board on May 12. The term of office covers 7 meetings.

Board remuneration

The Annual General Meeting of May 12, 2022, resolved that fees to the Chairman of the Board and the members elected by the Annual General Meeting should be paid as follows. The fees paid for the regular work of the Board of Directors total SEK 4,292,500, divided between SEK 1,240,000 paid to the Chairman of the Board, SEK 500,000 to each of the other members elected by the Annual General Meeting, and SEK 26,250 to each of the ordinary employee representatives. It was also resolved that SEK 200,000 be paid to the chairman of the Audit Committee and SEK 100,000 to each of this Committee's ordinary members, and that SEK 110,000 be paid to the chairman of the Remuneration Committee and SEK 55,000 to each of this Committee's ordinary members.

Responsibility of the Board of Directors for financial reporting

The quality of the internal financial reporting is ensured partly through the Board's instructions to the CEO, and partly through its instructions on financial reporting to the Board of Directors. The Board of Directors also safeguards the quality of the external financial reporting by carefully examining the interim reports, the annual accounts and the year-end report at Board meetings.

Audit Committee

The Board of Directors has appointed an Audit Committee with the aim of deepening and streamlining the Board's supervisory responsibility with regard to internal control, auditing, internal auditing, risk management, accounting and financial reporting. The Audit Committee shall also prepare matters involving the procurement of auditing and other services from the auditor and shall prepare certain accounting and auditing matters to be addressed by the Board of Directors. During 2022, the Audit Committee comprised Viveka Ekberg (chairman), Anette Frumerie and Marcus Hedblom. The work of the Audit Committee is governed by rules of procedure adopted by the Board of Directors. The Committee met on seven occasions in 2022. The auditors participated in all of the meetings. The Committee continuously submits oral and written reports to the Board of Directors and submits proposals on matters requiring decisions by the Board of Directors. In 2022, the fees paid to the Audit Committee amounted to SEK 200,000 to the chairman of the Committee and SEK 100,000 to each of the Committee's ordinary members.

Remuneration Committee

A Remuneration Committee has been appointed by the Board of Directors to prepare proposals on remuneration matters and to continuously monitor and assess remuneration structures and levels for the CEO and other members of Executive Management. In 2022, the Remuneration Committee comprised Peter Nilsson (Chairman) and Per Bertland. The Committee met on six occasions in 2022. The Committee continuously submits oral reports to the Board of Directors and submits proposals on matters requiring decisions by the Board of Directors. In 2022, the fees paid to the Remuneration Committee amounted to SEK 110,000 to the chairman of the Committee and SEK 55,000 to each of the Committee's ordinary members.

Auditors

Lindab's auditor, elected by the Annual General Meeting, examines the company's Annual Report and accounting, as well as the administration of the company by the Board of Directors and the CEO. The auditor works on the basis of an audit plan and reports his observations to the Audit Committee, to parts of the Executive Management on an ongoing basis over the year, and at least once a year to the Board of Directors. The auditor also attends the Annual General Meeting to present the Auditors' Report and describe the audit process and the observations made.

The 2022 Annual General Meeting elected auditing company Deloitte AB as the company's auditor. Authorised Public Accountant Harald Jagner was appointed as the lead auditor. Although Harald Jagner also performs assignments for other listed companies, this is not to an extent that would prevent the necessary amount of time from being devoted to Lindab. Auditing company Deloitte AB does not accept assignments where their independence could be called into question. Nor do the auditors' other assignments for Lindab, beyond the audit assignment, alter this assessment.

Remuneration of the Auditors

Audit fees paid to Deloitte for 2022 amounted to SEK 0.5 m for the Parent Company and SEK 8.1 m for the Group. Fees paid to Deloitte AB for other assignments for the Group amounted to SEK 0.6 m.

External control

External regulations applicable to Lindab's corporate governance include the Companies Act, the Annual Accounts Act, Nasdaq Stockholm's Rulebook for Issuers, and the Code.

Internal control

Internal corporate governance is determined by the Board of Directors' rules of procedure, as well as the codes, policies adopted by the Board and other corporate governance documents, including directives adopted by the CEO. Lindab's Code of Ethics constitute the most important overarching policy document. Lindab has a Corporate Governance Committee whose main task is to safeguard good corporate governance within the Group.

Internal audit

Lindab has an internal audit function which is maintained by an external party. The function's work is reported on at least once annually by the external party to the Audit Committee, as well as continuously by the CFO. The Audit Committee, reports to the Board of Directors. The internal audit is designed to safeguard the fulfilment of the Group's targets in terms of appropriate and effective processes, and that financial statements are prepared in accordance with applicable laws and regulations.

Sustainability

Lindab's work on sustainability constitutes a key component in the Group's governance. By contributing to healthy buildings, Lindab can indirectly make a difference for many people. Lindab can also influence customers' environmental impact directly through its products and systems. The company's own operations shall hold a leading-edge position from a sustainability perspective, focusing, for example, on a beneficial working environment and continuous environmental improvements.

Compliance

Compliance entails ensuring that Lindab complies with laws and other applicable regulations and that the operations are conducted with ambitious demands in terms of integrity and ethics. In this area, Lindab has, for example, adopted policies to combat all forms of corruption and actions in violation of competition law. Policies are reviewed annually by the Board. Each company is responsible for implementing policies, which includes monitoring the application of the policy and its effectiveness, designing appropriate internal controls and providing adequate training. All Board members, management team members and employees have access to all policies through the intranet. Updates are communicated as news and by e-mail. Scheduled training for employees related to policies is not currently being implemented. Training linked to Lindab's policies will be part of the digital training platform Lindab Academy. During the year, Lindab did not have any significant cases of non-compliance with laws and regulations.

CEO and Executive Management

Ola Ringdahl has been President and CEO since 18 June 2018. Throughout 2022, the Executive Management included: Chief Financial Officer Jonas Arkestad, Director of Operations, Director of Division Ventilation Systems Karel Kleinmond, Director of Business Development and M&A Lars Christensson, Director of Sales Region West Europe Mette Brøndum, Director of Sales Region North Europe Joakim Lönnberg, Director of Sales Region Mid Europe Pascal Gelugne and Director of Sales Region East Europe Sorin Badea. Director of Division Ventilation Systems Olof Christensson was part of the Executive Management until August 31, 2022, when he decided to resign his position at Lindab at his own request. Olof Christensson held his position until he left Lindab on 28 February 2023.

Policies

Anti-Corruption Policy

Constitutes the regulations applicable to Lindab's operations and employees. Lindab applies zero tolerance with regard to corruption.

Antitrust Policy

It is important that the Group and its employees comply with competition legislation. Violations of antitrust legislation are prevented by means of the adopted Antitrust Policy.

Code of Ethics

It is crucial for Lindab and all of its employees that laws and regulations be complied with and that ethical values be respected.

Communication Policy

Ensures that consistent and accurate information about Lindab and its operations, including financial targets, is published externally and that Lindab meets the stock exchange's requirements for stock market information.

Equal Opportunity Policy

Guidelines to ensure that Lindab employees are treated equally and that no one is discriminated against on the basis of gender, religion, ethnicity or similar grounds.

Insider Policy

Includes rules to prevent unfair trading in shares or other financial instruments in Lindab by those with access to information not known to the market.

IPR Policy

Details the strategy and guidelines for Lindab's management and protection of intellectual property rights.

IS/IT and Data Protection Policy

Contains general rules for the Group's use and management of IT. The objective is to safeguard access to the IT structure required for operations to be conducted efficiently.

Occupational Health and Safety Policy

The policy comprises a clear framework and guidelines for a safe working environment, with an emphasis on preventive efforts.

Quality and Environmental Policy

This governs the efforts with regard to quality and environmental matters, ensuring that operations are conducted with consideration for the environment and that product solutions contribute to buildings becoming more energy-efficient.

Remuneration Policy

This policy states the rules and principles applied regarding remunerations to employees within the Lindab Group. The principles for remuneration are based on Lindab's vision, values and market practices, as well as the applicable laws and regulations.

Treasury Policy

This sets out the regulations applicable to the Group's management of financial risks and transactions. These issues are handled centrally by the Group's treasury function to minimise costs.

Remuneration of senior executives

Remuneration principles

The 2022 Annual General Meeting adopted guidelines for the remuneration of senior executives. The guidelines assume that remuneration is to be based on the market and the environment in which each of the executives works, are competitive, facilitate recruitment of new executives while also motivating senior executives to remain at the company. Remuneration may comprise fixed salary, short- and long-term variable cash salary, pensions and other benefits. Fixed salary should be determined individually based on the specific responsibilities, experience, expertise and performance of the individual executive. Fixed salary should be reviewed at least every two years.

Short-term variable cash salary should be based on the executive's performance relative to individually established targets aimed at fostering the company's business strategy and long-term interests. For the CEO, short-term variable cash salary shall not exceed 60 percent of his fixed salary and, for other senior executives, 40 percent of their fixed salary.

Long-term variable cash salary should be linked to financial performance targets reflecting the company's value growth over a three-year period. For the CEO, long-term variable cash salary shall not exceed 70 percent of his fixed salary and, for other senior executives, 40 percent of their fixed salary. It is presumed that any outcome from long-term variable cash salary will be invested in Lindab shares to increase the executive's shareholding in Lindab, linking the interests of shareholders and those of senior executives.

Pension benefits are to be provided in accordance with a defined contribution plan. Senior executives not covered by the ITP plan should receive at most 30 percent of their annual fixed salary as an annual contribution-based pension provision. Other benefits should not constitute a significant portion of the overall remuneration. In specific cases, the Board of Directors may deviate from the guidelines. The Board of Directors did not exercise this mandate in 2022. Remuneration and other benefits for Executive Management are presented in the table on the right. A further SEK 10.7 m has been booked for social security contributions, including a specific payroll tax on pensions.

Remuneration of the CEO

Ola Ringdahl's fixed salary for 2022 amounted to SEK 6,597,411. Ola Ringdahl is also entitled to a short and long-term variable cash salary. In addition, Ola Ringdahl is entitled to a company car and certain other benefits. The remuneration received by Ola Ringdahl in 2022 is shown in a separate table. Ola Ringdahl is subject to a 12-month notice period on dismissal by the company and of six months on resignation. Ola Ringdahl is bound by a non-competition clause for a period of two years from the point at which his employment ceases, during which time he is entitled to separate remuneration. The company is entitled to waive the non-competition clause, resulting in no remuneration being paid to Ola Ringdahl.

Remuneration of other members of the Executive Management

Throughout the year, the Executive Management included: President and CEO Ola Ringdahl, Chief Financial Officer Jonas Arkestad, Director of Product Area Ventilation Systems Karel Kleinmond, Director of Business Development and M&A Lars Christensson, Director of Region West Europe Mette Brøndum, Director of Region North Europe Joakim Lönnerberg, Director of Region Mid Europe Pascal Gelugne and Director of Region East Europe Sorin Badea. Director of Division Ventilation Systems Olof Christensson was part of the Executive Management until August 31, 2022, when he resigned his position at Lindab at his own request. Olof Christensson held his position until he left Lindab on 28 February 2023.

Remuneration for Executive Management adheres to the guidelines adopted by the Annual General Meeting. The employment contracts of the current Executive Management include notice periods of at most 12 months on dismissal by the company and of six months on resignation by the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. The other members of the Executive Management is bound by non-competition clauses for one year from the cessation of employment, during which they are entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Evaluation

The Board has monitored and assessed the company's variable remuneration programs for Executive Management, the application of the guidelines for the remuneration of senior executives and applicable remuneration structures and levels within the company. The guidelines and the variable remuneration of the Executive Management has been found to be appropriate and in accordance with the guidelines adopted by the Annual General Meeting. The Board's assessment is that the remuneration of senior executives ensures a good balance between motivating employees and providing competitive compensation. The remuneration structures and levels within the company are well balanced and in accordance with market practices.

Remuneration and other benefits to Executive Management in 2022

SEK	Ola Ringdahl	Remuneration other Executive Management ¹⁾	Total
Fixed salary incl. holiday pay	6,597,411	15,333,267	21,930,678
Variable salary	5,922,817	7,753,419	13,676,236
Pensions	1,944,787	3,458,045	5,402,832
Benefits	145,473	423,587	569,060
Total	14,610,488	26,968,318	41,578,806

¹⁾ Remuneration of other Executive Management pertains to 9 (10) individuals. The remuneration is exclusive of payroll overheads and special payroll tax.

Board of Directors



Peter Nilsson, Chairman



Per Bertland



Sonat Burman-Olsson

<i>Born:</i>	1962	1957	1958
<i>Elected:</i>	2016	2016	2011
<i>Status:</i>	Independent	Independent	Independent
<i>Other assignments:</i>	Board member of Creaspac AB, chairman of the Board of Nilfisk A/S.	Chairman of the Boards of Inwido and Dendera Holding. Board member of Beijer Ref, Fortnox and IV Produkt Partner in Small Cap Partners SCP.	Board member of Postnord AB, Lantmännen and Raizen S.A.
<i>Previous assignments:</i>	Deputy Chairman of the Board of Cramo OYJ, CEO of Sanitec and Duni AB. Chairman of the Boards of Duni AB, Securitas Direct AB and Sanitec Holdings Oy. Management positions within the Swedish Match Group. Chairman of the Boards of Adapteo OYJ and Unilode Aviation Solution.	President and CEO of Beijer Ref AB. Management positions within the Aritmos Group.	President and CEO of COOP Sweden, Deputy CEO and CFO of the ICA Group, Vice President of Electrolux Group responsible for Global Market Strategies. Chairman of the Board of the Swedish Food Retailers Federation, Member of the Boards of Directors of the Swedish Trade Federation, NESTE Corporation, ICC Sweden, Tredje AP fonden, ICA Banken and iZettle.
<i>Main education:</i>	M.Sc. in Business and Economics, Stockholm School of Economics.	M.Sc. in Business and Economics, Lund University.	M.Sc. in Business and Economics, Executive MBA, Strategic Man. Oxford and Harvard.
<i>Holdings at Dec.31, 2022:</i>	127,000 shares	31,000 shares	2,237 shares

Board committees

Remuneration Committee

The Remuneration Committee comprises two Board members: Peter Nilsson (chairman) and Per Bertland.

Audit Committee

The Audit Committee comprises three Board members: Viveka Ekberg (chairman), Anette Frumerie and Marcus Hedblom.

Auditors

Deloitte AB

Principal Auditor:

Harald Jagner

Born: 1971

Authorised Public Accountant, Deloitte AB, Gothenburg.

Auditor for Lindab since 2021.

Extensive experience of public companies.



Viveka Ekberg

1962

2016

Independent

Board member of AutoStore, Apotea, Dellner, SPP Pension & Försäkring, and others.

CEO of PP Pension, Regional Manager Nordics at Morgan Stanley Investment Management, Associate Partner at Brummer & Partners, Head of SEB institutional asset management, equities analyst at Alfred Berg Fondkommission and Affärsvärlden.

M.Sc. in Business and Economics, Stockholm School of Economics.

18,900 shares



Anette Frumerie

1968

2017

Independent

CEO of Rikshem AB.

CEO of Besqab AB. Business Unit President Residential Development Nordic at Skanska (publ), Business Unit Manager of International Property Development & Construction at JM AB (publ) and other positions within the JM Group.

M.Sc. in Engineering, Royal Institute of Technology.

3,600 shares



Marcus Hedblom

1970

2020

Independent

President and CEO of Ovako. Member of the Board of Directors of the steel industry's special interest organisation Jernkontoret and of the Swedish Association of Industrial Employers, Steel and Metal.

CFO of Ovako. Various senior positions at SAS, including as Deputy CFO SAS Group, CEO of subsidiary Spanair, as well as CFO of SAS Sweden.

M.Sc. in Industrial Economics, Linköping University.

15,000 shares



Staffan Pehrson

1968

2020

Independent

President and CEO of Anticimex Group.

President and CEO of NEFAB Group. Various positions within the Ericsson Group, including as VP Product Related Services, VP Solution Area Media, EVP/General Manager Ericsson Inc, Seattle. Member of the Board of Technology Service Industry Association (TSIA) and the Swedish Chamber of Commerce in Hungary.

M.Sc. in Engineering, Uppsala University, Case Western Reserve, USA, Executive MBA, Stockholm School of Economics.

15,000 shares



Pontus Andersson

Born: 1966

Elected: 1995

Employee representative, Unionen. Employed since 1987 and currently working as a development engineer.

Holding: 250 shares



Ulf Jönsson

Born: 1966

Elected: 2022

Employee representative, IF Metall. Employed since 2003 at Lindab Steel AB and currently working full time as chairman of the IF Metall union branch.

Holding: 0 shares

Executive Management

Its members come from operational management functions in Sweden, Denmark, France, the Czech Republic and Romania. A broad management team reaches decisions more closely aligned with the business and helps strengthen knowledge sharing between different units.



Ola Ringdahl

Born: 1972

President and CEO

Employed since 2018. Member of Executive Management since 2018.

*Holding*¹⁾: 100,000 shares, 300 000 CO²⁾

Professional experience: CEO of Nord-Lock Group, 2013–2018. Regional Director at Capio Healthcare, 2011–2013. Between 2003 and 2011, held senior positions within Crawford, which has been part of Assa Abloy Entrance Systems since 2011.

Main education: M.Sc. in Business and Economics, Stockholm School of Economics.



Jonas Arkestad

Born: 1963

CFO

Employed since 2021. Member of Executive Management since 2021. Has resigned and will leave on 30 April 2023.

*Holding*¹⁾: 26,500 CO²⁾

Professional experience: CFO of Blentagruppen 2019–2021.

Extensive experience from leading positions in finance and accounting at international industrial companies. Has worked as CFO at PartnerTech and Copenhagen Malmö Port.

Main education: M.Sc. in Business and Economics, Örebro University.



Lars Christensson

Born: 1971

Director of Business Development and M&A

Employed since 2019. Member of Executive Management since 2019.

*Holdings*¹⁾: 3,000 shares, 77,000 CO²⁾

Professional experience: Business development and M&A in a wide range of industries, most recently with the Nord-Lock Group. Previous experience includes TV4 and Brio.

Main education: M.Sc. in Engineering Physics, Lund Institute of Technology.



Karel Kleinmond

Born: 1969

Director of Product Area Ventilation Systems

Employed since 2007. Member of Executive Management since 2019.

*Holding*¹⁾: 4,000 shares, 12,000 CO²⁾

Professional experience: Various positions within LEGO 1999–2007, most recently as Managing Director LEGO Production CZ. Previous experience includes various technical roles at General Electric Transportation Systems and Škoda Pilsen, Czech Republic.

Main education: Mechanical Engineer, University of West Bohemia, Czech Republic.

1) Refers to holdings as at December 31, 2022

2) CO = call options 2020, 2021, 2022 programs



Mette Brøndum

Born: 1963

Director of Region West Europe

Employed since 1997. Member of Executive Management since 2019.

Holding¹⁾: 2,300 shares, 50,000 CO²⁾

Professional experience: Purchase Manager at Builders Merchant Group. Various positions at Lindab since 1997, including as Sales and Marketing Manager, Product Manager, Business Unit Manager, Business Area Manager and Country Manager in Denmark.

Main education: Sales, strategy, business development and leadership.



Joakim Lönnberg

Born: 1966

Director of Region North Europe

Employed since 1991. Member of Executive Management since 2019.

Holding¹⁾: 9 565 shares, 71 000 CO²⁾

Professional experience: Country Manager, Sales Manager and Product Manager within the Lindab Group. Former pilot for Eastern Air Charter and Chief Flight Instructor at Marlboro Airport, New York, USA.

Main education: Commercial Pilot, Business Administration at IHM Business School and Business Administration at Lund University.



Pascal Gelugne

Born: 1964

Director of Region Mid Europe

Employed since 2007. Member of Executive Management since 2019.

Holding¹⁾: 5,700 shares, 16,000 CO²⁾

Professional experience: Various positions within Lennox/Outokumpu 2002–2006, most recently as SVP and General Manager of European operations. Previous positions including as VP Business Development in Europe and the USA for ABB Fläkt Group 1989–2002.

Main education: MSc in Economics, Bethel College, USA.



Sorin Badea

Born: 1974

Director of Region East Europe

Employed since 1998. Member of Executive Management since 2019.

Holding¹⁾: 2,000 CO²⁾

Professional experience: Various positions in finance and control within the Lindab Group, including as Regional Business Controller East Europe, Financial Manager in Hungary and Country Manager in Latvia.

Main education: B.Sc. at the University of Craiova, Faculty of Economics and Business Administration, Romania.

1) Refers to holdings as at December 31, 2022

2) CO = call options 2020, 2021, 2022 programs

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for Financial Year 2022

In accordance with the Companies Act and the Swedish Code of Corporate Governance, Lindab's Board of Directors is responsible for the Group's internal control. Lindab's financial reporting complies with the laws and regulations applicable to companies listed on the Nasdaq Stockholm exchange, and with the local regulations in each of the countries where the company operates. The description in this report is consistent with the Annual Accounts Act and is therefore limited to the internal control of financial reporting. The purpose of the report is to provide shareholders and other stakeholders with an understanding of how internal control at Lindab is organised with regard to financial reporting.

The Board of Directors' internal control description is based on the structure presented in the internal control framework of COSO (Committee of Sponsoring Organisations of the Treadway Commission). It is against this background that the report has been prepared.

Control environment and control instruments

In order to create and maintain a working control environment, the Board of Directors has adopted several documents of fundamental importance for the financial reporting. These include, in particular, the Board of Directors' rules of procedure and its instructions to its committees and to the CEO. The responsibility for upholding the control environment required by the Board of Directors lies primarily with the CEO. He reports regularly to the Board of Directors based on established procedures.

The Board also has an Audit Committee, as a preparatory forum, that addresses matters related to the Group's financial statements, internal control, internal audit, reporting issues and accounting policies, as well as the consequences of potential changes to these. The minutes of the Audit Committee are communicated to the Board on a regular basis and the chairman of the Committee reports regularly at Board meetings. The Audit Committee also maintains ongoing contacts with the company's external auditors and is also responsible for verifying the auditors' independence and qualifications, and for ensuring that fees are paid as agreed.

Lindab's internal control structure is based on a management system which is rooted in the Group's organisation and methods for conducting the operations, with clearly defined roles, responsibilities and delegated authorities. Governance documents, such as policies and guidelines, including the adopted Code of Ethics, also play an important role in the control structure. The governance documents regarding accounting and financial reporting comprise key parts of the control environment with regard to financial reporting.

In 2022, Lindab continued the process of developing, improving and further raising the degree of maturity in the Group's internal control. The company works continuously and proactively with the internal control environment and also conducts reviews aimed at validating the true functionality of the control environment. During the year, Lindab also developed a new self-assessment tool for internal control work, a tool that will be fully implemented in the business in 2023.

Risk assessment

The Group conducts ongoing risk assessment to identify and evaluate material risks. Lindab's risk management consists of identifying, measuring and taking an active position on the risks identified, with a view to accepting, minimising or eliminating a potential risk based on the adopted strategy. Lindab maintains a risk management program, Enterprise Risk Management (ERM), encompassing all parts of the operations, including divisions, regions and Group-wide functions. The aim is to be able to work with risk prevention in a structured manner and to support continuous improvements. Reviews of material risks are conducted with feedback being provided to the Board on an annual basis. Material risks are also reviewed by Executive Management at least twice a year.

The principal risk associated with the financial reporting is considered to be that of material misstatements in the accounts, e.g. regarding the accounting and valuation of assets, liabilities, income, expenses, assessments of complex and/or changed business relationships, etc. Further risks include fraud and losses as a result of embezzlement. Risk management is built into all processes, while various methods are used to evaluate and limit risks, and to ensure that the risks to which Lindab is exposed are managed in accordance with established policies, instructions and follow-up procedures. The aim is to mitigate material risks and to foster accurate accounting, reporting and information disclosure.

Control activities

Control activities are designed to effectively manage the risks that the Board of Directors and management deem significant for the operations, the internal control and the financial reporting. Appropriate, effective and reliable processes are essential in ensuring compliance with the relevant laws, regulations and guidelines.

The control structure consists of clear roles within the organisation that enable an effective split of responsibilities for specific control activities, the aim being to reveal risks of reporting errors and to avoid these in time. Such activities may include clear resolution procedures and decision-making processes for major decisions such as acquisitions, larger investments, divestments, agreements and analytical reviews.

Another important task for Lindab's organisation is to implement, develop and maintain the Group's control procedures, focusing on business-critical matters. Process managers at various levels are responsible for implementing the necessary controls regarding the financial reporting. The accounting and reporting processes include controls related to valuation, accounting policies and estimates. All reporting units have their own controllers/financial managers who are responsible for ensuring accurate financial reporting. Continual analysis of the financial reporting in the individual unit, together with the analysis performed at Group level, is important in safeguarding that the financial statements are free from material misstatement. The Group's controller organisation plays an important role in the internal financial control process and is responsible for ensuring that the financial reporting for each unit is accurate, complete and timely.

Information and communication

Lindab has internal information and communication channels. These are aimed at ensuring completeness and accuracy in the financial statements through governance documents, such as internal guidelines, directives and policies. Regular updates and memos on amendments to accounting policies, reporting requirements or other communications are communicated to the relevant employees. The organisation has access to all key documents on internal control and governance via the Group intranet (LindNet).

Lindab has a whistle-blower system, WhistleB, in place to enhance all employees' access to channels for anonymously reporting issues/irregularities in the operations. Each year, reminders are distributed to all employees regarding the existence and availability of the whistle-blower system, and all new employees are briefed on the system.

The Board of Directors receives financial reporting on a regular basis. External information and communications are governed by the company's Communication Policy, which details Lindab's general information disclosure principles.

Follow-up

The Group's compliance with adopted policies and guidelines is followed up by the Board of Directors and Executive Management. The company's financial situation is addressed at each Board meeting. The Board's Remuneration and Audit Committees play an important role in matters such as remunerations, financial statements and internal control.

Before interim and annual reports are published, the Audit Committee and the Board of Directors review the financial statements. Lindab conducts monthly performance follow-ups, analysing deviations from budgets, forecasts and previous years. The external auditors report their findings from their review of the interim report for the third quarter report, their audit of the annual accounts and their examination of the administration of the Board of Directors and the CEO. The auditors usually attend two Board meetings annually.

Lindab has identified three main areas (sustainability, internal control and compliance) that are central for its corporate governance, and has established a Corporate Governance Committee that is primarily responsible for safeguarding good corporate governance within the Group.

Internal audit

Lindab maintains an internal audit function integrated into the Group's central financial organisation upheld by an external party. The function reports on an ongoing basis to the Group's Chief Financial Officer and directly to the Audit Committee at least once a year. The direction and scope of the work of the internal audit is determined by the Audit Committee. The internal audit is designed to safeguard the fulfilment of the Group's targets in terms of appropriate and effective processes, and that financial statements are prepared in accordance with applicable laws and regulations.

Båstad, March 26, 2023

Board of Directors, Lindab International AB (publ)

Auditor's report on the Corporate Governance Statement

To the Annual General Meeting of Lindab International AB (publ) corporate identification number 556606-5446

Engagement and responsibility

It is the Board of Directors who is responsible for the Corporate Governance statement for the financial year 2022 on pages 52–63 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 *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.

Opinions

A corporate governance report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, March 26, 2023

Deloitte AB

Harald Jagner

Authorised Public Accountant



RISKS

Risk management

RISK EXPOSURE TO a smaller or larger degree is part of business activity. Lindab’s risk management consists in identifying, measuring and trying to prevent material risks from becoming reality and continually making improvements to minimise potential risks. For the Group, risk prevention is principally aimed at preventing potential risks from developing into damage and/or losses. If Lindab does not fully succeed in this, the secondary aim is to mitigate the effects of damage that has already occurred.

The Group's business risks consist of, among other, operational risks, strategic risks and compliance risks. In addition, Lindab also manages financial risks. The probability of each risk and its impact on Lindab’s business is assessed continuously with a subsequent action plan. Reporting, monitoring and control are conducted through formally established procedures and processes.

Operational risks

Risk	Trend	Management
<p>Demand Demand for Lindab’s products is influenced by factors such as the general economic situation, construction trends and demand for a healthy indoor climate.</p>		<p>Lindab’s business is late in the construction cycle, with approximately 80 percent of sales related to the non-residential construction market and a range of products and solutions that are mostly installed at a later stage of the construction process. Generally, over time the construction market follows overall GDP growth, although with greater fluctuation. The market for non-residential construction is often somewhat later in the business cycle than residential construction as the projects involved are generally larger and extend over longer lead times. During normal business cycles, this allows Lindab some flexibility to manage capacity planning. However, in the event of macroeconomic crises, such as the financial crisis of 2008, the opposite generally occurs with rapid and significantly greater fluctuations in construction activity compared with the general economy.</p> <p>In 2022, construction activity gradually weakened, especially in Central Europe. Lindab closely monitors economic trends and adjusts its operations based on estimated demand.</p> <p>Demand for Lindab's products is also affected by changes in customers' investment plans and production levels. Customers' investments can change if the political or economic situation in a country or an industry changes. At the end of 2022, Lindab had operations in 20 countries, balancing the various country specific risks in the construction industry. However, since construction is a cyclical industry, it is not possible to protect against a downturn in the global economy. The current economic climate in Europe is affecting the majority of Lindab's markets and therefore also has an impact on Lindab.</p> <p>A further aspect is changing demand based on energy-efficiency and sustainability. It is clear that customers are increasingly demanding climate-sound and circular solutions, which are fundamental characteristics of Lindab's product development. However, there is a risk of Lindab not maintaining a sufficiently high pace or assessing the demand for individual technologies in a way that does not create competitive products.</p>
<p>Influence of political decisions Lindab’s operations are influenced by political decisions and the introduction of new laws and regulations.</p>		<p>Lindab produces high-quality ventilation systems in the highest airtightness classes. Stricter regulation of building standards usually benefits Lindab’s competitiveness. The EU’s Green Deal and Fit for 55, with its increased investment in building renovation and sharpened requirements for good indoor air, is expected to favorably impact Lindab’s long-term sales. Lindab has launched and is developing several products with the aim of upgrading existing ventilation systems and making them more efficient.</p> <p>Emissions trading and the introduction of carbon tariffs make greenhouse gas emissions more expensive. As the steel industry accounts for a large share of global emissions, this is something that affects Lindab. Lower-emission steel will initially be expensive, but with increased prices for emissions, the gap with traditional steel will narrow. Regulatory requirements such as the Carbon Border Adjustment Mechanism (CBAM) accelerate the transition and have a positive impact for Lindab as the company prioritises lower-emission steel and purchases from European manufacturers.</p>

Cont. Operational risks

Global and regional crises

War, pandemics and other socially pervasive crises can negatively impact demand for Lindab's products, as well as Lindab's and its subcontractors' delivery capacity.



Russia's invasion of Ukraine has created an uncertain global situation, with the risk of the conflict escalating further. Lindab had a low dependency on Russia, Belarus and Ukraine at the outbreak of the war and in 2022 terminated all previous operations in Russia. The conflict has led to longer delivery times and higher prices, especially for energy and raw materials. Lindab's operations are not dependent on gas from Russia and production is not so energy-intensive that higher energy prices would be a serious problem. Lindab already has sufficiently high inventory levels to be able to compensate for longer delivery times and shortage of raw materials.

Lindab's dependence on suppliers outside Europe is low, which was an advantage during the pandemic, although it can be a risk in other crisis scenarios.

Raw material prices

Lindab purchases large quantities of steel, predominantly sheet metal, and is influenced by developments in the market for raw materials.



Lindab purchases large quantities of steel, mainly in the form of sheet metal, and is influenced by the developments in the market for raw materials. The purchasing strategy developed by Lindab is based on long relations with the most important suppliers of steel and sheet metal, enabling the company to purchase directly from steel mills rather than intermediaries. Lindab's close relationship with steel mills has also enabled it to develop certain qualities of steel and specific finishes that are adapted to the company's systems and products.

Lindab only purchases steel to meet stock holding requirements and does not speculate or hedge on future steel prices. Lindab has chosen to coordinate most of its steel purchasing in order to achieve economies of scale, as well as to secure competitive prices and terms with steel mills.

A thorough internal review is also being conducted to enable the Group to react and adapt its prices to customers when price increases arise at the purchasing stage that cannot be absorbed by the organisation through rationalisation. High volatility in the purchase price of steel entails a certain risk to profitability as compensation in the customer price may be delayed and the current stock may have a higher average value than the existing steel price. This was the case in the second half of 2022 and is expected to gradually ease in early 2023. During the year, Lindab implemented price increases to compensate for historically high steel prices, which had a positive effect on sales.

Disruptions

Lindab may be adversely affected by disruptions including equipment failure, strikes or fire.



Lindab may be affected by stoppages due to various reasons such as breakdowns and strikes, as well as other reasons outside the Group's control. With its geographically spread presence, the Group has the ability to move its operations to other locations if any unit would be negatively affected, thereby ensuring that any projects undertaken are completed. Lindab has had stable access to raw materials in recent years, at a time when there was a shortage of steel and other inputs in certain periods. The Group holds global insurance programs to cover significant property damage, stoppages and breakdowns.

One type of disruption that has increased in likelihood is a lack of energy supply. This mainly affects Lindab's central production in southern Sweden. The Swedish Government has warned that the electricity supply may be cut off during periods but no such disruption has yet occurred. Lindab also has central production in the Czech Republic, where the risk of power outages is considered lower in the short term.

Competition

Competition takes place mainly at regional or local level.



Lindab mainly encounters a large number of small local and regional companies. There are also a small number of relatively large national and multinational companies that can be considered as competitors on parts of the offering. The company's competitors include Ruukki Construction, Tata Steel, Arcelor Mittal Construction, Marley, Balex Metal, Budmat, Pruszynski, Fläkt Woods, Swegon, Systemair, Trox and Llentab. None of these competitors have an offering that exactly matches Lindab's, but they are strong in some overlapping areas.

To face the competition, Lindab has opted to use highly automated central production units for volume products. These products can be easily transported. This is combined with smaller, local production units for products that require local adaptation. Local production is also applied for bulky products in order to reduce transport costs and achieve greater sustainability in the process. Through a well developed distribution network, Lindab can stay informed of changes, trends and new demands from customers and lay the foundations for the adaptation of products, systems solutions and services. Lindab's primary raw material is steel, mainly in sheet metal form, and Lindab's competitive strength is partially affected by changes in the price of raw materials. Lindab continuously rationalises production, distribution and organisation to maintain its competitive edge. Steel has many advantages over competing materials such as plastic and concrete. Customer campaigns also have an impact on customers' product choices. Lindab is working towards building long-term relationships with its customers and to provide added value by simplifying construction through the use of Lindab's products and system solutions.

Cont. Operational risks

Customer exposure

Lindab has a large number of customers. Only a few customers spread their purchases over several countries.



Lindab's sales are aimed at a large number of customers, none of which is dominant. This means that the Group has limited exposure to individual bad debt losses. However, there is always a risk that customers' financial position may change, which can negatively impact their ability to pay, which may in turn, result in Lindab not receiving payment for products sold. To minimise the risk of bad debt losses, the Group obtains credit information about customers whenever possible. In addition, a number of companies within the Group have insured receivables against bad debt losses. Lindab's largest individual customer accounts for 1.8 percent (1.9) of the Group's annual sales.

Lindab has been using a valuation method for calculating bad debt loss provisions which is based on expected bad debt losses. In practice, this means that the Group categorises its outstanding accounts receivable in six different levels depending on due date, ranging from accounts receivable that are not due to receivables that are overdue by more than 360 days. The respective levels have an expected rate of credit loss of between 0.5 percent (0.5) and 95.3 percent (95.3). Accounting loss provisions are formed based on these expected rates of credit loss. Rate of credit loss are estimated based on the Group's own experience, but also reflect future expectations of different payment structures given the economic climate and other important conditions. In addition to the model-based provisions for bad debt losses, individual assessments are also made of accounts receivable as soon as there are indications of an increased risk of loss on individual commitments. In this way, the Group works actively on an ongoing basis to reflect known information in total reported provisions for anticipated bad debt losses in the best possible manner. For further information on the valuation of accounts receivable, see Note 2 and Note 25.

Based on the described valuation method, the provision for expected bad debt losses amounted to SEK -106 m (-69) at the end of the financial year. During the year, earnings were affected by costs for expected and actual bad debt losses corresponding to 0.1 percent (0.1) of net sales, see Note 25.

Suppliers

Lindab is dependent on a large number of suppliers. The loss of a key supplier may incur additional costs and production problems. Suppliers failing to adhere to Lindab's Code of Conduct can also cause problems for Lindab.



To reduce its dependence on individual suppliers, Lindab has agreements with a large number of suppliers. For steel, the main raw material in Lindab's products, several suppliers are used in different parts of the world.

Lindab has established a Supplier Code of Conduct addressing, for example, working conditions, business ethics and health and safety. One hundred percent of suppliers should be certified by 2023. Suppliers in high-risk countries are audited every two years. Other audits are planned and conducted, based on risk level. Lindab actively seeks to make purchases from European suppliers and avoid countries with poorer working conditions or non-democratic regimes. For more information on the work with suppliers, see the Sustainability Report on page 144.

Investments

Lindab is implementing a comprehensive investment program.



Since 2019, Lindab has been implementing the company's largest investment program ever. An investment decision has some uncertainty as to whether future benefits will be achieved. Lindab's investment program has shown good results, and as the investments are gradually phased out from 2020 to 2025, the investments risks are also reduced. Future requirements for climate adaptation of operations may lead to new investments using unproven technologies, which could pose a risk of investments not achieving the desired effect.

Acquisitions

Lindab has made 17 acquisitions since 2020.



Lindab made eight acquisitions in 2022 and has made total seventeen acquisitions since 2020. For each acquisition, there is a risk of the acquired company not being sufficiently scrutinised and of unfavorable situations only being discovered during or after integration. No material impact on Lindab or the acquired company's operations has been identified since completion of acquisition. With each acquisition completed, the level of knowledge increases and the risk is therefore expected to decrease over time.

Expertise

Attracting skilled personnel and retaining key individuals is of significance for Lindab's continued success.



The shortage of manpower is becoming increasingly apparent and efforts to be regarded as an attractive employer have therefore become even more important. Lindab applies targeted initiatives to attract critical expertise and to strengthen the employer brand. Through training, coaching and annual development interviews, employees' skills are developed. Salaries and other conditions are to be in-line with the market and linked to the company's business priorities. Lindab strives for good relations with the trade unions. Lindab's investment program is automating certain parts of production which in part counteracts a shortage of labor in manufacturing.

Climate change

Climate change in the form of increased warming, storms, droughts and other climate effects impact Lindab's opportunities to conduct its operations.



More storms and floods increases the risk of damage to Lindab's facilities, as well as of disruptions in the transport of raw materials and finished products. Physical risks are continuously reviewed in the light of increased impacts and the occurrence of extreme weather conditions. This is mainly done locally as the plants have different geographical conditions. Shortages of electricity or higher electricity prices will affect Lindab's ability to produce products on competitive terms. Climate change may also lead to an increased need for good and energy-efficient ventilation and more building repairs, which in turn will affect Lindab's sales of roofs and walls.

Cont. Operational risks

Environmental impact

Lindab has manufacturing operations that affect the environment.



Lindab's Quality and Environmental Policy is a key document that, along with the sustainability plan, forms the basis for the Group's environmental work. Although Lindab's operations in the manufacture of steel products have only a limited direct environmental impact, there is an indirect impact in the form of greenhouse gas emissions from the steel industry. The two greatest efforts that Lindab is making to reduce its environmental impact are starting to use steel with lower environmental impact, as it becomes available, as well as optimising transport and switching to more environmentally friendly transport alternatives. In addition, a shift in the company's own operations is underway, which will be accelerated by Lindab joining Science Based Targets.

In cases where there is a risk of environmental liability, an assessment is made to determine whether a provision is required. No provisions were made for anticipated future environmental liabilities in 2022.

The waste products generated through production consist mainly of scrap metal which is recovered completely and other waste, of which up to 35 percent is recycled. The rest of the waste is sorted and disposed of in accordance with applicable regulations.

To protect the company and third parties in the event of environmental accidents, Lindab holds environmental insurance in several countries. The insurance includes liability for damages that are part of or are the result of environmental damage.

Lindab works together with its suppliers to reduce environmental impact in the value chain as part of the supplier evaluation. The supply chain also has the greatest impact on biodiversity. Read more about Lindab's environmental work on pages 153-157.

Risks to confidence

Events may occur that damage confidence in Lindab. This may, for example, involve employees or suppliers failing to comply with applicable laws and regulations, or with Lindab's values.



Lindab updates its information regarding current regulations and the company's values on an ongoing basis. Lindab's Code of Conduct has been prepared for both employees and suppliers. Lindab has developed procedures for sudden events, such as accidents or injuries in the form of fire, natural disasters and other types of crises.

Business ethics

Unethical conduct or poor management of business ethical risks can harm Lindab's brand and market reputation.



Lindab's reputation is a valuable asset that can be impacted by Lindab's actions as well as by external stakeholders. The Group strives to avoid engaging in conduct that might jeopardize Lindab's good standing. Lindab aims to be a good corporate citizen wherever the Group is active.

A Code of Conduct has been implemented in the Group to ensure that all employees in Lindab's markets follow best business practice. This includes overarching rules regarding how Lindab conducts its business and how company employees should behave towards one another and in business relationships. The Code is reviewed annually to ensure that it remains relevant. The Code includes principles regarding, for example, business ethics, employee relations and respect for human rights and the environment. Employees are encouraged to report violations. A whistleblower system has been established and suspected violations are investigated and handled.

Health and safety

Accidents and inadequate safety at Lindab's facilities could cause injury or death. Health risks also include mental ill-health caused, for example, by harassment, high stress levels and a poor working environment.



The physical safety of our employees is a high-priority area and systematic efforts to prevent accidents are conducted on a daily basis, particularly at Lindab's production facilities, where the risks are at their highest. For several years now, Lindab has been intensifying its efforts regarding a favorable working environment by working on values, behaviors and education. Lindab applies an Occupational Health and Safety Policy with clearly defined responsibilities for both managers and employees. Emphasis is placed on preventive work, which is done in cooperation with Management, employees, the safety organisation and the occupational health organisation. Accidents that resulted in time lost from work of at least one day are monitored and reported as LTIF (Lost Time Injury Frequency). In 2022, LTIF amounted to 6.7 (7.3).

In the event of serious accidents involving a risk of permanent disability, the Group Health and Safety Manager and the President and CEO is informed within 24 hours. Corrective actions are made immediately and preventive actions are made as soon as possible and followed up. In 2022, 0 (3) serious accidents occurred.





Lindab follows up incidents closely to ensure that the people affected receive the best possible support in their return to work. Lindab's investment program, introducing more modern equipment, has had the additional positive effect of increasing safety in the working environment. A good and safe working environment is a strategic issue for the Group. Health and safety is also part of Lindab's supplier evaluation program to protect people in Lindab's value chain.

Cont. Operational risks

<p>Legal risks Lindab may be subject to commercial disputes and other legal proceedings.</p>		<p>Lindab monitors legal developments in relevant areas to safeguard its regulatory compliance. A central function managed by the Group's General Counsel is tasked with monitoring and steering the management of legal risks. During the year, Group companies were only involved in minor disputes that are directly related to the business. Within Ventilation Systems and Profile Systems, provisions are made for disputes that arise and that are deemed to result in a payment liability. Warranty provisions at the end of the financial year amounted to SEK –6 m (–5). For further information, see Note 28.</p> <p>In early 2022, global sanctions were imposed on Russia and Belarus. These sanctions are complex and constantly changing. This increases the risk of misinterpretation and misjudgment and thus of breach of sanctions, with legal and financial implications. As the closure of the Russian operations has been completed, the risk decreased in 2022.</p>
<p>Digitisation Disruptions or errors in critical systems can have a direct impact on production and business processes. Intrusion by unauthorised individuals may cause financial loss or other harm.</p>		<p>Digital development is rapid and creates new situations. New digital solutions enable new services and change customer and investor demand and behavior.</p> <p>Increased digitisation requires connected products and peripheral services that analyse data. Lindab is in close contact with customers and technical partners to ensure that products in demand are developed while Lindab's expertise in the field is steadily increased.</p> <p>Another aspect of digitisation is the demand for more data and reporting from external parties. This includes, for example, financial data, sustainability data and product data. New technology needs to be harnessed to ensure that the demand for data does not lead to inefficient and manual processing and reduce time for value-adding activities.</p>
<p>IT security Disruptions or errors in critical systems can have a direct impact on production and business processes. Intrusion by unauthorised individuals may cause financial loss or other harm.</p>		<p>IT security efforts include continuous risk assessment, introducing preventive measures and applying security technologies. To ensure high availability and disaster preparedness and to minimise the risk of disruptions to critical business systems, IS/IT security solutions have been implemented and the relevant degree of redundancy in IT infrastructure equipment has been established (communication lines, servers, storage and server rooms). Regular risk analyses are conducted of critical IS/IT systems, including identification, analysis and mitigation measures. With an increased degree of digitisation, the risks in this area are expected to gradually increase.</p>
<p>Taxes Tax legislation is becoming increasingly complex, with a risk of mismanagement.</p>		<p>As a responsible taxpayer, Lindab works continuously to ensure that applicable tax laws, rules and regulations are complied with by the companies in the jurisdictions where the Group operates. Lindab's operations generate tax revenues and Lindab's tax compliance follows the Group's operations. Each company in the Group is responsible for complying with national and international tax regulations and reporting to the relevant authorities. From a central perspective, the Group's tax structure is monitored to maintain a structure that is sustainable and in compliance with applicable tax legislation.</p> <p>Lindab conducts operations in many different countries in Europe, and has generally perceived tax legislation and its application to have become more complex. Predictability has decreased and it has become increasingly important to maintain updated and fully functional systems and processes for handling taxes and levies.</p> <p>Within the field of income taxes, focus is also on transfer pricing issues, which relate to the prices agreed in cross-border transactions between related companies. Internal prices impact revenues and costs and thereby taxable profits in the countries where the companies operate. The internationally accepted view is that the conditions should be consistent with what would be agreed between independent parties, known as the arm's length principle. The OECD has issued guidelines for cross-border internal transactions in multinational groups, and Lindab works continuously to ensure that the Group complies both with these guidelines and local tax legislation in each jurisdiction. Lindab is also working to develop and adapt procedures to identify tax risks and manage them effectively. Lindab has regular contact with tax advisers for the interpretation of tax laws and to assess how various issues should be handled.</p> <p>Incorrect handling could impact Lindab through higher operating expenses and tax expenses together with interest and penalties. The Group is not involved in any tax disputes deemed to be capable of having a material negative impact on the Group's result or financial position.</p>

Financial risks

For further details on financial risks, see Note 3.

Risk	Trend	Management
<p>Financing</p> <p>Financing risk refers to the risk that the financing of the Group's capital needs and refinancing of outstanding loans will become more difficult or more expensive.</p>		<p>On December 31, 2022, Lindab's total credit facilities amounted to SEK 3,079 m (2,016). SEK 1,000 m of the credit facilities expire in June 2024, and the remaining credit limits of SEK 2,079 m are valid until June 2025. In 2021, Lindab entered two credit agreements, one with Nordea/Raiffeisen Bank International and one with Raiffeisen Bank International. A third credit agreement was signed with Nordea in 2022. All credit agreements contain a covenant in the form of net debt to EBITDA, a covenant that is monitored on a quarterly basis. On December 31, 2022, Lindab was compliant to the covenant. According to the Group's Treasury Policy, long-term financing must always be in place no later than 12 months before existing financing matures.</p>
<p>Liquidity</p> <p>Liquidity risk is defined as the risk of the Group incurring increased costs due to a lack of liquidity.</p>		<p>All centrally managed loan maturities are planned in relation to the consolidated cash flow. The above-mentioned credit agreements safeguard liquidity needs. Lindab's business is seasonal, which has an effect on cash flow. During the period January-June, cash flow is normally negative, then turning positive in July-December. According to the Group's Treasury Policy, the Group must at all times have available funds, including unutilised credit facilities, to cover the liquidity needs of the operating activities.</p>
<p>Interest</p> <p>Interest rate risk is defined as the risk of changes in current interest rates having a negative effect on the Group.</p>		<p>Surplus liquidity is always used to pay off existing loans. In accordance with the Treasury Policy, the fixed interest rate period is to be 1–12 months. On December 31, 2022 it was 4 months (3). The interest rate, calculated as the Group's interest expense in relation to average liabilities, amounted to 3.3 percent (2.5).</p>
<p>Currency</p> <p>Currency risk is the risk of negative effects on the consolidated statement of comprehensive income, cash flow and statement of financial position as a result of changes in exchange rates. The profit is affected when income and expenses in foreign currencies are translated into Swedish kronor. The statement of financial position is affected when assets and liabilities in foreign currencies are recalculated in Swedish kronor.</p>		<p>To reduce currency exposure in terms of transaction risk, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company is responsible for identifying its own currency exposure. Some special orders, projects, investments and purchases can be hedged to create certainty of future cash flows.</p> <p>In order to reduce the currency risk in the translation exposure, currency hedging can be decided by the CFO, which is in accordance with the Group's Treasury Policy. Hedging may be arranged for up to 90 percent of the value of the underlying asset.</p>

Climate scenarios

LINDAB HAVE DURING 2022 initiated the work on assessing climate risks and opportunities that may affect the company, with the aim of reporting according to TCFD (Task Force on Climate-Related Financial Disclosures) recommendations next year. In a first step, risks and opportunities for two scenarios are presented, as well as the impact on Lindab's financial results.

The process

Lindab carries out an annual risk evaluation where the risks and opportunities of the business are analysed based on probability and impact. This evaluation has gradually been extended to include climate impact. Only the major risks/opportunities resulting from climate change and the transition to a more sustainable world have been assessed. The Board of Directors is ultimately responsible for the risk assessment and takes note of the company's evidence and verifies that the assessment is reasonable.

Scenario 1 - Today's rate

In the first scenario, greenhouse gases increase at the same rate as today. This leads to rising sea levels, more days of extreme weather, increased number of fires, high energy intensity and high dependence on fossil fuels.

Risks and opportunities

Energy shortage

Increased risk of insufficient electricity and power supply, also leading to higher energy prices and higher operating costs. This makes energy-efficiency measures more profitable, which can increase demand for energy-efficient ventilation.

Weather impact

With more extreme weather, there is increased focus on the indoor environment, benefiting Lindab's indoor air quality solutions. Deteriorating weather will also expose buildings to more wear and tear and increase the need for maintenance. This is a risk to Lindab's own properties but creates opportunities for increased sales of products for roofs and walls.

Competition

Increased energy prices lead to increased costs for the production of steel, where the production of the fossil-free steel uses more energy than other steel. This increases the risk of price competition from players who do not prioritise steel with a lower environmental impact.

Adaptable properties

Increased demands on the indoor environment and changing weather conditions require more adaptable buildings. This can lead to increased requests for demand-controlled ventilation that changes with the use of the property.

Financial impact

- Increased investment in managing the impacts of climate change.
- Sharply increased operation and maintenance costs.
- Volatile or increased energy costs affecting steel prices, which is Lindab's single largest raw material.
- High insurance premiums.
- Increased sales of climate-smart products.

Scenario 2 - The Paris Agreement goals are met

In the second scenario, the Paris Agreement goals are met and greenhouse gas emissions are halved by 2030. New energy-efficient technologies are introduced on a large scale. Regulations and taxes are introduced. Market demands on businesses are changing.

Risks and opportunities

Circular economy

Zero emission requirements in the value chain lead to changes in business models. Circular models for ventilation systems need to be developed where ventilation systems are reused instead of new products being purchased. With steel as the main raw material in ventilation products, the opportunity for reuse is great.

Duties and charges

Regulations, taxes and charges on carbon emissions will lead to higher costs for steel. This creates opportunities for Lindab to position itself with products made from fossil-free steel, but it also increases the cost of raw materials and other operating costs.

Energy-efficient solutions

The shift to energy-efficient solutions may increase demand for renovation and smart ventilation solutions, which is benefiting Lindab. At the same time, it increases the risk of wrong investment in new product development. If steel companies are not successful in switching to fossil-free steel, new materials may need to be evaluated.

Unproven technology

The risk of unprofitable investments increases when unproven technologies need to be used to respond to the climate transition.

Financial effects

- Increased investment in climate transition.
- Increased costs of climate adaptation.
- Increased operation and maintenance costs.
- Increased product development costs.
- Increased sales of climate-smart and sustainable products.

Strategies and objectives to address climate risks and opportunities

- Product development for increased energy-efficiency and optimised indoor climate.
- Development of a circular and more sustainable product offering.
- Scientifically calculated targets for greenhouse gas emission reductions in accordance with Science Based Targets.
- Working with steel suppliers to support the transition to fossil-free steel.
- Comply with and enforce regulations and standards for more sustainable construction.
- Prioritise purchases from European suppliers with sustainable operations.
- Investments in own operations to reduce climate impact.
- Work towards a more digital construction industry.
- Collaborate in the value chain with customers and suppliers to accelerate the transition.

THE EU TAXONOMY

The EU taxonomy

LINDAB'S PRODUCTS ENABLE a sustainable transition and contribute to both energy-efficiency and a healthy indoor climate. Of Lindab's total turnover, 61 percent is eligible according to the taxonomy and 49 percent is aligned with the taxonomy criteria. Lindab strives to ensure that all products that are eligible are also classified as sustainable. Currently, 80 percent of the products eligible according to the taxonomy are classified as aligned according to the taxonomy criteria.

Lindab's activities are affected by criteria for the production of energy-efficient equipment for buildings and electricity generation using photovoltaic technology.

Ventilation

80 percent of sales from the ventilation range are eligible according to the taxonomy. According to Lindab's analysis, 65 percent of turnover is classified as aligned. This means that 81 percent of the products covered by the taxonomy are sustainable according to the taxonomy criteria. The taxonomy is a new regulatory framework and will need to be further developed over time. At present, there are no criteria that cover all the components of ventilation systems, and all products that have a significant impact on the energy-efficiency of buildings are therefore not included. More products with innovative technologies that contribute to significant energy savings should be included. At the same time, the industry needs to work on developing more classification systems for products where this is currently lacking. During the year, Lindab started a collaboration within the industry organisation Svensk Ventilation (Swedish Ventilation Association) with the aim of agreeing on a common interpretation of the criteria for ventilation. Recommendations for the development of the criteria will be shared with the taxonomy expert group. Lindab's classification of turnover follows the new industry-wide interpretation. This has changed the outcome slightly since the first preliminary figures were published last year.

Detailed information

Lindab manufactures products included in energy-efficient ventilation systems in buildings. According to the assessment a large part of the ventilation product range makes a significant contribution to mitigating climate change and also meets the criteria for do no significant harm (DNSH). Lindab also meets the minimum safe guard set out in the delegated acts.

Objective 1 – Climate change mitigation

Smart products that are used for monitoring and controlling ventilation systems lead to significant energy savings and are

therefore covered by the taxonomy's technical screening criteria. Products that can be classified for performance according to European standards or third-party certification are also covered. Air duct systems that transport air in the ventilation system that are classified in the tightness classes C or D are considered sustainable. Accessories such as suspension and support systems for products are also included if considered part of an aligned product. Other products, for example diffusers, waterborne solutions and roof hoods are not covered by specific performance classification and are therefore not covered by the taxonomy.

Lindab refers to the Svensk Ventilation's industry-wide interpretation for a clearer definition per product type.

Part of the range covered is not considered to be aligned with the taxonomy. Examples are air duct systems of tightness class A or B, as well as other products with too low an energy-efficiency class. Products for which data is lacking to determine a significant contribution to climate change mitigation or compliance with DNSH do not fulfill the requirements either.

Objective 2 – Climate change adaptation

The criteria for substantial contribution are not applicable to Lindab's ventilation range. According to Lindab's analysis, there are no major risks affecting the performance of the products. Most of the products are installed indoors and are therefore not directly affected by extreme weather such as wind and rain. For products installed outdoors, the right materials must be chosen and the installation must be adapted to the specific conditions.

Building products

26 percent of sales from the building products range are eligible according to the taxonomy. According to Lindab's analysis, 20 percent of turnover is aligned. This means that 76 percent of the products eligible are classified as sustainable according to the taxonomy criteria. The taxonomy covers only building products that reduce energy consumption such as insulated walls and doors. Traditional sheet metal roofing or sheet metal facades, where the insulation is added at the time of installation, may

therefore not be included. Other product groups such as rain-water systems or roof safety are also not included. This means that a large proportion of Lindab's construction products are not eligible according to the taxonomy today.

Detailed information

According to Lindab's assessment, based on the technical screening criteria, a smaller part of the building products range makes a significant contribution to climate change mitigation and also meets the criteria for doing no significant harm (DNSH). Lindab also meets the minimum safe guards set out in the delegated acts.

Objective 1 – Climate change mitigation

In Lindab's assessment, the following categories are aligned with the sustainability criteria in the taxonomy: doors with a U-value lower than or equal to 1.2 W/m²K, exterior wall systems with a U-value lower than or equal to 0.5 W/m²K, roof systems with a U-value lower than or equal to 0.3 W/m²K, insulation products with a lambda value lower than or equal to 0.06 W/m²K, as well as electricity production using photovoltaic technology.

A small part of the product range is eligible according to the taxonomy but is not considered to be aligned with the requirements for climate change mitigation due to excessive U-values.

Objective 2 – Climate change adaptation

Responsibility for the climate adaptation of the building is shared with the main contractor. Lindab is responsible for designing and delivering products according to customer requirements to ensure energy-efficiency and resilience to climate change.

The sheet metal used by Lindab complies with Eurocode, which is Europe's common structural design rules for load-bearing structures, such as bridges and houses. Lindab chooses suppliers with high-quality products that extend lifetime.

Purchases of taxonomy-related products and services

Operational and capital expenditures are also to be classified based on the established criteria. Expenses for purchases in operations covered by the taxonomy, but that do not directly generate income, are to be reported if they mitigate climate change or are eligible according to the taxonomy by definition.

Capital expenditures

Lindab's reporting of capital expenditures shows the investments made in capitalised intangible assets and tangible fixed assets. Intangible assets and tangible fixed assets added through business acquisitions are also included, with the exception of goodwill, acquisitions and divestments that, during the year, mainly generated indirect capital expenditures for fixed assets in the building products category. In the calculation of capital expenditures in accordance with the taxonomy, adjustments have been made for indirect non-financial activities. For further information regarding capital expenditures, see Notes 5, 18, 19 and 20. The assessment of what is considered to be covered and be compatible with the taxonomy follows the same structure as the analysis for turnover.

Operational expenditures

In accordance with the taxonomy's definition, operational expenditures mainly pertain to the Group's direct costs for research and development activities, building renovations, short-term leases, as well as maintenance and repairs. In the calculation of operational expenditures in accordance with the taxonomy, adjustments have been made for indirect non-financial activities. The assessment of what is considered to be covered and compatible with the taxonomy follows the same structure as the analysis for turnover.

Turnover

ECONOMIC ACTIVITIES (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category ('transitional activity') (21)		
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Yes/No	Yes/No						Yes/No	Yes/No
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (Taxonomy-aligned)																								
Ventilation	3.5 i,l,n,m	5,338	43	43	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	43	N/A	Enabling	-
Profile	3.5 b,c,d,e 4.1	773	6	6	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6	N/A	Enabling	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		6,111	49	49	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	49	N/A	Enabling	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																								
Ventilation	3.5 i,l,n,m	1,244	10																					
Profile	3.5 b,c,d,e 4.1	243	2																					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,487	12																					
Total (A.1+A.2)		7,598	61																		49	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Turnover of Taxonomy-non-eligible activities (B)		4,765	39																					
Total (A+B)		12,363	100																					

Capital Expenses

ECONOMIC ACTIVITIES (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category ('transitional activity') (21)		
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Yes/No	Yes/No						Yes/No	Yes/No
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (Taxonomy-aligned)																								
Ventilation	3.5 i,l,n,m	144	57	57	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	57	N/A	Enabling	-
Profile	3.5 b,c,d,e 4.1	12	5	5	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5	N/A	Enabling	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		156	62	62	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	62	N/A	Enabling	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																								
Ventilation	3.5 i,l,n,m	22	9																					
Profile	3.5 b,c,d,e 4.1	1	0																					
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		23	9																					
Total (A.1+A.2)		179	71																		62	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Turnover of Taxonomy-non-eligible activities (B)		73	29																					
Total (A+B)		252	100																					

Operating Expense

ECONOMIC ACTIVITIES (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category ('transitional activity') (21)		
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Yes/No	Yes/No						Yes/No	Yes/No
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (Taxonomy-aligned)																								
Ventilation	3.5 i,l,n,m	106	53	53	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	53	N/A	Enabling	-
Profile	3.5 b,c,d,e 4.1	7	4	4	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	4	N/A	Enabling	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		113	57	57	N/A							Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	57	N/A	Enabling	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																								
Ventilation	3.5 i,l,n,m	19	9																					
Profile	3.5 b,c,d,e 4.1	5	3																					
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		24	12																					
Total (A.1+A.2)		137	69																		57	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Turnover of Taxonomy-non-eligible activities (B)		62	31																					
Total (A+B)		199	100																					



CONTENTS

Financial statements

Directors' Report	76
Dividends and appropriation of profits	81
Group	82
Statement of profit or loss	85
Statement of cash flows	87
Statement of financial position	89
Statement of changes in equity	90
Parent Company	91
Statement of profit and loss	91
Statement of financial position	91
Statement of cash flow	91
Changes in equity	92
Five-year summary	93
Notes	95
Auditors' Report	138
Reconciliations	141
Financial definitions	143

Directors' Report

Continuing operations

- Net sales for 2022 amounted to SEK 12,366 m (9,648), an increase of 28 percent (17) compared with the previous year.
- Adjusted operating profit increased to SEK 1,347 m (1,266). Operating profit was adjusted for one-off items and restructuring costs of SEK –22 m (-), related to Lindab's divestment of the operations in Russia.
- Adjusted operating margin amounted to 10.9 percent (13.1).
- Operating profit increased to SEK 1,325 m (1,266) and operating margin was 10.7 percent (13.1).
- Profit for the year increased to SEK 974 m (958), and earnings per share after dilution amounted to SEK 12.70 (12.50).

Total operations

- Net sales for 2022 amounted to SEK 12,366 m (10,619), an increase of 16 percent (16) compared with the previous year.
- Adjusted operating profit increased to SEK 1,347 m (1,297). Operating profit was adjusted for one-off items and restructuring costs of SEK –22 m (–456).
- Adjusted operating margin amounted to 10.9 percent (12.2).
- Operating profit increased to SEK 1,325 m (841) and operating margin was 10.7 percent (7.9).
- The Board of Directors proposes a dividend of SEK 5.20 (4.00) per share. The dividend thus increases by 30 percent.

The Board of Directors and the CEO of Lindab International AB (publ.), corporate identity no. 556606-5446, registered in Sweden, with its head office in Båstad and address SE-269 82 Båstad, hereby present the Annual Report for the financial year 2022.

Lindab International AB constitutes the Parent Company of the Lindab Group. The share is listed on Nasdaq Stockholm, under the ticker LIAB. In January 2022, Lindab International AB was transferred from Nasdaq Stockholm, Mid Cap to Nasdaq Stockholm, Large Cap.

The business

Lindab develops, manufactures, markets and distributes products and system solutions for improved indoor climate and simplified construction. The product portfolio includes, among other things, complete ventilation, cooling/heating systems and products, construction products such as rainwater systems, roof and wall products as well as industrial buildings. All the products are characterised by high quality, ease of assembly, energy efficiency, environmentally friendly design and are delivered with high service level. Altogether, this creates more added value for the customers.

Lindab's operations are governed based on an organisational matrix in which the basis for the external reporting structure relate to the different customer offerings provided by each business area identified. The operations within Ventilation Systems mainly offer ventilation-related products and indoor climate solutions. Profile Systems focuses on products and systems in sheet metal for, among other things, rainwater systems, roofs and wall products and various steel profiles. From a matrix perspective, Lindab's business is also based on a geographically distributed sales organisation supported by a number of product and system areas. From a market perspective, the Group's business is primarily in Europe and Lindab has a good market share in most of the geographical areas where the Group is represented.

Continuing and discontinued operations

In December 2021, Lindab divested the business area Building Systems. The strategic decision to divest the operations was made by the Board of Directors during the third quarter of 2021 and was part of Lindab's continued process of streamlining and focusing on the Group's core business. A divestment agreement was entered into with the buyer at the end of September 2021, an agreement that was mainly conditional on an antitrust approval in Russia. This approval was obtained during the fourth quarter 2021, when the divestment was finalised.

In connection with decision and agreement regarding the divestment, as well as Building Systems' then existing structure, the criteria were met for the operations to be classified as non-current asset held for sale and subsequently as discontinued operations. This is also the classification applied in the preparation of this report. The operations owned by Lindab at the end of the year are referred to as the continuing operations, financial reporting attributable to the previously owned segment Building Systems is by definition classified as discontinued operations for 2021, and together these two parts, by definition, constitute total operations.

The divestment of Building Systems incurred one-off items and restructuring costs for 2021 of SEK –455 m, of which SEK –380 m was related to goodwill impairment. Of the amount, SEK –14 m was reported in continuing operations and the remaining SEK –441 m was recognised within discontinued operations. The one-off items and restructuring costs recognised did mainly not affect cash flow. At the time of the transaction, the cash inflow from the divestment of Building Systems amounted to SEK 159 m.

In 2022, Lindab did not have any discontinued operations.

Financial key performance indicators

<i>Amounts in SEK m unless otherwise indicated</i>	2022	2021	Change %
Continuing operations			
Net sales	12,366	9,648	28
Growth:	28	17	
<i>of which organic growth, %</i>	11	17	
<i>of which acquisitions/divestments, %</i>	13	2	
<i>of which currency effects, %</i>	4	-2	
Operating profit before amortisation/depreciation and impairment losses, EBITDA ¹⁾	1,808	1,660	9
EBITDA margin, % ¹⁾	14.6	17.2	
Adjusted operating profit ^{1) 2)}	1,347	1,266	6
Operating profit	1,325	1,266	5
Adjusted operating margin, % ^{1) 2)}	10.9	13.1	
Operating margin, %	10.7	13.1	
Earnings before tax	1,238	1,223	1
Total operations			
Net sales	12,366	10,619	16
Growth:	16	16	
<i>of which organic growth, %</i>	10	17	
<i>of which acquisitions/divestments, %</i>	3	2	
<i>of which currency effects, %</i>	3	-3	
Operating profit before amortisation/depreciation and impairment losses, EBITDA ¹⁾	1,808	1,645	10
EBITDA margin, % ¹⁾	14.6	15.5	
Adjusted operating profit ^{1) 2)}	1,347	1,297	4
Operating profit	1,325	841	57
Adjusted operating margin, % ^{1) 2)}	10.9	12.2	
Operating margin, %	10.7	7.9	
Earnings before tax	1,238	802	54
Profit for the year	974	537	81
Earnings per share before dilution, SEK	12.73	7.02	81
Earnings per share after dilution, SEK	12.70	7.00	81
Dividend per share, SEK	5.20 ³⁾	4.00	30
Cash flow from operating activities	691	704	-2
Shareholders' equity	6,751	5,650	19
Net debt ¹⁾	3,310	1,696	95
Return on shareholders' equity, % ^{1) 2)}	15.8	9.9	
Return on capital employed, % ^{1) 2)}	14.1	11.0	
Net debt/EBITDA, excluding one-off items and restructuring costs ^{1) 2)}	1.6	1.0	
Net debt/equity ratio, times ^{1) 2)}	0.5	0.3	
Average number of employees	4,801	5,189	-7
<i>of which discontinued operations</i>	-	655	

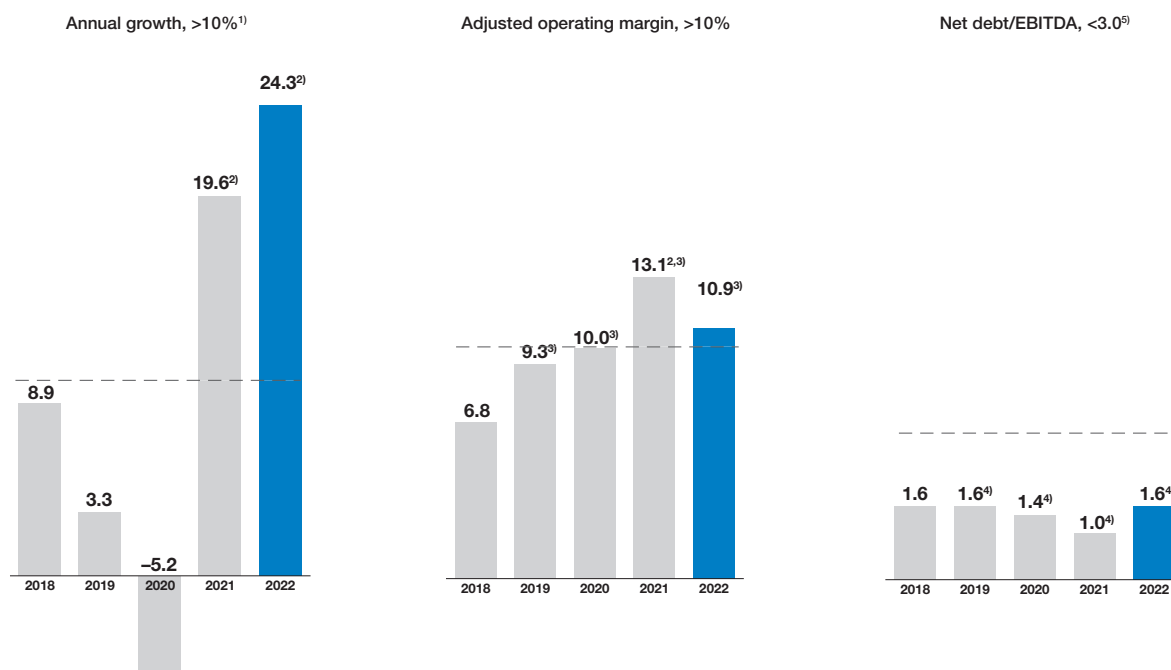
1) This is an "alternative key performance indicator" not defined in accordance with IFRS. For definition, see page 143.

2) Adjusted for one-off items and restructuring costs, see table on page 141.

3) Board of Directors' proposed dividend for 2022.

Financial targets

Lindab has financial targets for growth, profitability and debt. In 2022, Lindab met all its financial targets. For 2021, annual growth and adjusted operating margin outcomes are reported excluding divested business, while net debt/EBITDA is reported including divested business.



1) Growth excluding currency effects.

2) The outcome for annual growth including divested business was 13.0 percent for 2022 and 18.5 percent for 2021. Adjusted operating margin was 12.2 percent for 2021 including divested business.

3) Excluding the effect of implemented accounting standard IFRS 16 Leases, operating margin amounted to 10.7 percent in 2022, 12.9 percent in 2021, 9.7 percent in 2020 and 9.0 percent in 2019.

4) Excluding the effect of implemented accounting standard IFRS 16 Leases, net debt to EBITDA amounted to 1.2 in 2022, 0.6 in 2021, 0.8 in 2020 and 1.0 in 2019.

5) Adjusted for one-off items and restructuring costs.

Financial targets and target fulfillment 2022

Lindab's ambition is to generate value for customers and for the environment. The Group also aims to generate value for shareholders and other stakeholders based on a business model with clear financial targets. For several years, Lindab has been working towards financial targets decided by the Board of Directors within the categories of growth, profitability and debt ratio. The underlying purpose of these targets is to create long-term value for shareholders, increase Lindab's financial strength and enable the Group's future strategic investments.

Lindab's financial targets are:

- Annual growth should be at least 10 percent, combining organic and acquired growth.
- Operating margin (EBIT) should exceed 10 percent annually, adjusted for one-off items and restructuring costs.
- Net debt should not be higher than three times EBITDA, calculated based on 12-month average values.

Lindab's Dividend Policy states that the proposed dividend should equal at least 40 percent of the company's profit after tax for the year, taking into account the company's financial position, acquisition opportunities and long-term financing needs.

Lindab's sales growth during the year for continuing operations, excluding currency effects, was 24.3 percent (19.6). The operating margin for 2022, adjusted for one-off items and restructuring costs, amounted to

10.9 percent (13.1). At the end of 2022, the ratio of net debt to EBITDA was 1.6 (1.0).

Lindab's Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 5.20 (4.00) per share, corresponding to a dividend of SEK 399 m (306) and approximately 41 percent (57) of reported net profit. This proposal is in accordance with the Group's Dividend Policy.

Investments

Lindab's investments in intangible assets and tangible fixed assets amounted to SEK 359 m (395). The Group is currently implementing the largest investment program in Lindab's history. The focus is on increased automation, efficiency and expanded production capacity. At the same time, the program aims to reduce the Group's environmental impact and create a safer working environment for employees. The investment program relates to a number of Group facilities.

Business combinations

In January 2022, Lindab completed the acquisition of all shares and voting rights in the Swedish company Alig Ventilation AB. The business is primarily focused on advice on and sale of ventilation products to manufacturers of single-family houses, building contractors and private individuals. The acquisition aims, among other things, to strengthen the Group's expertise in ventilation for single houses and smaller residential buildings. The company has annual turnover of approximately SEK 65 m and 15 employees.

In January 2022, Lindab acquired all shares and voting rights in the Swedish company Nord Trade AB. The company is a distributor of Lindab's building products and will in the future broaden its range to include Lindab's ventilation products. Lindab is strengthening its presence in northern Sweden through the acquisition. The company has annual turnover of approximately SEK 20 m and two employees. Since December 2022, Nord Trade AB has been merged with Lindab Sverige AB.

In April 2022, Lindab completed the acquisition of all shares and voting rights in the German ventilation distributor Felderer AG. The company is one of Germany's largest distributors of ventilation products such as ducts, silencers, diffusers and fire protection products. Through the acquisition, Lindab is significantly strengthening its presence in Germany while further broadening its ventilation offering in a market that is considered to have significant potential for the Group. The company has annual turnover of approximately SEK 700 m and 160 employees.

In June 2022, Lindab acquired all shares and voting rights in the Dutch company R-Vent Netherlands B.V. The company is a leading distributor of ventilation products in the Netherlands and also has an extensive in-house production of circular and rectangular duct systems with accessories. Through the acquisition, Lindab establishes its own presence in the Netherlands, a strong and well-developed ventilation market with good development potential for the Group. The company has annual turnover of approximately SEK 500 m and 140 employees.

In July 2022, Lindab acquired all shares and voting rights in the Danish company Muncholm A/S. The company specialises in products for tinsmiths and is a leader in aluminum facades and self-supporting roofs. With the acquisition, Lindab gains an important direct sales channel to tinsmiths and architects in Denmark as well as additional expertise related to this market. The company has annual turnover of approximately SEK 250 m and 20 employees.

In July 2022, Lindab acquired all shares and voting rights in the Swedish company Giroventilation AB. The company is a well-established manufacturer of rectangular ventilation ducts and has solid knowledge of ventilation construction. Through the acquisition, Lindab is strengthening both sales and production of rectangular ventilation ducts, primarily in the Stockholm region, Sweden. The company has annual turnover of approximately SEK 55 m and 31 employees.

In July 2022, Lindab entered into an agreement to divest all shares and voting rights in the Russian company Lindab LLC to the company's local management. The divestment was officially registered in August when ownership was transferred to the counterparty. Lindab's operations in Russia have thus been terminated. Lindab already decided in the first quarter of the year to terminate its presence in Russia and consequently close Lindab LLC. One-off items and restructuring costs amounted to SEK -22 m. Lindab LLC reported net sales for 2022, up to the time of divestment, corresponded to SEK 30 m and the company had 30 employees at the time of the divestment.

In September 2022, Lindab acquired all shares and voting rights in the British company Disys Technologies Ltd. The company specialises in advanced fire safety systems and has developed products that provide real-time monitoring of fire and smoke dampers in ventilation systems. The acquisition provides Lindab with a complete ventilation offering for fire safety, including products, monitoring and system maintenance.

The company has annual turnover of approximately SEK 18 m and 10 employees.

In September 2022, Lindab acquired all shares and voting rights in the French companies Liftasud SAS and SRA Liftasud SAS. The companies are well-known distributors in France of ventilation products such as ducts, silencers, thermal insulation, air conditioning and heating systems. This acquisition strengthens Lindab's presence in the French market, primarily in the Paris area, and expands access to expertise, particularly in silencing of ventilation systems. The companies have annual turnover of approximately SEK 250 m and 55 employees. Since December 2022, SRA Liftasud SAS has been merged with Liftasud SAS.

In 2021, five companies were acquired; KAMI, Kalix Mekaniska Industrier AB (Sweden), H.A. Helgesen & Sønner AS (Norway), Tecnovent SA (Switzerland), Klimatek Ventilationsmateriel A/S (Denmark) and Profilplåt i Sverige AB (Sweden). The Building Systems segment was divested in 2021.

For further information on business combinations, see Note 5.

Research and development

Lindab is a driver in the development of more effective and resource efficient buildings. The focus is, among other things, on finding solutions that will increase the degree of standardisation in construction projects, contribute to lower resource consumption and create a better indoor climate. This includes the development of software and new technologies to facilitate the planning process for customer projects and installations.

Research and development projects are carried out in-house as well as in cooperation with suppliers and universities, in areas that include indoor climate, materials strength and health and sustainability aspects. During the year, Lindab's Innovation Hub further developed its operations. The focus is on early detection of new trends and future customer needs, which are then quickly transformed into customer offerings based on a close connection between business and technology development.

In recent years, Lindab's research and development has focused even more on its future product and system offering, responding to strict demands regarding future sustainability.

Lindab's IT solutions, which support and simplify the design and construction process, have been launched with new functions and improvements for our customers and partners.

Digitalisation, connected devices and offerings using modern sensor technology are expected to play an even more prominent role in future product generations. Monitoring and control of the indoor climate is expected to be a prerequisite for sustainability, energy efficiency and healthy and productive indoor environments.

In 2022, research and development expenses in continuing operations amounted to SEK 61 m (53), of which SEK 46 m (41) related to Ventilation Systems and SEK 15 m (12) to Profile Systems. The number of people employed in product development in continuing operations amounted to 61 (50), of whom 49 (35) were in Ventilation Systems and 12 (15) in Profile Systems. In 2021, research and development expenses for discontinued operations amounted to SEK 12 m and the number of employees to 12.

Personnel and personnel development

In 2022, the average number of employees in the Lindab Group was 4,801 (5,189), with continuing operations accounting for 4,801 (4,534). The number of employees at the end of the year for continuing operations was 4,853 (4,549). Adjusted for acquisitions and divestments, the number of employees in continuing operations decreased by 131 compared to the same time in the previous year. The average number of employees in Sweden was 1,400 (1,283), equivalent to 29 percent (25) of all employees in the Group. For further details on the average number of employees and personnel costs, see Note 6.

Lindab works continuously to build a uniform culture within the organisation and promotes professional working methods through Group-wide guidelines and principles, such as the implemented Code of Conduct and Equal Opportunity Policy. In order to secure a solid platform for its business while at the same time making the most of the employees' strengths, Lindab has standardised processes and tools for performance appraisals, job descriptions, succession planning and competence development.

Guidelines for remuneration to senior executives

Details of the remuneration principles for senior executives recently approved by the Annual General Meeting are to be found in Note 6. For the Board of Directors' suggested guidelines that will apply from the next Annual General Meeting, see Note 6.

Profit-sharing foundation

For employees with permanent positions in some Swedish Lindab companies, there is an agreement for annual payment of contributions to a profit sharing foundation. In 2022, a provision of SEK 9 m (7) was recognised, including special employers' contribution. At the end of 2022, the profit sharing foundation held 463,400 shares (476,000) in Lindab. In addition to the Swedish profit sharing scheme, there is also a small profit sharing scheme in Lindab's French companies. See Note 6.

Sustainability report

Lindab reports its sustainability work as part of the company's Annual Report and in accordance with the Swedish Accounting Act based on the Non-Financial Reporting Directive (NFRD). The Sustainability Report has been prepared in a report separate from the Directors' Report to meet the requirements for a statutory Sustainability Report in accordance with the Annual Accounts Act, Chapter 6, Section 11. The contents of the Sustainability Report are listed in the GRI index presented on pages 149-153 of this report. The auditor's opinion regarding the statutory Sustainability Report can be found on page 162. There is an index on page 162 with references indicating where information about the various subjects covered by the Sustainability Report in accordance with the Annual Accounts Act (1995:1554) can be found in the Annual Report.

Environment

Consistent environmental work

A priority for Lindab is to actively minimise the environmental impact created by the Group's operations and products. The Group's sustainability plan and Quality and Environmental Policy form the basis for how Lindab will conduct its environmental work. As part of these efforts, Lindab's major production units are certified under the ISO 9001 quality management system and the ISO 14001 environmental management system.

Products

Lindab is working actively on product development as well as continuous improvements to existing products. The objective is to gradually develop new products that improve the customers' environmental performance and are energy efficient. Lindab's circular duct systems, "Lindab Safe" and "Lindab Safe Click", are certified by Eurovent in the maximum air tightness class, class D, which is considered a clear quality stamp.

Environmental permits

The majority of Lindab's production units do not normally fall under specific environmental regulations or permits. The companies report to the regulatory bodies in each country in accordance with local regulations.

In Sweden, operating permits are required for the production unit in Grevie. The permit relates to facilities where metalworking is performed mechanically and where the total tank volume for oils in the metalworking machines is greater than 20 m³. Other Swedish operations are either obliged to declare or do not require permits.

Environmental impact

Lindab's production of steel products has a relatively limited impact on the environment. The Group pursues activities on properties where soil contamination have been identified at one location. It is considered likely that there is a source area under a former production hall in Grevie, Sweden, but the levels of contamination found do not warrant any action in view of current operations at the site. Lindab works according to a developed control program to continuously follow up on noted levels in the ground. In general, the Group works to control, monitor and, if necessary, take measures or limit identified environmental risks. The waste products generated during production consist primarily of scrap metal which is recovered completely. Other waste is separated and disposed of in accordance with current legislation, with a focus on minimising waste sent to landfill.

Climate impact

Lindab's impact on the climate comes primarily from the value chain, with purchase of raw materials accounting for the largest share. Transport and scrap also account for a significant share. Lindab therefore works closely with suppliers and customers to reduce this impact on the climate.

Lindab is working on the transformation of its own operations, focusing on scrap reduction, energy efficiency, switching to renewable energy sources and self-controlled transport.

Science Based Targets

In December 2022, it was decided that Lindab will join Science Based Targets to contribute to the reduction of greenhouse gas emissions. Science Based Targets is an international framework for science-based climate targets in line with the Paris Agreement's goal of limiting global warming to 1.5°C.

Corporate governance

See the Corporate Governance Report on pages 52-63.

Risks and risk management

Being exposed to risks is part of doing business. Lindab's risk management consists in identifying, measuring and trying to prevent material risks from occurring and continually making improvements to minimise

potential risks. For the Group, risk prevention actions are aimed at preventing risks from developing into damage and/or losses. If Lindab does not succeed, the next step is to mitigate the effect of damage that has already occurred.

There are various types of risks, such as operational business risks, strategic risks, financial risks and compliance risks. The capacity to identify, assess, manage and review risks plays a central role in Lindab's management. The probability of each risk and its impact on Lindab's business is assessed continuously with a subsequent action plan. Reporting, monitoring and control are conducted through formally established procedures and processes.

A description of key risks and management of these risks can be found on pages 64-69 in this Annual Report and forms part of the Directors' Report.

Share capital

Share capital as at December 31, 2022, amounted to SEK 78,842,820 (78,842,820) divided into 78,842,820 shares (78,842,820) of Class A only. All shares have a quotient value of SEK 1.00.

On December 31, 2022, Lindab held 2,200,838 treasury shares (2,375,838), corresponding to 2.8 percent (3.0) of the total number of Lindab shares. The number of shares outstanding was 76,641,982 (76,466,982).

The 2022 Annual General Meeting resolved on a share option program for senior executives in the Lindab Group through a private placement of at most 275,000 share options. Under this program 238,050 share options were acquired by senior executives in Lindab in accordance with a market valuation based on established agreements. Each share option entitles the holder to acquire one share in Lindab at an exercise price of SEK 219.90. Acquisitions of shares supported by share options may take place after Lindab has published the half-year interim report for the year 2025 and up until August 31 of the same year. At the Annual General Meetings held in 2019, 2020 respectively 2021, there were also resolutions to implement share option programs for senior executives. During the third quarter of 2022, all 175,000 options from the 2019 share option program were exercised to subscribe for shares under the terms of the program. This resulted in 175,000 treasury shares in Lindab International AB being sold upon exercise of options. Options were exercised at an exercise price of SEK 120.00 per share. From the 2020 share option program there are 210,000 remaining share options with an exercise price of SEK 101.90 exercisable during summer 2023. From the 2021 share option program there are 183,950 remaining share options with an exercise price of SEK 222.00 exercisable during summer 2024.

All shares have the same right to dividend and surplus in the event of liquidation and they entitle the holder to one vote at Lindab's Annual General Meeting. However, treasury shares do not convey any entitlement to dividends. According to Lindab's Articles of Association, issued share capital must not fall below SEK 60 m or exceed SEK 240 m, and the number of shares must not fall below 60,000,000 or exceed 240,000,000.

There are no restrictions in law or in the Articles of Association relating to the transferability of shares.

On December 31, 2022, the company had a market capitalisation of SEK 9,674 m (24,576) and 14,483 shareholders (14,013). Lindab's largest shareholders at year-end were Didner & Gerge Fonder Aktiefbolag, 9.6 percent (4.7), Fjärde AP-fonden, 9.3 percent (9.3), Handelsbanken Fonder 4.7 percent (7.0), AFA Försäkring, 3.8 percent (3.1) and Livförsäkringsbolaget Skandia, 3.5 percent (3.6). The five largest shareholders together held 30.9 percent (31.9) of the share capital and voting rights. The ten largest shareholders accounted for 42.0 percent (42.0) of the shares and voting rights at year-end. Lindab's treasury shares are excluded in the calculation of all ratios presented above.

There are no restrictions on how many shares a shareholder can represent at the Annual General Meeting. Lindab is unaware of any agreements between shareholders that may result in restrictions to the right of transfer shares.

The Articles of Association state that the Board members are elected at the Annual General Meeting. The appointment and dismissal of Board members are otherwise governed by provisions in the Companies Act and the Code of Corporate Governance. In addition, the Companies Act states that changes to the Articles of Association, as appropriate, should be resolved at General Meetings.

Dividend

Dividend policy

Lindab's Dividend Policy states that the proposed dividend should correspond to at least 40 percent of the company's net profit, taking into account Lindab's financial position, acquisition opportunities and long-term financial needs.

Proposed appropriation of profits for the financial year 2022

Lindab's Board of Directors proposes that the Annual General Meeting to be held on May 11, 2023, resolve on a dividend of SEK 5.20 (4.00) per share, which is compliant with the company's Dividend Policy and results in a total dividend of SEK 399 m (306).

At the disposal of the Annual General Meeting:

SEK	2022
Profit brought forward	1,805,543,929
Profit for the year	35,952,933
Profit brought forward at the end of the year	1,841,496,862

The Board of Directors proposes the following appropriation of profits:

SEK	
Dividend to shareholders, SEK 5.20 per share	398,538,306
To be carried forward	1,442,958,556
Total	1,841,496,862

The total number of shares in Lindab International AB (publ) corresponds to 78,842,820, whereof Lindab holds 2,200,838 treasury shares. The value of proposed dividend is based on the number of outstanding shares, i.e. 76,641,982 shares. The total value of actually paid dividend might be different if the number of treasury shares is amended before resolved reconciliation date(s).

Net sales and profit

Continuing operations

- Net sales for 2022 amounted to SEK 12,366 m (9,648), an increase of 28 percent (17) compared with the previous year.
- Adjusted operating profit increased to SEK 1,347 m (1,266). Operating profit was adjusted for one-off items and restructuring costs of SEK –22 m (-), related to Lindab's divestment of the operations in Russia.
- Adjusted operating margin amounted to 10.9 percent (13.1).
- Profit for the year increased to SEK 974 m (958), and earnings per share after dilution amounted to SEK 12.70 (12.50).

Net sales – continuing operations

Net sales for continuing operations amounted to SEK 12,366 m (9,648), an increase of 28 percent (17) compared with 2021. Organic sales growth increased by 11 percent (17) and currency effects had a positive impact on growth of 4 percent (-2). Structural changes contributed positively by 13 percent (2).

The higher turnover for the year was mainly driven by structural growth. In 2022, Lindab completed eight strategically important acquisitions representing approximately SEK 1,900 m in annual turnover. Turnover has also been positively affected by the price increases that Lindab has implemented to compensate for higher energy, transport and raw material prices.

Foreign net sales increased by 32 percent (12) and amounted to SEK 8,682 m (6,590), corresponding to 70 percent (68) of continuing operations total sales. The increase in foreign sales was primarily driven by acquisitions.

Net sales and growth, continuing operations

	2022	2021	2020	2019	2018
Net sales, SEK m	12,366	9,648	8,220	8,512	8,260
Change, SEK m	2,718	1,428	-292	252	900
Change, %	28	17	-3	3	12
of which organic growth, %	11	17	-2	1	7
of which acquisitions/divestments, %	13	2	0	0	1
of which currency effects, %	4	-2	-1	2	4

Net sales per region, continuing operations

SEK m	2022	%	2021	%	2020	%	2019	%	2018	%
Nordic Region	6,510	53	5,296	55	4,380	53	4,225	50	4,196	51
Western Europe	4,208	34	2,842	29	2,530	31	2,753	32	2,646	32
Central Europe	1,471	12	1,351	14	1,179	14	1,387	16	1,266	15
Other markets	177	1	159	2	131	2	147	2	152	2
Total	12,366	100	9,648	100	8,220	100	8,512	100	8,260	100

Total operations

- Net sales for 2022 amounted to SEK 12,366 m (10,619), an increase of 16 percent (16) compared with the previous year.
- Adjusted operating profit increased to SEK 1,347 m (1,297). Operating profit was adjusted for one-off items and restructuring costs of SEK –22 m (-456).
- Adjusted operating margin amounted to 10.9 percent (12.2).
- Profit for the year increased to SEK 974 m (537), and earnings per share after dilution amounted to SEK 12.70 (7.00).

At the end of 2022, Lindab was established in 20 countries (20). During the year, continuing operations had a geographic distribution with 53 percent (55) of total sales in the Nordics, 34 percent (29) in Western Europe, 12 percent (14) in Central Europe and 1 percent (2) in other markets.

In 2022, Lindab recognised positive organic growth in all quarters. The larger segment Ventilation Systems had organic growth for the full year of 11 percent (14), while Profile Systems grew organically by 10 percent (26).

Seasonal variations – continuing operations

Lindab's business is affected by seasonal variations in the construction industry, and the highest proportion of net sales is normally seen during the second half of the year. The largest seasonal variations can be found in the segment Profile Systems. Ventilation is installed mainly indoors, consequently the Ventilation Systems segment is less dependent on seasons and weather.

Specification of one-off items and restructuring costs, continuing operations

SEK m	2022				2021			
	Ventilation Systems	Profile Systems	Other ¹⁾	Total	Ventilation Systems	Profile Systems	Other ¹⁾	Total
Adjusted operating profit	881	526	-60	1,347	822	505	-61	1,266
One-off items and restructuring costs	-22 ²⁾	-	-	-22 ²⁾	-	-	-	-
Operating profit	859	526	-60	1,325	822	505	-61	1,266

1) Costs of Group functions and activities.

2) Operating profit has been adjusted for one-off items and restructuring costs of SEK -22 m. The amount was related to the divestment of the business in Russia.

Gross profit – continuing operations

Gross profit increased to SEK 3,458 m (2,948). The gross margin amounted to 28 percent (31) of net sales. In 2021, Lindab benefited from strong changes in material prices, which contributed to a high gross margin. In the second half of 2022, the effect was the reverse, with falling raw material prices putting temporary pressure on the gross margin.

Other operating income – continuing operations

Other operating income amounted to SEK 115 m (73). This income primarily related to exchange rate gains on operating receivables/liabilities in both 2022 and 2021.

Indirect costs – continuing operations

Selling and administrative expenses increased by 23 percent (11) and amounted to SEK 1,997 m (1,626), corresponding to 16 percent (17) of net sales. Research and development expenses amounted to SEK 61 m (53), equivalent to 0.5 percent (0.5) of net sales.

Other operating expenses – continuing operations

Other operating expenses amounted to SEK 188 m (76). The expenses largely consisted of exchange rate losses on operating receivables/liabilities. This item also included one-off and restructuring costs of SEK -22 m (-).

Amortisation/depreciation and impairment losses – continuing operations

Total amortisation/depreciation for continuing operations, which is included in the expenses for each function (see Note 9), amounted to SEK 481 m (391), of which SEK 40 m (30) was related to intangible assets and SEK 259 m (215) to right-of-use assets related to rental agreements and leases. In addition, impairment losses of SEK 2 m (3) were recognised. The impairment losses for the year are reported as other operating expenses in the consolidated statement of profit or loss, and are classified as one-off items and restructuring costs.

Operating profit – continuing operations

Operating profit increased to SEK 1,325 m (1,266), and the operating margin was 10.7 percent (13.1). Adjusted operating profit increased to SEK 1,347 m (1,266). The improvement in adjusted operating profit was mainly due to strong sales and positive contribution from structural changes in both Ventilation Systems and Profile Systems. This was partially offset by lower gross margin and increased underlying costs compared with the previous year. Adjusted operating margin amounted to 10.9 percent (13.1), which is above Lindab's financial target of at least 10 percent (10) in adjusted operating margin.

Total one-off items and restructuring costs charged to operating profit amounted to SEK -22 m (-), related to Lindab's divestment of the operations in Russia.

Profit before tax – continuing operations

Profit before tax amounted to SEK 1,238 m (1,223). The balance included a net financial expense of SEK -87 m (-43).

Taxes – continuing operations

The tax expense for the year amounted to SEK -264 m (-265) and the effective tax rate was 21 percent (22). The average tax rate was 21 percent (20). Current tax amounted to SEK -232 m (-269) and deferred tax to SEK -32 m (4).

In 2021, the effective tax rate was negatively impacted by Lindab's divestment of Building Systems, which resulted in the termination of an internal tax union in Germany. As a result, the Group reassessed deferred tax assets related to previously capitalised carry-forward tax losses in Germany. The effective tax rate was in line with the average tax rate in 2022. For further information, see Note 16.

Discontinued operations

Profit for the year in 2021 from discontinued operations, net of tax, related to the divested segment Building Systems' share of the Group's total profit. The result of SEK -421 m included one-off items and restructuring costs, which amounted to SEK -441 m. These costs included goodwill impairment of SEK -380 m. For a consolidated statement of profit or loss for the previous year, classified by function, regarding discontinued operations, see Note 5.

Profit for the year and earnings per share

Profit for the year for continuing operations amounted to SEK 974 m (958), corresponding to earnings per share after dilution of SEK 12.70 (12.50).

Profit for the year for total operations increased to SEK 974 m (537), corresponding to earnings per share after dilution of SEK 12.70 (7.00).

Comprehensive income – total operations

Comprehensive income amounted to SEK 1,381 m (719). Comprehensive income includes Other comprehensive income, comprising translation differences arising when foreign operations are translated to SEK, the value of hedges of net investments, actuarial gains and losses regarding defined benefit plans and tax. Translation differences concerning foreign operations and hedges of net investments amounted to SEK 343 m (177) and thereby accounted for most of the year-on-year difference. The development in translation differences was primarily driven by net investments in foreign subsidiaries. The amounts also include the reversal, against the statement of profit or loss, of translation differences in foreign operations, as well as, where applicable, effects from the hedging of net investments, in connection with the divestment of operations.

Performance by segment

The Group's segments comprise: Ventilation Systems and Profile Systems. In December 2021, the Building Systems segment was divested and it is therefore no longer included in the segment information.

Ventilation Systems segment

Ventilation Systems offers air duct systems with accessories and indoor climate solutions for ventilation, cooling and heating to installers and other customers in the ventilation industry.

Net sales amounted to SEK 8,444 m (6,391), an increase of 32 percent (13). Organically, sales increased by 11 percent (14). Currency effects had a positive impact on growth of 5 percent (-3), and structural changes contributed positively by 16 percent (2).

During 2022, sales increased in all geographical regions. The Nordics, which accounted for 40 percent (44) of the segment's sales, reported a stable trend of increased sales on all markets. In Western Europe, representing 48 percent (42) of Ventilation Systems' total sales, organic growth was positive. Of the segment's four largest markets in the region (UK, France, Germany and Ireland), all reported positive organic growth. In Central Europe, which accounted for 10 percent (12) of the segment's sales, sales increased over the full year, although the variation between individual markets was significant. Particularly strong growth was reported in the markets of Poland, Hungary, the Czech Republic, Estonia and Romania.

Adjusted operating profit increased to SEK 881 m (822). Adjusted operating margin amounted to 10.4 percent (12.9). The improved adjusted operating profit was mainly explained by increased sales and positive effects of structural changes, partly offset by higher underlying costs and lower gross margin.

Profile Systems segment

Profile Systems offers the construction industry products and systems in sheet metal for rainwater systems, roof and wall products as well as steel profiles for wall, roof and beam constructions.

Net sales amounted to SEK 3,922 m (3,257), an increase of 20 percent (27). Organically, sales increased by 10 percent (26). Currency effects had a positive impact on growth of 2 percent (-1), and structural changes contributed positively by 8 percent (2).

During 2022, sales increased in all geographical regions. The largest region, the Nordics, which accounts for 80 percent (76) of Profile Systems' total net sales, reported strong organic growth. The region's largest market, Sweden, which in turn accounts for about half of Profile Systems' total sales, reported significant growth in all product areas. The sales trend for major industrial projects was particularly strong. In Central Europe, which accounts for 15 percent (19) of the segment's turnover, sales growth decreased compared with the previous year. This was due to high comparative figures and generally lower demand in the second half of the year, with major construction projects being postponed to the future. The delayed projects were partly a consequence of high cost inflation and an uncertain global environment following Russia's invasion of Ukraine. Sales in Western Europe increased slightly, but the impact was marginal as the region only represents a small part of Profile Systems' total sales.

Adjusted operating profit increased to SEK 526 m (505). Adjusted operating margin amounted to 13.4 percent (15.5). The improved adjusted operating profit was mainly explained by increased sales and positive effects of structural changes, partly offset by higher underlying costs and lower gross margin.

Net sales, operating profit and operating margin, percent by segment, continuing operations

Net sales

SEK m	2022	2021	2020	2019	2018
Ventilation Systems	8,444	6,391	5,654	6,018	5,786
Profile Systems	3,922	3,257	2,566	2,494	2,474
Other ¹⁾	-	-	-	-	-
Total	12,366	9,648	8,220	8,512	8,260

Operating profit

SEK m	2022	2021	2020	2019	2018 ²⁾
Ventilation Systems	881	822	586	609	472
Profile Systems	526	505	318	270	198
Other ¹⁾	-60	-61	-44	-49	-45
Total, adjusted for one-off items and restructuring costs	1,347	1,266	860	830	625
One-off items and restructuring costs	-22	-	-70	-	-62
Total, including one-off items and restructuring costs	1,325	1,266	790	830	563

Operating margin

Percent	2022	2021	2020	2019	2018 ²⁾
Ventilation Systems	10.4	12.9	10.4	10.1	8.2
Profile Systems	13.4	15.5	12.4	10.8	8.0
Other ¹⁾	-	-	-	-	-
Total, adjusted for one-off items and restructuring costs	10.9	13.1	10.5	9.8	7.6
Total, including one-off items and restructuring costs	10.7	13.1	9.6	9.8	6.9

1) Costs of Group functions and activities.

2) In 2019, Lindab implemented IFRS 16 Leases. By applying relief rules, comparative figures from previous periods have not been restated, i.e. there is no full comparability to reported figures for 2018.

Consolidated statement of profit or loss

SEK m	Note	2022	2021
Continuing operations			
Net sales	7, 8	12,366	9,648
Cost of goods sold	6, 9, 10, 14, 31	-8,908	-6,700
Gross profit		3,458	2,948
Other operating income	13, 14	115	73
Selling expenses	6, 9, 10, 14, 31	-1,338	-1,114
Administrative expenses	6, 9, 10, 11, 14, 31	-659	-512
R&D expenses	6, 9, 10, 12, 14, 31	-61	-53
Other operating expenses	9, 10, 13	-188	-76
Profit or loss from participations in associated companies	10, 21	-2	0
Total operating expenses		-2,133	-1,682
Operating profit		1,325	1,266
Interest income	15	5	3
Interest expenses	15	-82	-39
Other financial income and expenses	15	-10	-7
Financial items		-87	-43
Earnings before tax		1,238	1,223
Tax on profit for the year	16	-264	-265
Profit for the year, continuing operations		974	958
Discontinued operations			
Profit or loss for the year, discontinued operations, net after tax	5	-	-421
Profit or loss for the year, discontinued operations		-	-421
Total operations			
Profit for the year, total operations		974	537
– of which attributable to the Parent Company's shareholders		974	537
– of which attributable to non-controlling interests		-	0
Earnings per share before dilution, SEK	17	12.73	7.02
– of which attributable to continuing operations		12.73	12.53
Earnings per share after dilution, SEK	17	12.70	7.00
– of which attributable to continuing operations		12.70	12.50

Consolidated statement of comprehensive income

SEK m	Note	2022	2021
Profit for the year, total operations		974	537
Items that will not be reclassified to the statement of profit or loss			
Actuarial gains/losses, defined benefit plans	27	80	5
Deferred tax attributable to defined benefit plans	16	-16	0
Items that will later be reclassified to the statement of profit or loss			
Translation differences, foreign operations ¹⁾		402	148
Hedges of net investments ¹⁾		-74	37
Tax attributable to hedges of net investments ¹⁾	16	15	-8
Other comprehensive income, net of tax		407	182
Total comprehensive income		1,381	719
– of which attributable to the Parent Company's shareholders		1,381	719
– of which attributable to non-controlling interests		-	0

1) In 2022, Translation differences, foreign operations includes a negative effect of SEK -3 m (-29) regarding the reversal of translation effects in the statement of profit or loss in connection with the divestment of operations. The previous year includes a positive effect of SEK 69 m the reported balance for Hedges of net investments and a negative effect of SEK -15 m in Tax attributable to hedges of net investments related to divestment of operations. The net effect on the Group's consolidated statement of comprehensive income amounts to SEK -3 m (25).

Cash flow

- Cash flow before change in working capital increased by SEK 28 m (303) and amounted to SEK 1,424 m (1,396). Cash flow from operating activities was in line with the previous year and amounted to SEK 691 m (704).
- Cash flow related to investments in tangible fixed assets amounted to SEK –319 m (–375).
- During the year, Lindab completed eight acquisitions. Cash flow attributable to acquisitions of Group and associated companies amounted to SEK –983 m (–178).
- During the year, Lindab LLC in Russia was divested, generating a cash flow of SEK –12 m. In the previous year, the Building Systems segment was divested, which resulted in a net cash inflow of SEK 159 m at the time of the transaction.

Cash flow before change in working capital

Cash flow before change in working capital improved slightly compared to 2021 and amounted to SEK 1,424 m (1,396). The improvement was mainly due to a further strengthening of the underlying operating profit. The discontinued operations in 2021 recognised an operating profit that was negative to a significant extent, which was essentially not impacting cash flow. The year's positive cash flow effect from the improved underlying operating profit was partly offset by the Group's increased tax and interest payments, a net change of SEK –140 m compared to the corresponding outcome in 2021.

The change in working capital amounted to SEK –733 m (–692) for the year. Compared to the same period of the previous year, the development of working capital was mainly driven by a continued high level of capital tied up in stock, but at the same time a significant cash outflow in the period in relation to the Group's operating liabilities. In total, changes in stock had a cash flow effect of SEK –352 m (–823), operating receivables impacted cash flow with SEK –13 m (–492) and operating liabilities with SEK –368 m (623). Cash flow from operating activities amounted to SEK 691 m (704).

Items not affecting cash flow

Items not affecting cash flow include amortisation, depreciation and impairment losses, unrealised exchange rate differences and provisions. Realised gains and losses in connection with sales of fixed assets are eliminated, as the cash flow effect from sales of these assets and operations is reported separately under cash flow from investing activities. The year includes one-off items and restructuring costs amounting to SEK –22 m (–455), which have not, generally, affected cash flow.

Reported amortisation, depreciation and impairment losses amounted to SEK 483 m (804). In previous year, SEK 410 m related to discontinued operations, of which SEK 380 m related to impairment of goodwill and was classified as one-off items and restructuring costs.

Cash flow from investing activities

The Group's investments in intangible assets and tangible fixed assets amounted to SEK –359 m (–395). The continued high rate of investment is mainly a part of the Group's ongoing investment program with investments in automation, efficiency, capacity increases and a safer work environment.

Investing activities were affected by a positive cash flow of SEK 14 m (10) as a result of intangible assets and tangible fixed assets being divested, during the year mostly attributable to sale of properties in Sweden.

Investing activities amounted net to SEK –345 m (–385), excluding divestments of subsidiaries.

Business combinations

During the year, Lindab completed eight acquisitions, through which the Group acquired a controlling interest in the following companies: Alig Ventilation AB (Sweden), Nord Trade AB (Sweden), Felderer AG (Germany), R-Vent Netherlands B.V. (Netherlands), Muncholm A/S (Denmark), Giroventilation AB (Sweden), Disys Technologies Ltd (UK) and Liftasud SAS and SRA Liftasud SAS (France). The acquisitions were mainly settled in cash at time of each acquisition, resulting in an accumulated cash flow for the year of SEK –976 m. In addition to new acquisitions, cash flow for the year was also affected by the settlement of a previously agreed contingent consideration in connection with the acquisitions of Aer Faber AS (Norway) in 2020, Tecnovent SA (Switzerland) and Profilplåt i Sverige AB (Sweden) in 2021 and Alig Ventilation AB (Sweden) in 2022. Total cash flow for the year related to acquisitions amounted to SEK –983 m. In 2021, the corresponding cash outflow was SEK –178 m, which mainly related to the acquisitions of KAMI, Kalix Mekaniska Industrier AB (Sverige), H.A. Helgesen & Sønner AS (Norway), Tecnovent SA (Switzerland), Klimatek Ventilationsmateriel A/S (Denmark) and Profilplåt i Sverige AB (Sweden).

In 2022, Lindab divested all shares and voting rights in the Russian subsidiary Lindab LLC, a divestment transaction that resulted in a consolidated cash flow impact of SEK –12 m. In 2021, all shares and voting rights in the business area, and segment, Building Systems were divested. The sale was settled in cash at the time of divestment, and the net cash flow related to the sale of Building Systems amounted to SEK 159 m.

For further information on business combinations, see Note 5.

Financing activities

Net cash flow from financing activities amounted to SEK 556 m (–319). This included cash flow of SEK –259 m (–233) related to lease liabilities. The dividend paid to the company's shareholders amounted to SEK –306 m (–260). Other changes in financing activities related mainly to changes in borrowings and utilisation of credit limits.

Consolidated statement of cash flows

SEK m	Note	2022	2021
Operating activities			
Operating profit, continuing operations		1,325	1,266
Operating profit, discontinued operations ¹⁾	5	-	-425
Reversal of amortisation/depreciation and impairment losses	9	483	804
Reversal of capital gains (-)/losses (+) reported in operating profit		-5	-3
Provisions, items not affecting cash flow		18	8
Adjustment for other items not affecting cash flow		-9	-6
Total		1,812	1,644
Interest received		4	8
Interest paid		-84	-62
Tax paid		-308	-204
Cash flow from operating activities before change in working capital		1,424	1,396
Change in working capital²⁾			
Stock (increase - /decrease +)		-352	-823
Operating receivables (increase - /decrease +)		-13	-492
Operating liabilities (increase + /decrease -)		-368	623
<i>Total change in working capital</i>		<i>-733</i>	<i>-692</i>
Cash flow from operating activities		691	704
Investing activities			
Acquisitions of Group companies and associated companies	5	-983	-178
Divestment of Group companies	5	-12	159
Investments in intangible assets	18	-40	-20
Investments in tangible fixed assets	19	-319	-375
Change in financial fixed assets		0	0
Disposal of intangible assets	18	-	1
Disposal of tangible fixed assets	19	14	9
Cash flow from investing activities		-1,340	-404
Financing activities			
Proceeds from borrowings	29	1,332	224
Repayment of borrowings	29	-237	-63
Repayment of lease liabilities	29, 31	-259	-233
Issue/exercise of share options/shares		26	13
Dividends to shareholders		-306	-260
Cash flow from financing activities		556	-319
Cash flow for the year		-93	-19
Cash and cash equivalents at the beginning of the year		542	541
Effect of exchange rate differences on cash and cash equivalents		32	20
Cash and cash equivalents at the end of the year	29	481	542

1) For information on cash flow per category in 2021 in terms of discontinued operations (the Building System segment), see Note 5.

2) Working capital, see the definition on page 143.

Financial position

- The equity/assets ratio was 52.1 percent (54.8).
- Net debt amounted to SEK 3,310 m (1,696).
- The net debt ratio was 0.5 times (0.3).

Fixed assets and investments

Information on changes in the composition of fixed assets can be found in the comments on the consolidated statement of cash flow on the page 86. Lindab is currently implementing the largest investment program in the Group's history, which is also reflected in non-current assets. The program aims to increase automation and efficiency, increase production capacity, reduce Lindab's environmental impact and create a safer work environment for employees.

Stock and accounts receivable

Stock increased compared with previous year and amounted to SEK 2,752 m (2,090), which is an increase of 32 percent compared with the previous year when stock increased by 47 percent. Accounts receivable also increased compared with previous year and amounted to SEK 1,951 m (1,602), an increase of 22 percent compared with an increase of 25 percent in the previous year. The increase in both stock value and accounts receivable was influenced by, among other things, high steel prices and strategically balanced stock levels to maintain high delivery performance to customers. The higher levels were also affected by completed acquisitions in 2022. In relation to net sales, stock and accounts receivable at year-end were 22 percent (22) and 16 percent (17), respectively.

Cash and cash equivalents

At the end of the year, cash and cash equivalents amounted to SEK 481 m (542). Cash and cash equivalents included escrow funds of SEK 0 m (0). Available cash and cash equivalents, including unutilised credits, amounted to SEK 1,737 m (1,948), based on an underlying credit facility of SEK 3,079 m (2,016) as of December 31, 2022.

Capital employed

The Group's average capital employed, including goodwill and consolidated surplus values, amounted to SEK 9,428 m (7,741). Return on capital employed, including goodwill, amounted to 14.1 percent (11.0).

Shareholders' equity

At the end of 2022, shareholders' equity amounted to SEK 6,751 m (5,650). The net of translation differences, foreign operations and hedging of net investments, excluding tax, affected shareholders' equity positively by SEK 328 m (185) over the year. The amounts also include reversal against the statement of profit or loss, as well as, where applicable, effects from hedging of net investments, in connection with the divestment of operations. Shareholders' equity increased by SEK 80 m (5), excluding tax, as a result of actuarial gains regarding defined benefit pension plans. The dividend to shareholders in Lindab International AB amounted to SEK -306 m (-260), in accordance with the resolution of the Annual General Meeting. Equity per share amounted to SEK 88.08 (73.89) at the end of the year and return on shareholders' equity for the year amounted to 15.8 percent (9.9).

Net debt

On December 31, 2022, net debt amounted to SEK 3,310 m (1,696). The change in net debt was mainly related to increased leverage due to acquisitions, higher lease liabilities and increased capital tied up in stock. Net debt consists of long-term and short-term interest-bearing liabilities, including interest-bearing provisions less interest-bearing assets and cash and cash equivalents. Interest-bearing liabilities amounted to SEK 3,820 m (2,270), of which lease liabilities accounted for SEK 1,212 m (876) and provisions for pensions amounted to SEK 217 m (270). Interest-bearing assets including cash and cash equivalents amounted to SEK 510 m (574).

Net debt is included as part of the Group's financial targets. The target is for net debt¹⁾ in relation to EBITDA, excluding one-off items and restructuring costs, to not exceed 3.0. On December 31, 2022, net debt in relation to EBITDA amounted to 1.6 (1.0). The net debt/equity ratio, i.e. net debt in relation to shareholders' equity, amounted to 0.5 times (0.3).

Interest coverage ratio

The interest coverage ratio, which reflects the Group's capacity to pay interest, amounted to 16.2 times (20.0).

Equity/asset ratio

The Group's equity/assets ratio, i.e. shareholders' equity in relation to total assets, amounted to 52.1 percent (54.8).

Credit agreements

The existing credit agreements of SEK 1,300 m with Nordea and Raiffeisen Bank International and EUR 70 m with Raiffeisen Bank International were extended during the year and are valid until the second quarter of 2025. During the year, Lindab also entered into a new credit agreement for SEK 1,000 m with Nordea, which is valid until the second quarter of 2024. All agreements contain a covenant which is monitored quarterly. Lindab fulfilled the conditions as of December 31, 2022.

Pledged assets and contingent liabilities

In connection with the divestment of Building Systems, at the end of December 2021, Lindab continued to be responsible for certain operational guarantee commitments amounting to EUR 30 m in favor of Building Systems. At the time of divestment, Lindab received a Parent Company guarantee from the buyer of Building Systems corresponding to the value of the aforementioned guarantee commitments. In the first quarter of 2022, all significant outstanding operational guarantee commitments were transferred from Lindab to the buyer of Building Systems. On December 31, 2022, no operational guarantee commitments remained in favor of Building Systems.

In 2022, mortgages on real estate and floating charges amounting to SEK 20 m were received in return.

On December 31, 2022, pledged assets amounted to SEK 87 m (96), and contingent liabilities amounted to SEK 24 m (21).

¹⁾ Average net debt for the year.

Consolidated statement of financial position

SEK m	Note	Dec. 31, 2022	Dec. 31, 2021	SEK m	Note	Dec. 31, 2022	Dec. 31, 2021
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Non-current assets				Shareholders' equity			
<i>Intangible assets</i>				<i>Shareholders' equity attributable to Parent Company shareholders</i>			
Goodwill	18	3,967	3,014	Share capital	26	79	79
Capitalised expenditures for development work	18	16	14	Other contributed capital		2,272	2,272
Patents and similar rights	18	2	2	Foreign currency translation reserve		523	180
Other intangible assets	18	264	85	Profit brought forward incl. profit for the year		3,877	3,119
Total intangible assets		4,249	3,115	Total shareholders' equity		6,751	5,650
<i>Tangible fixed assets</i>				Non-current liabilities			
Buildings and land	19	934	803	<i>Interest-bearing liabilities</i>			
Machinery and equipment	19	926	710	Liabilities to credit institutions	29	2,349	1,110
Construction in progress and advances regarding tangible fixed assets	19	154	166	Lease liabilities	29, 31	930	643
Right-of-use assets	20, 31	1,156	869	Provisions for pensions and similar obligations	27	217	270
Total tangible fixed assets		3,170	2,548	Total interest-bearing liabilities		3,496	2,023
<i>Financial fixed assets</i>				<i>Non-interest-bearing liabilities</i>			
Financial investment	27	25	28	Deferred tax liabilities	16	150	107
Other non-current securities holdings	22	5	4	Other provisions	28	7	5
Participations in associated companies	21	16	18	Other liabilities		41	7
Other non-current receivables	23	6	4	Total non-interest-bearing liabilities		198	119
Total financial fixed assets		52	54	Total non-current liabilities		3,694	2,142
Deferred tax assets	16	36	82	Current liabilities			
Total non-current assets		7,507	5,799	<i>Interest-bearing liabilities</i>			
Current assets				Liabilities to credit institutions			
Stock	24	2,752	2,090		29	12	4
Accounts receivable	25	1,951	1,602	Overdraft facilities	29	0	0
Other receivables	25	67	57	Lease liabilities	29, 31	282	233
Current tax assets		11	2	Accrued expenses and deferred income	30	30	10
Prepaid expenses and accrued income	25	184	209	Total interest-bearing liabilities		324	247
Prepaid expenses and accrued income, interest-bearing	25	4	4	<i>Non-interest-bearing liabilities</i>			
Cash and cash equivalents		481	542	Advance payments from customers		64	63
Total current assets		5,450	4,506	Accounts payable		974	1,062
TOTAL ASSETS		12,957	10,305	Current tax liabilities		110	158
				Other provisions	28	11	18
				Other liabilities		212	149
				Accrued expenses and deferred income	30	817	816
				Total non-interest-bearing liabilities		2,188	2,266
				Total current liabilities		2,512	2,513
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		12,957	10,305

Statement of consolidated changes in equity

SEK m	Shareholders' equity attributable to Parent Company shareholders						
	Share capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year	Total	Non-controlling interests	Total shareholders' equity
Opening balance, January 1, 2022	79	2,272	180	3,119	5,650	-	5,650
Profit for the year				974	974	-	974
Other comprehensive income							
Actuarial gains/losses, defined benefit plans				80	80	-	80
Deferred tax attributable to defined benefit plans				-16	-16	-	-16
Translation differences, foreign operations			402		402	-	402
Hedges of net investments			-74		-74	-	-74
Tax attributable to hedges of net investments			15		15	-	15
<i>Total other comprehensive income</i>	-	-	343	64	407	-	407
<i>Total comprehensive income</i>	-	-	343	1,038	1,381	-	1,381
Dividends to shareholders				-306	-306	-	-306
Issuance/exercise of share options				26	26	-	26
<i>Transactions with shareholders</i>	-	-	-	-280	-280	-	-280
Closing balance, December 31, 2022	79	2,272	523	3,877	6,751	-	6,751
Opening balance, January 1, 2021	79	2,262	3	2,834	5,178	0	5,178
Profit for the year				537	537	0	537
Other comprehensive income							
Actuarial gains/losses, defined benefit plans				5	5	-	5
Deferred tax attributable to defined benefit plans				0	0	-	0
Translation differences, foreign operations			148		148	0	148
Hedges of net investments			37		37	-	37
Tax attributable to hedges of net investments			-8		-8	-	-8
<i>Total other comprehensive income</i>	-	-	177	5	182	0	182
<i>Total comprehensive income</i>	-	-	177	542	719	0	719
Dividends to shareholders				-260	-260	-	-260
Issuance of shares	0	10			10	-	10
Issuance of share options				3	3	-	3
<i>Transactions with shareholders</i>	0	10	-	-257	-247	-	-247
Closing balance, December 31, 2021	79	2,272	180	3,119	5,650	-	5,650

Parent Company

The Parent Company is a holding company that owns the shares in Lindab AB, in which the functions of the head office are operated. Lindab AB owns the other subsidiaries in the Group directly and indirectly. The Parent Company also owned the shares in Lindab LTIP 17-19 AB until 2022.

The Parent Company's net sales for the financial year amounted to SEK 6 m (5). Profit for the year amounted to SEK 36 m (14). Group contributions received from subsidiaries amounted to SEK 55 m (25).

Statement of profit or loss

SEK m	Note	2022	2021
Net sales		6	5
Administrative expenses	6, 10, 11	-9	-8
Other operating expenses	13	0	-
Operating profit		-3	-3
Profit from subsidiaries	15	62	25
Interest expenses, intra-group	15	-15	-5
Earnings before tax		44	17
Tax on profit for the year	16	-8	-3
Profit for the year¹⁾		36	14

1) Comprehensive income agrees with the profit for the year for all periods.

Statement of financial position

SEK m	Note	Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Non-current assets			
<i>Financial fixed assets</i>			
Shares in Group companies	35	3,467	3,467
Financial interest-bearing fixed assets		5	5
Deferred tax assets		1	1
Total non-current assets		3,473	3,473
Current assets			
Receivables from Group companies		55	26
Cash and cash equivalents		0	0
Total current assets		55	26
TOTAL ASSETS		3,528	3,499
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	26	79	79
Statutory reserve		708	708
<i>Unrestricted shareholders' equity</i>			
Share premium reserve		90	90
Profit brought forward		1,716	1,982
Profit for the year ¹⁾		36	14
Total shareholders' equity		2,629	2,873
Provisions			
Interest-bearing provisions		5	5
Total provisions		5	5
Current liabilities			
<i>Non-interest-bearing liabilities</i>			
Liabilities to Group companies		886	615
Current tax liability		6	4
Accrued expenses and deferred income	30	2	2
<i>Total non-interest-bearing liabilities</i>		<i>894</i>	<i>621</i>
Total current liabilities		894	621
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,528	3,499

1) Comprehensive income agrees with the profit for the year for all periods.

Statement of cash flow

SEK m	2022	2021
Operating activities		
Operating profit	-3	-3
Provisions, not affecting cash flow	0	0
Interest paid	-15	-5
Tax paid	-6	-3
Cash flow from operating activities before change in working capital	-24	-11
Change in working capital		
Operating receivables	1	-1
Operating liabilities	271	242
Cash flow from operating activities	248	230
Financing activities		
Group contribution received	25	20
Dividends from Group companies	7	-
Dividends to shareholders	-306	-260
Issue/exercise of shares/share options	26	10
Cash flow from financing activities	248	-230
Cash flow for the year		
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at the end of the year	0	0

Shareholders' equity

See Note 26, Shareholders' equity and number of shares, for information on share transactions and mandates approved by the Annual General Meeting.

Risks, risk management and internal control

See the Board of Directors' Report on pages 76-81, Risks on pages 64-69 and Note 3 on pages 103-106.

Statement of changes in Parent Company equity

	Shareholders' equity attributable to Parent Company shareholders					
	Restricted shareholders' equity		Unrestricted shareholders' equity			Total shareholders' equity
	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit for the year ¹⁾	
<i>SEK m</i>						
Opening balance, January 1, 2022	79	708	90	1,996		2,873
Profit for the year					36	36
<i>Transactions with shareholders</i>						
Dividends to shareholders				-306		-306
Issuance/exercise of share options				26		26
Closing balance, December 31, 2022	79	708	90	1,716	36	2,629
Opening balance, January 1, 2021	79	708	90	2,232		3,110
Profit for the year					14	14
<i>Transactions with shareholders</i>						
Dividends to shareholders				-260		-260
Issuance of shares	0			10		10
Closing balance, December 31, 2021	79	708	90	1,982	14	2,873

1) Comprehensive income agrees with the profit for the year for all periods.

Group: Five-year summary

<i>Amounts in SEK m unless otherwise indicated</i>	2022	2021	2020	2019	2018 ¹⁾
Net sales and profit, continuing operations					
Net sales	12,366	9,648	8,220	8,512	8,260
Growth, %	28	17	-3	3	12
<i>of which organic</i>	11	17	-2	1	7
<i>of which acquisitions/divestments</i>	13	2	0	0	1
<i>of which currency effects</i>	4	-2	-1	2	4
Foreign sales, %	70	68	72	75	74
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,808	1,660	1,185	1,183	710
Amortisation/depreciation and impairment losses	483	394	395	353	147
Operating profit	1,325	1,266	790	830	563
One-off items and restructuring costs ²⁾	-22	-	-70	-	-62
Adjusted operating profit	1,347	1,266	860	830	625
Earnings before tax	1,238	1,223	752	778	533
Net sales and profit, total operations					
Net sales	12,366	10,619	9,166	9,872	9,326
Growth, %	16	16	-7	6	13
<i>of which organic</i>	10	17	-6	3	8
<i>of which acquisitions/divestments</i>	3	2	1	0	1
<i>of which currency effects</i>	3	-3	-2	3	4
Foreign sales, %	70	71	74	78	76
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,808	1,645	1,284	1,315	715
Amortisation/depreciation and impairment losses	483	804	438	400	168
Operating profit	1,325	841	846	915	547
One-off items and restructuring costs ²⁾	-22	-456	-70	-	-87
Adjusted operating profit	1,347	1,297	916	915	634
Earnings before tax	1,238	802	811	881	531
Profit for the year	974	537	596	678	394
Total comprehensive income	1,381	719	281	746	453
Cash flow, total operations					
Cash flow from operating activities	691	704	1,129	1,017	593
Cash flow from investing activities	-1,340	-404	-663	-300	-105
Cash flow from financing activities	556	-319	-395	-484	-547
Cash flow for the year	-93	-19	71	233	-59
Operating cash flow	662	979	965	918	716
Capital employed and financing, total operations					
Total assets	12,957	10,305	9,405	9,438	7,802
Capital employed	10,571	7,920	7,419	7,383	5,848
Net debt	3,310	1,696	1,640	1,771	1,052
Shareholders' equity attributable to Parent Company shareholders	6,751	5,650	5,178	5,027	4,464
Shareholders' equity attributable to non-controlling interests	-	-	0	-	0

1) In 2019, Lindab implemented IFRS 16 Leases. By applying relief rules, comparative figures from previous periods have not been restated, i.e. there is no full comparability to reported figures for 2018.

2) One-off items and restructuring costs for:

- 2022, SEK -22 m in total, related to Lindab's divestment of the business in Russia.

- 2021, SEK -456 m in total, related to Lindab's divestment of Building Systems. The amount is recognised in discontinued operations.

- 2020, SEK -70 m in total, related to Lindab's closure and divestment of IMP Klima Group. The cost is recognised in continuing operations.

- 2019, no one-off items or restructuring costs.

- 2018, SEK -87 m in total, related mainly to assessments of structural alternatives, restructuring costs and measures in connection with cost-saving programs. Of the amount is SEK -62 m recognised in continuing operations and SEK -25 m in discontinued operations.

<i>Amounts in SEK m unless otherwise indicated</i>	2022	2021	2020	2019	2018 ¹⁾
Per share data, total operations					
Average number of shares outstanding, thousands	76,552	76,396	76,340	76,332	76,332
Number of shares outstanding, thousands	76,642	76,467	76,357	76,332	76,332
Earnings per share after dilution, SEK	12.70	7.00	7.80	8.89	5.16
Shareholders' equity per share, SEK	88.08	73.89	67.82	65.86	58.49
Cash flow from operating activities per share, SEK	9.03	9.22	14.79	13.32	7.77
Dividend per share, SEK	5.20 ²⁾	4.00	3.40	1.75	1.75
P/E ratio	10.0	45.9	21.8	13.6	12.3
Share price at the end of the year, SEK	127.40	321.40	170.40	119.60	63.50
Market capitalisation at the end of the year	9,764	24,576	13,011	9,129	4,847
Investments, total operations					
Intangible assets and tangible fixed assets	359	395	425	278	120
Key performance indicators, continuing operations					
EBITDA margin, %	14.6	17.2	14.4	13.9	8.5
Operating margin, %	10.7	13.1	9.6	9.8	6.9
Adjusted operating margin, %	10.9	13.1	10.5	9.8	7.6
Profit margin (before tax), %	10.0	12.7	9.1	9.1	6.5
Key performance indicators, total operations					
EBITDA margin, %	14.6	15.5	14.0	13.3	7.7
Operating margin, %	10.7	7.9	9.2	9.3	5.9
Adjusted operating margin, %	10.9	12.2	10.0	9.3	6.8
Profit margin (before tax), %	10.0	7.6	8.8	8.9	5.7
Return on capital employed, %	14.1	11.0	11.5	13.6	9.4
Return on shareholders' equity, %	15.8	9.9	11.6	14.3	9.1
Equity/asset ratio, %	52.1	54.8	55.1	53.3	57.2
Net debt/EBITDA, excluding one-off items and restructuring costs	1.6	1.0	1.4	1.6	1.6
Net debt/equity ratio, times	0.5	0.3	0.3	0.4	0.2
Interest coverage ratio, times	16.2	20.0	19.0	18.8	21.4
Employees					
Average number of employees	4,801	5,189	5,271	5,202	5,126
<i>of which abroad</i>	3,401	3,906	4,114	4,077	3,983
<i>of which, discontinued operations</i>	-	655	707	716	701
Number of employees at end of the year	4,853	4,549	5,078	5,196	5,071
<i>of which, discontinued operations</i>	-	-	692	727	699
Payroll expenses, including social security contributions and pension costs	2,619	2,503	2,336	2,466	2,324
Sales per average number of employees, SEK k	2,576	2,046	1,739	1,898	1,819

1) In 2019, Lindab implemented IFRS 16 Leases. By applying relief rules, comparative figures from previous periods have not been restated, i.e. there is no full comparability to reported figures for 2018.

2) Board of Directors' proposed dividend for 2022.

For financial definitions, see page 143.

Notes

Note	Contents	page
01	General information	96
02	Summary of key accounting policies	96
03	Financial risks	103
04	Key accounting estimates and judgments	106
05	Business combinations	108
06	Employees and senior executives	112
07	Segment reporting	114
08	Revenue recognition	115
09	Amortisation/depreciation and impairment losses by type of asset and function	116
10	Cost distributed by cost items	117
11	Auditors' fees and expenses	117
12	Research and development	117
13	Other operating income and expenses	118
14	Government grants	118
15	Financial income and expenses	118
16	Tax on profit for the year	119
17	Earnings per share	121
18	Intangible assets	122
19	Tangible fixed assets	124
20	Right-of-use assets	125
21	Associated companies	126
22	Other non-current securities holdings	126
23	Other non-current receivables	126
24	Stock	126
25	Current receivables	127
26	Shareholders' equity and number of shares	128
27	Provisions for pensions and similar obligations	128
28	Other provisions	130
29	Consolidated borrowing and financial instruments	131
30	Accrued expenses and deferred income	133
31	Leases	133
32	Pledged assets and contingent assets/liabilities	134
33	Related party transactions	135
34	Events after the reporting period	135
35	Group companies and associated companies	136



Note 01 General information

Lindab International AB, with domicile in Båstad and registered in Sweden under corporate identity number 556606-5446, (the Parent Company) and its subsidiaries (referred to collectively as the Group) and its operations are described in the Directors' Report. The address of the company's head office is Lindab International AB, SE-269 82 Båstad, Sweden.

These consolidated financial statements were authorised for publication by the Board of Directors and the Chief Executive Officer on March 26, 2023. The consolidated statement of comprehensive income and statement of financial

position, as well as the Parent Company's statement of profit or loss and balance sheet, will be matters for approval at the Annual General Meeting of shareholders on May 11, 2023.

Information about the structure of the Group at the end of the financial year is provided in Note 35.

Unless otherwise indicated, amounts are stated in SEK m.

Note 02 Summary of key accounting policies

The most important accounting policies that have been applied when preparing these consolidated accounts are detailed below. Unless otherwise stated, these policies have been applied consistently for all the years presented.

Basis for the preparation of accounts

Lindab prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Recommendation 1, *Supplementary Accounting Rules for Groups*, from the Swedish Financial Reporting Board.

Lindab applies the historical cost method when measuring assets and liabilities, except for certain financial instruments which are measured at fair value.

New or revised IFRS standards and new interpretations 2022

None of the new or revised standards, interpretations and improvements issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (IFRIC) and adopted by the EU in 2022 have had a material impact on the Group.

New or revised standards and new interpretations that have not yet come into effect

No new or revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and that will come into effect for financial years beginning after January 1, 2023, have been applied in the preparation of this financial report.

Based on the information available, new or amended standards and new interpretations yet to take effect by December 31, 2022, are not deemed to have had a significant effect on the consolidated accounts.

Consolidated accounts

The consolidated accounts comprise the Parent Company, Lindab International AB, and the companies over which the Parent Company has a controlling influence, i.e. subsidiaries. Controlling influence exists when the Parent Company has power over the investee, is exposed to, or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The Parent Company reassesses if or not it controls an investee in those cases where the facts and circumstances suggest that one or more of the factors listed above have changed.

Consolidation of a subsidiary takes place from the date the Parent Company gains a controlling influence until the date it ceases to have a controlling influence over the subsidiary. This means that revenues and expenses for a subsidiary that was acquired or divested during the current financial year are included in the consolidated statement of profit or loss as well as in other comprehensive income from the date the Parent Company gains a controlling influence until the date the Parent Company ceases to have a controlling influence.

Consolidated statement of profit or loss as well as in components of other comprehensive income are attributable to the Parent Company's owners.

The accounting policies of subsidiaries have been adjusted where necessary to conform with the Group's accounting policies. All inter-company transactions,

dealings and unrealised gains and losses attributable to inter-company transactions are eliminated when preparing the consolidated accounts.

Business combinations

Business combinations are accounted for using the acquisition method. The transferred consideration for the business combination is measured at fair value on the acquisition date, which is calculated as the sum of the respective values at acquisition date of the assets issued, liabilities incurred or assumed, and equity interests issued in exchange for control of the acquired business. Acquisition related costs are recognised in the statement of profit or loss when incurred.

The transferred consideration also includes the fair value at the acquisition date for the assets or liabilities resulting from an agreement on the contingent consideration. Changes in the fair value of the contingent consideration that arise as a result of additional information received after the acquisition date, about facts and circumstances that existed on the acquisition date, qualify as adjustments during the valuation period and are adjusted retroactively, with a corresponding adjustment of goodwill. All other changes in the fair value of a contingent consideration that are classified as an asset or a liability are recognised in accordance with the applicable standard. The contingent consideration, which is classified as shareholders' equity, is not revalued and its subsequent settlement is recognised in shareholders' equity.

In the case of acquisitions where the balance of the transferred consideration, any non-controlling interests and the fair value on the acquisition date of previous shareholdings exceeds the fair value on the acquisition date of the identifiable acquired net assets, the difference is recognised as goodwill in the statement of financial position. If the difference is negative, it is recognised as a gain on a bargain purchase, negative goodwill, directly in profit or loss. For more information regarding business combinations, see Note 5.

Discontinued operations

Discontinued operations are those parts of the Group classified as being held for sale or that have been divested. The criteria for meeting this classification is that the asset is available for immediate sale in its current condition and that it is highly probable that a sale will occur. In accounting terms, net profit after tax from discontinued operations is presented on a separate line in the statement of profit or loss, separate from the financial outcome of the continuing operations, with a corresponding recognition for the comparison period. In the consolidated statement of financial position, assets held for sale/discontinued operations are reported on separate lines on both the asset and liability sides, without adjusting the comparison period. There is no requirement that the consolidated statement of cash flows differentiate the cash flow of continuing operations from that of discontinued operations.

Assets held for sale are valued to the lower of its carrying amount or fair value less costs to sell, from the point in time at which the criteria in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are met and until the asset is divested or no longer meets the requirements of the standard. During the time that an asset is classified as being held for sale, its fixed assets may not be amortised/depreciated.

Note 2, cont.

In September 2021, Lindab decided, and signed an agreement, to divest all shares and voting rights in the business area Building Systems. Based on the decision to divest and the agreement as well as the current structure of the business, all prerequisites was assessed to be complied to in order to recognise Building Systems as an asset held for sale. This in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The classification and basis of evaluation was applied as of the close of the third quarter of the same year. After deducting selling expenses, measurement at carrying amount or fair value, whichever is lower, resulted, among other things, in goodwill impairment equivalent to SEK 380 m for the period.

The agreement to divest Building Systems was, among other things, conditioned and subject to antitrust approval in Russia. This approval was obtained from the Russian authorities during the fourth quarter of 2021, with the divestment being finalised at the end of December in the same year. Accordingly, Building Systems was reported as discontinued operations at the end of the fourth quarter of 2021. Reporting of discontinued operations is further presented in Note 5.

Translation of foreign subsidiaries and foreign currency

The consolidated financial statements are presented in Swedish krona (SEK), which is the Parent company's functional currency and reporting currency. The statements of profit or loss and balance sheets for operations abroad, subsidiaries and associates are submitted in their functional currencies and translated into the Group's reporting currency. The functional currency is the same as the local currency for the reporting entity's accounts.

All assets and liabilities of subsidiaries are translated using the exchange rate at the balance sheet date, and revenues and expenses are translated at average exchange rates for the year. The exchange rate differences arising when consolidating are carried directly to other comprehensive income. On divestment of a subsidiary that entails a loss of control, the accumulated translation difference is reversed and recognised in the consolidated statement of profit or loss as part of the capital gain/loss.

Transactions in foreign currencies are translated to the functional currency at the prevailing exchange rate on the date of the transaction. Swedish Group companies' receivables and liabilities in foreign currencies are valued at the exchange rate at the balance sheet date. Exchange rate gains and losses that arise when paying and translating monetary assets and liabilities in foreign currencies at the exchange rate at the balance sheet date are reported in the statement of comprehensive income. Exchange rate differences relating to operations are shown as other operating income/expenses, Note 13, and are thereby included in operating profit. Exchange rate differences of a financial nature are reported in financial income and expenses, Note 15.

Internal pricing

Market based pricing is used for inter-company transactions.

Segment reporting

Lindab's operations are reported by segment. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Up to the 2021 financial year, the Group's segments comprised the following three: Ventilation Systems, Profile Systems and Building Systems. In the third quarter of 2021, a decision was made to divest Building Systems, meaning that, from that time, the segment was reported as a non-current asset held for sale. With the divestment being completed in December of the same year, Building Systems was reported as discontinued operations as of the end of 2021. Following the divestment of Building Systems, the Group has two segments, Ventilation Systems and Profile Systems.

The presentation of each segment is based on the accounting policies described in this note. Standard commercial industry terms are applied to transactions between the segments. Inter-segment transfer pricing in the Group is determined on an arm's-length basis, i.e. between parties that are independent of one another, are well-informed and have an interest in the implementation of the transaction. Assets and investments are reported in the segment in which the assets are found and made available.

Group information on geographical areas for the segments is based on the country in which the transfer of risks and benefits takes place. Segment reporting is presented in Note 7.

Revenue recognition

Revenue is recognised at the time when control of the products and services delivered passes to the customer as agreed. Recognised revenue reflects the expected consideration in connection with the performance of a contractual commitment to customers and corresponds to the consideration to which the Group considers it is entitled.

Revenue streams

The revenue streams in the Ventilation Systems and Profile Systems segments mainly relate to Lindab's offering of individual standardised products. The revenue of Ventilation Systems relates primarily to sales of ventilation products, customised technical solutions or complete systems for ventilation, indoor climate and cooling/heating. The revenue of Profile Systems focuses primarily on building products such as steel rainwater systems, roof/wall cladding, steel profiles for wall, roof and floor structures as well as steel buildings. Building Systems, which is reported as discontinued operations by end of 2021, offered prefabricated steel construction systems, which may consist of individual parts or complete solutions for the entire outer shell (i.e. frames, walls, roofs and accessories). In some cases, customisation of systems and solutions may also include elements of installation and/or commissioning. However, these revenue elements are very limited and do not represent a significant part of the Group's sales. Potential installation services are only offered in connection with sales of products and are not marketed as separate services in the Group's product portfolio.

Performance obligations and timing of revenue recognition

Sale of a product (single or integrated) is considered as a performance obligation and the revenue is recognised when the performance obligation is fulfilled and the customer takes control of the product, i.e. at a certain point in time (usually in connection with the physical delivery to the counterparty).

When Lindab produces and sells complete construction systems, sales may be project oriented. The majority of revenue is then recognised at each stage of delivery in accordance with the contract and when the customer has taken control over the product.

Revenue from possible installation services/commissioning is normally recognised on completion of the work. However, the timing of the recognition could vary depending on whether the service is considered to be a separate performance obligation or an integrated part, depending on the agreed terms and conditions.

If it is likely that total project costs will exceed total revenue, the anticipated loss is immediately accounted for as an expense.

Warranties

Products sold are covered by warranty which depends on the nature and application of the product. As a general rule, warranties only cover original product defects. Long warranty periods may occur within individual product groups, but depending on what the warranty covers and requirements regarding how the product should be used/maintained, warranties are not considered as an added service warranty. Hence, warranties are not recognised as separate performance obligations in terms of IFRS 15 *Revenue from contracts with customers*, instead the warranties are accounted for in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*.

Transaction price

Volume discounts are applied based on sales to counterparties during a predefined period, together with cash discounts. Revenue from these types of sales are recognised at an agreed price, net of any discounts. Discounts are estimated based on the expected value method.

Other revenue

Other revenue includes payment for any sales that occur in addition to ordinary activities, such as gains on fixed assets sold and exchange rate gains relating to operations.

Financial income

Interest income is reported with consideration given to accrued interest at the balance sheet date. Received dividends are reported when the right to receive dividends has been confirmed.

*Note 2, cont.***Personnel costs***Incentive programs*

Principles on guidelines for remuneration to senior executives were last adopted at the 2021 Annual General Meeting, principles which are to be presented for adoption by the Annual General Meeting at least every four years. According to the adopted guidelines, the remuneration program for these individuals shall include a long-term variable cash pay element. This variable element of remuneration is to be based on measurable criteria, which reflect predetermined financial and qualitative targets for Lindab. Based on a previous resolution at the Annual General Meeting, a long-term incentive program was implemented in 2022, a program that has a three-year measurement period. To all intents and purposes, the incentive program has the same features as the corresponding programs that were resolved by the 2020 and 2021 Annual General Meetings. All incentive programs are recognised in accordance with IAS 19 *Employee benefits* and are reported during the vesting period as an expense and current liability.

Financial income and expenses

Finance income comprises interest income on funds invested and dividend plus gains on financial instruments that are measured through profit or loss. This item also includes gains on hedges of net investments, which are considered as the ineffective portion of the hedge and profit when the hedging instrument matures or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the statement of profit or loss under financial items.

Financial expenses comprise interest expenses on borrowings, interest components relating to defined benefit plans, effects of the reversal of discounted provisions as well as losses on financial instruments measured at fair value through profit or loss. This item also includes losses on hedges of net investments, which are considered as the ineffective portion of the hedge and loss when the hedging instrument matures or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the statement of profit or loss under financial items. In accordance with IFRS 16 *Leases*, interest expenses for rental agreements and leases are also reported under financial expenses.

Interest income and interest expenses on financial instruments are recognised according to the effective interest method. Dividend income is recognised when the right to receive payment has been confirmed. Exchange rate gains and losses are reported net.

Borrowing costs

Borrowing costs are carried as an expense in the period they are incurred, unless they relate to assets that take a substantial amount of time to get ready for use or sale. In such cases, they must be capitalised in accordance with IAS 23 *Borrowing costs*.

Income taxes

Recognised tax comprises current tax and deferred tax. Current tax is tax that is to be paid or received during the current fiscal year. This also includes adjustments to tax attributable to previous years. Deferred tax is recognised for income taxes recoverable in future periods in respect of taxable temporary differences. The measurement of deferred tax is based on expected liabilities and receivables at the balance sheet date using the tax rates for individual companies decided or announced at the balance sheet date.

The tax effect is recognised in the same way as attributable to transactions, i.e. in comprehensive income, in other comprehensive income or directly in shareholders' equity.

Deferred tax receivables are recognised to the extent that it is likely that future taxable profits will be available and against which the temporary differences may be utilised. Deferred tax receivables and tax liabilities are offset when there is a legal right to offset current tax receivables and tax liabilities and when the deferred taxes are levied by the same tax authorities. Deferred tax assets in respect of carry-forward tax losses are recognised to the extent that the losses are expected to be used to lower tax payments in the foreseeable future. See Note 16 for information on tax on profit for the year and deferred tax receivables and deferred tax liabilities respectively.

Earnings per share

Earnings per share are not affected by preference shares or convertible debentures since Lindab has none of these. Over the past four financial years, however, share

options have been issued, indirectly affecting the calculation of earnings per share after dilution. During the third quarter of 2022, all 175,000 share options in the oldest options program were exercised to subscribe for shares in Lindab under the terms of the program. At the end of 2022, the following three forward-looking share option programs existed, which affect the calculation of earnings per share after dilution: Acquisition of shares supported by a share option can take place in the summer of 2023 (right-of-use for 210,000 share options), in the summer of 2024 (right-of-use for 183,950 share options) and in the summer of 2025 (right-of-use for 238,050 share options). Each share option entitles the holder to acquire one Lindab share.

If the number of shares changes during the year, a weighted average is calculated for the shares outstanding during the period.

Associated companies

Associated companies are companies in which the Parent Company holds a significant but non-controlling influence, usually through a shareholding corresponding to between 20 and 50 percent of the voting rights. Associated companies are reported in accordance with the equity method as required by IAS 28 *Investments in Associates and Joint Ventures*. In accordance with this method, the participation in the associated company is valued at its acquisition value at the time of acquisition. The earnings arising after the acquisition in the associated company and that refers to the Group's participation, with adjustments for the dissolution of acquired surplus and deficit values, are reported as a separate item in the statement of profit or loss on the line Profit from participations in associated companies. For more information regarding associated companies, see Note 21.

Intangible assets*Goodwill*

Goodwill arising from the acquisition of a company and operations is recognised according to IFRS 3 *Business combinations*. See also the section on the consolidated accounts on page 96. Goodwill on acquisitions of subsidiaries is reported under intangible assets. Goodwill is tested for impairment at least once a year, or when there is any indication of this. Goodwill is reported as the acquisition value less accumulated impairment losses.

To establish whether there is any indication of impairment, the recoverable amount is determined by estimating the discounted future cash flows for the entity to which the goodwill is attributed. In such case, the estimate is made on the lowest cash generating units within the business. For the Lindab Group, the reported segments are considered as the lowest levels where goodwill is followed up and impairment testing carried out.

Gains or losses on the divestment of a subsidiary or associate include the remaining carrying amount of the goodwill relating to the unit sold. For more information regarding goodwill, see Note 18.

Trademarks, patents and similar rights

Trademarks, patents and similar rights are reported at cost less accumulated amortisation. Amortisation is made on a straight-line basis over the estimated useful life of between 3 and 20 years. The useful life is reviewed at least once a year.

Software

Acquired software licenses and certain software coding and customisation are capitalised on the basis of the expenditure incurred in developing and deploying the relevant software/functionality, provided that the Group has control over the intangible asset concerned. This capitalised expenditure is amortised over an estimated useful life of between 3 and 5 years. The useful life is reviewed at least once a year.

Capitalised expenditure for development work

Costs for research undertaken in order to gain new scientific or technical knowledge are charged as they are incurred.

Development costs, where the outcome is used for planning or establishing the production of new or greatly improved processes or products, are capitalised when it is considered that the process or product is technically and commercially viable. Costs that will be capitalised include material costs, direct labor costs and a reasonable proportion of indirect costs. Capitalised development costs are carried at the acquisition value less accumulated amortisation and impairment. The estimated useful life is 3–5 years. The useful life is reviewed at least once a year.

*Note 2, cont.***Tangible fixed assets**

The accounting policies for tangible fixed assets described below relate to assets owned by the Group. See the Leasing section for capitalised right-of-use assets relating to tangible fixed assets attributable to leases.

Buildings and land principally comprise factories, warehouses and offices. These are recognised as the acquisition value less the accumulated depreciation and any impairment recorded. The planned depreciation is based on the acquisition value of fixed assets and is calculated with consideration to the estimated useful life. The useful life is reviewed at least once a year. Land is not depreciated. Additional expenses are added to the asset's carrying amount or are shown as a separate asset, depending on which is the most appropriate. Additional expenses should only be added to the carrying amount of assets when it is likely that the financial benefits resulting from the additional expense will result in future economic benefits to the Group and if the asset can be reliably measured. All other forms of repair and maintenance are reported as costs in the statement of comprehensive income during the period in which they arise.

The acquisition value of assets is divided into material components and each component must be depreciated separately over its estimated useful life, i.e. component depreciation. This applies to buildings as well as to machinery and equipment. During the year of investment, depreciation is charged on machinery, equipment, vehicles and computers from the time they are brought into use.

The following depreciation periods have been used

Buildings	15–50 years
Land improvements	20 years
Machinery and equipment	5–15 years
Vehicles and technical equipment	3–10 years

Impairment losses

Impairment testing of intangible assets, excluding goodwill, is performed whenever there is an indication of impairment. However, intangible assets not yet available for use are tested at least once a year for any indication of impairment. Impairment is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows after tax are discounted. Impairment recognised in prior periods are assessed at each reporting date for any indications that the need for impairment has decreased or no longer exists. Impairment is reversed if there has been a change in the estimates used to determine the recoverable amount and if the recoverable amount is higher than the carrying amount. Impairment is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount, net of depreciation and amortisation, which would have been reported if no impairment had been recognised.

An annual impairment test for the cash-generating units to which goodwill has been allocated is performed in the fourth quarter, or when there is an indication of impairment. Impairment testing as well as recognition of impairment of goodwill is performed in the same manner as for intangible assets. However, impairment in respect of goodwill is not reversed.

Impairment testing as well as the recognition or reversal of impairment of tangible fixed assets is performed in the same manner as for intangible assets above.

Financial instruments

Financial instruments are any type of agreement giving rise to a financial asset, financial liability or equity instrument in another company. These include cash and cash equivalents, investments, investments held as fixed assets, interest-bearing receivables, accounts receivable, trade creditors, borrowing and derivative instruments.

Purchases and sales of financial assets and liabilities are recognised on the trade date. A financial asset or financial liability is included in the statement of financial position when the company is subject to the instrument's contractual terms. Financial assets are de-recognised from the statement of financial position when the right to obtain cash flow from an asset matures or is transferred to another party by transferring all risks and benefits associated with the asset to the other party. A financial liability is de-recognised from the statement of financial position when the obligation has been met, cancelled or has matured. Accounts receivable are recognised in the statement of financial position once an invoice has been sent. Liabilities are recognised when the counterparty has a contractual obligation to

pay, even though an invoice has not yet been received. Accounts payable are recognised once an invoice has been received.

Financial instruments are initially recognised at their acquisition value corresponding to the instrument's fair value at the date of acquisition plus transaction costs for all financial instruments apart from the financial instruments classified under the financial assets category which are recognised at fair value through profit or loss where transaction costs are recognised directly in the statement of profit or loss. Subsequent valuation of instruments is based on their nature and classification.

Classification of financial assets and liabilities

The classification of financial assets is based on Lindab's business model and is therefore governed by the purpose of holding the financial asset and the financial asset's contractual cash flows. Financial assets are classified based on the following categories:

- Financial assets valued at amortised cost
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at fair value through profit or loss

Financial liabilities are valued at amortised cost or fair value through profit or loss.

Amortised cost

Amortised cost refers to the amount at which the asset or liability measured is initially recognised net of amortisation and impairment, as well as additions for the accrual of the initial amount and the maturity amount.

Assets valued at amortised cost

Financial assets valued at amortised cost are instruments held for the purpose of collecting/settling contractual cash flows; the agreed terms and conditions state the time of expected cash flow from the underlying instrument and payments only consist of principal and interest on the principal amount outstanding. Assets arise as part of cash and cash equivalents being paid in return for or as a result of the Group providing customers with agreed goods and services in the context of its operating activities. Fixed or determinable payment flows are available for receivables that are not traded on an active market and are held by the Group for the purpose of collecting cash flows.

For disclosure purposes, fair value is calculated for non-current receivables by discounting future cash flows using current interest rates. Current receivables are valued at a nominal amount without discounting.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for Lindab's financial instruments is determined based on current market prices where available. Fair value for quoted investments and derivatives is based on current purchase prices and interest rates. If market prices are not available, the fair value of each instrument is determined using various valuation techniques. The effect of changes in the fair value of assets, which is measured using this method, is reported in comprehensive income or in the statement of profit or loss during the period in which they arise.

Financial assets measured at fair value through comprehensive income

Financial assets measured at fair value through comprehensive income are assets which are held for the purpose of collecting contractual cash flows and selling underlying financial instruments to achieve this; the agreed terms and conditions state the time of expected cash flow from the underlying instrument and payments only consist of the principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss

Assets which do not meet the criteria for recognition at amortised cost or fair value via comprehensive income are measured at fair value through profit or loss. For the Group these are mainly derivative assets which are not used in hedge accounting and are therefore recognised at fair value through profit or loss.

For foreign exchange contracts, such as currency futures, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be subscribed to on the balance sheet date for the remaining contract period.

Note 2, cont.*Impairment of financial assets*

In accordance with IFRS 9 *Financial instruments*, estimated loss provisions are reported for financial assets measured at cost, which reduce the value of the respective asset. Loss provisions are valued at each balance sheet date and then at an amount that corresponds to expected credit losses for the remaining maturity period of the assets. Lindab applies a simplified matrix model to accounts receivable and future lease receivables, which means that, in addition to an individual assessment, loss provisions are valued at an amount corresponding to the remaining maturity period. For details of the method used to value accounts receivable, see also Note 25.

The purpose of the valuation of expected credit losses is to reflect an objective and probable amount, time value of money, reasonable information from previous events that are possible to verify, present circumstances and forecasts for future financial conditions. Lindab bases the estimate of expected credit losses on both a collective and an individual assessment of the receivable in question together with information about historical losses for similar assets and counterparties, taking into consideration potential future events. The assumptions for calculating credit losses are continuously evaluated to reflect the current situation and Lindab's best estimate of future events. Lindab defines receivables that are more than 90 days overdue as credit deteriorated or when other credit deteriorated factors have been identified. Credit losses are considered to be in default when the company against which Lindab has a claim has been declared bankrupt. The financial asset is then de-recognised from the statement of financial position.

Liquid assets may only be invested in banks with a high credit rating in accordance with Lindab's Treasury Policy. Historically, no customer losses have occurred regarding cash and cash equivalents, nor are they expected to do so in the future.

Financial liabilities measured at fair value through the statement of profit or loss

Financial liabilities measured at fair value through profit or loss mainly include derivative liabilities that are not used in hedge accounting. Profit or loss from changes in the fair value of financial instruments in this category is reported in the statement of profit or loss in the period in which it arises.

Other financial liabilities

This category includes loans, lease liabilities, other financial liabilities and accounts payable. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash holdings and bank balances as well as current investments with high liquidity which can be quickly converted into a known amount of cash and which are subject to an insignificant risk from foreign currency fluctuations. Bank overdrafts are reported in the statement of financial position as part of borrowings in current liabilities.

Derivatives

The Lindab Group uses derivative instruments to cover risks in currency exposures. The holding of financial derivatives consists of currency swaps and currency futures. Currency risk in the Group is managed through foreign exchange contracts entered into with a third party for the biggest gross flows in each period.

Derivatives are recognised in the statement of financial position on the trade date and measured at fair value, both initially and subsequently. The method of recognising the gain or loss arising on revaluation depends on whether the derivative is recognised as a hedging instrument, and if so, the nature of the item being hedged.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are reported according to the principles for hedge accounting in IFRS 9 *Financial instruments*. In order to apply these rules, the designated hedging relationship between the hedging instrument and the hedged items is documented on an ongoing basis and compliant with Lindab's risk management policy and the targets set regarding risk management. In addition, reported net investment hedges must be effective by nature and it must be possible for this effectiveness to be measured in a reliable way.

Lindab uses loans and currency swaps as hedging instruments. The effectiveness of a hedge is identified and assessed in accordance with the Group's guidelines when entering an individual hedging relationship. The criteria for effectiveness are documented and the hedging relationship is subsequently analysed and reported on an ongoing basis. The profit or loss on the hedging instrument relating to the

effective hedge is recognised in other comprehensive income. The ineffective portion of the profit or loss is recognised immediately in the statement of profit or loss under financial items. Profit or loss recognised in other comprehensive income is reclassified to the statement of profit or loss when a foreign operation is divested.

Stock

The Group's stock is reported excluding inter-company profits. Inter-company profits generated within the Lindab Group are eliminated at Group level and therefore have no impact on operating profit. Stock is valued at the lower of cost and net realisable value for raw materials, consumables and purchased finished goods. The same applies to work in progress, whose acquisition cost is calculated based on the value of production costs generated during processing. The acquisition cost includes a reasonable share of indirect production costs based on normal capacity utilisation. Goods produced have been valued at the lower of production costs and net sales value. Obsolescence has therefore been taken into account in the evaluation. Market prices apply when pricing deliveries between Group companies.

Shareholders' equity*Share capital*

Transaction costs directly attributable to the issue of new shares or warrants are reported, net of tax, in shareholders' equity as a deduction from the issue proceeds.

Dividend

Dividends to Parent Company shareholders are reported as a liability in the consolidated financial statements during the period in which the dividend was approved by the Parent Company shareholders.

Repurchase and redemption of shares

The repurchase and redemption of shares are allocated directly to profit carried forward where appropriate. For the repurchase and redemption of shares, see Note 26.

Share options and warrants

The 2022 Annual General Meeting resolved on a share option program for senior executives in the Lindab Group through a private placement of at most 275,000 share options. Under this program, 238,050 share options were acquired by senior executives in Lindab in accordance with a market valuation based on established agreements. The program is thus based on a market transaction with related parties, and no part of the program should be seen as share-based remuneration. Each share option entitles the holder, at a certain point in the future (July/August 2025), to acquire one share in Lindab at an agreed exercise price (SEK 219.90). To all intents and purposes, the share option program that was implemented during the year has the same features as the share option program that was approved by the 2019, 2020 and 2021 Annual General Meetings respectively. During the year, all 175,000 owned options in the 2019 share option program were also exercised to acquire shares under the terms of the program. This resulted in 175,000 treasury shares in Lindab International AB being exchanged upon exercise of options. Options were exercised at an exercise price of SEK 120.00 per share. From the 2020 share option program there are 210,000 options outstanding with an exercise price of SEK 101.90 and exercisable during the summer of 2023. From the 2021 share option program there are 183,950 options outstanding with an exercise price of SEK 222.00 and exercisable during the summer of 2024. Issued options are valued using the Black-Scholes option valuation model, and any value adjustments are recognised in equity.

Provisions

IAS 37 *Provisions, contingent liabilities and contingent assets* is applied to provisions, except for provisions regarding personnel, where IAS 19 *Employee benefits* is applied.

A provision is only reported when:

- There is a present obligation (legal or constructive) resulting from a past event, it is likely that costs will arise to settle the obligation and the amount can be estimated reliably.
- The amount reported as a provision is the best estimate of the expense required to meet the obligation in question at the balance sheet date.

Provisions for pensions and similar obligations

Pensions are generally funded through payments to insurance companies, where the payments are determined based on periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

Note 2, cont.

A defined contribution plan is defined as a plan where the company pays set contributions to a separate legal entity and has no obligation to pay additional contributions, even if the legal entity does not have sufficient assets to pay the benefits relating to the employees' service until the balance sheet date. There are significant defined contribution plans in Sweden, Denmark, Finland and Germany, among other countries.

All plans that are not defined contribution plans are considered to be defined benefit plans. A special characteristic of defined benefit plans is that they state an amount for the pension benefit that an employee will receive on retirement, usually based on factors such as age, years of service and salary. The most comprehensive defined benefit plans are in Sweden.

The liability reported in the balance sheet for defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting estimated future cash outflows using the discount rate in the same currency in which the benefits will be paid with maturities comparable to the current pension obligation. The discount rate for each country is determined on the basis of the market rate of investment grade corporate bonds. In countries with no market for such bonds, the government bond yield is used. The calculations are based on actuarial assumptions as assessed each quarter, and are made at least once a year. The discount rate for the Swedish pension obligation has been established using the market rate of housing bonds according to their yield curve.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income during the period in which they arise. Payroll tax attributable to actuarial gains and losses is included in determining the actuarial gains and losses.

Costs relating to past service are recognised directly in the statement of profit or loss.

Defined benefit plans can be unfunded or entirely or partially funded. In the case of funded plans, the company makes contributions to specific funds or foundations, for example. These plan assets are valued at fair value and reduce the projected pension obligation so that the net reporting is made in the statement of financial position.

In some cases, pension obligations in Sweden have been secured through the purchase of endowment insurance as a benefit for the insured. Where these obligations are defined contributions in nature, they are recognised as pension provisions, defined contribution obligations and corresponding assets in the endowment insurance at the fair value of plan assets for defined contribution obligations. The liability of the endowment insurance is measured at the best estimate of future payments, which corresponds to the fair value of the asset. The provision for special employers' contributions is calculated based on the carrying amount of the endowment insurance fund.

Other contributions to employees are reported as expenses during the period when the employee performs the services to which the benefits regards.

Leases

Lease recognition is based on all rental and leasing agreements being reported in the lessee's statement of financial position. IFRS 16 *Leases* includes an option to exclude certain agreements, short-term leases and leases for which the underlying asset is of low value. Lindab has chosen to apply the IFRS relief rules, which means that the Group's statement of financial position does not include leases that have an expected useful life of less than 12 months and leases for which the underlying asset is of low value (EUR 5 k applied by Lindab). Lease expenses arising from these leases that are not included are recognised as before, directly as an operating expense on a straight-line basis over the lease term.

Lindab assesses at the start of a new lease agreement whether it includes lease components that shall be capitalised in accordance with IFRS 16 *Leases*. Lease expenses that are capitalised are primarily fixed charges or variable index/price charges as well as any relevant residual value guarantees, option values or termination charges. Leases which include both components that can and cannot be capitalised, are capitalised in full if the latter component is of low value.

Leases are capitalised initially at the present value of future lease expenses, discounted based on the lease's implicit interest or, for Group incremental borrowing rates, on the basis of the respective currency and asset type. The value of an asset also includes charges incurred on or prior to the commencement date of the lease, initial direct expenses and any estimated restoration costs for which provisions have been recognised in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*. Capitalisation also includes forming an opinion on expected lease term/useful life of the asset in question within the framework of an existing lease.

The tangible assets/rights of use that are included in the Group's financial position in accordance with IFRS 16 *Leases*, are recognised in subsequent periods at acquisition value less depreciation/amortisation and any impairment as well as adjustments for any revaluations. Depreciation/amortisation is performed on a straight-line basis from the starting date of the lease and over the useful life, which is the shortest of economic useful life and agreed lease term. Impairment is recognised in accordance with IAS 36 *Impairment of assets*.

Lease liabilities recognised in the statement of financial position are included on an ongoing basis at amortised cost less lease payments made and taking into account the estimated impact of interest rates. Lease related balance sheet items will be reassessed continually based on changes to interest/index components, lease term, residual value guarantees etc. The weighted average incremental borrowing rate for the Group as at December 31, 2022 was 3.3 percent (2.5).

Statement of cash flow

Lindab applies the indirect method. The purpose is to provide a basis in order to assess the company's ability to generate cash and the company's need for this. The following definitions have been used: Cash and bank consists of cash as well as deposits held with banks and equivalent institutions. Cash and cash equivalents other than cash and bank include current liquid investments that can easily be converted into cash and that are exposed to an insignificant risk from foreign currency fluctuations. Cash flow is the flow of cash and cash equivalents coming into and going out from the company. Operating activities are the main income generating activities of the company and other activities that are not investing or financing activities. Investing activities consist of the acquisition and divestment of fixed assets and investments that do not qualify as cash equivalents. Financing activities are activities that result in changes to the size and composition of the company's shareholders' equity and borrowings.

Pledged assets and contingent liabilities

Pledged assets are reported if Lindab has pledged assets for the company's or the Group's liabilities or obligations. These can include debts and provisions that may be shown in the statement of financial position. The pledged assets may be tied to assets in the statement of financial position or encumbrances. The assets are entered at their carrying amount and encumbrances at their nominal value. Shares in Group companies are reported at their value in the Group.

Contingent liabilities are recognised when there is a potential obligation arising from past events and occurrence is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision as it is unlikely that an outflow of resources will be required. See also Note 32.

Government grants

Government grants are actions by the government intended to provide a financial benefit that is specific to a company or a category of company fulfilling certain criteria. Government assistance is conditional upon the recipient complying with certain conditions. Here, the term government refers to government agencies or authorities and similar bodies, regardless of geographical location. Government grants are reported at the time when it is deemed reasonably certain that Lindab will meet the conditions associated with the grants and that the grants will be received. Government grants compensating for specific costs are recognised as cost reductions in the statement of profit or loss and thus classified within the same category as the underlying cost. Government grants representing contributions of a more general nature are reported under other operating income. Where grants are received in connection with acquisitions of fixed assets, the fixed value of the acquired assets is reduced.

*Note 2, cont.***Related party disclosures**

Transactions and agreements with related parties and/or private individuals are accounted for according to IAS 24 *Related Party Disclosures*. In the Group, inter-company transactions are eliminated and are thus not included in this disclosure/reporting requirement. For the full extent of these transactions, see also Note 33.

Parent Company accounts

The Parent Company's financial statements are prepared and presented in accordance with the Annual Accounts Act (ÅRL) and Recommendations from the Swedish Financial Reporting Board (RFR), RFR 2. RFR 2 requires the Parent Company to apply all EU approved IFRS standards and pronouncements as far as possible under the Annual Accounts Act, taking into account the relationship between accounting and taxation. The recommendation includes the exemptions to IFRS that must be considered and the additions that must be made. It can be added that the Parent Company does not hold any leases. The differences between the Parent Company's and the Group's accounting policies are described below:

Classification, presentation and layout

The Parent company's statement of profit or loss and balance sheet are prepared in accordance with the Swedish Annual Accounts Act format. The difference from IAS 1 *Presentation of Financial Statements*, which is applied to the presentation of the Group's financial statements is mainly the recognition of financial income and expenses, fixed assets, shareholders' equity and availability of provisions under separate headings.

Group companies

Shares in Group companies are recognised at acquisition value in the Parent company's financial statements. Acquisition-related costs for Group companies, which are carried as expenses in the consolidated financial statements, form part of the acquisition value for shares in Group companies of the Parent Company.

Group contributions

Group contributions to or from Lindab's Group companies are reported net in the Parent Company statement of profit or loss, in accordance with RFR 2.

Impairment of financial assets

IFRS 9 *Financial instruments* is also to be applied by the Parent Company with regard to the impairment of financial assets. The Parent company's receivables from Group companies are of a short-term nature, which is why the simplified matrix model can be applied, see the section on Impairment of financial assets. No short-term Group receivables require provisions being made for losses.

Note 03 Financial risks

Financial risks include financing, liquidity, interest rate risks, currency risks and financial credit risks. The work on financial risks is an integral part of Lindab's business. All risks are managed in accordance with Lindab's established policies. The Group's Treasury function is responsible for these risks and also

supports the Group's companies in the implementation of financial policies and guidelines. Compliance with the Treasury Policy is reviewed regularly and reported to the Board of Directors.

Financing
Risk

Financing risk refers to the risk that the financing of the Group's capital needs and refinancing of outstanding loans will become more difficult and/or more expensive.

Exposure

On December 31, 2022, Lindab's total credit limits amounted to SEK 3,079 m (2,016). SEK 1,000 m of the credit limits expire in June 2024, and the remaining credit limits of SEK 2,079 m expire in June 2025.

Comments

Lindab has two credit agreements entered into in 2021, one with Nordea/Raiffeisen Bank International and one with Raiffeisen Bank International. A third credit agreement was signed with Nordea in 2022. All credit agreements contain a covenant in the form of net debt/EBITDA ratio, which is monitored on a quarterly basis. On December 31, 2022, Lindab was compliant with this covenant. According to the Group's Treasury Policy, long-term financing must always be in place no later than 12 months before existing financing matures.

Liquidity
Risk

Liquidity risk is defined as the risk of the Group not being able to fulfill its obligations and/or incurring increased costs due to a lack of liquidity.

Exposure

At the end of the year, the Group's available cash and cash equivalents, including unutilised credit facilities, amounted to SEK 1,737 m (1,948), based mainly on the aforementioned credit limits and overdraft facilities. For financial liabilities on the balance sheet date and their maturity structure, see the "Liquidity risk" table on page 104. On December 31, 2022, all financial liabilities, falling due within 12 months and which are not covered by contractual inflows from currency swaps, were covered by available liquid funds and unutilised credits at the time in question.

Comments

All centrally managed loan maturities are planned in relation to the consolidated cash flow. The above-mentioned credit agreements safeguard liquidity needs. Lindab's business is seasonal, which has an effect on cash flow. During the period January-June, cash flow is normally negative, then turning positive in July-December. According to the Group's Treasury Policy, the Group must at all times have available funds, including unutilised credit facilities, to cover the liquidity needs of the operating activities.

Interest
Risk

Interest rate risk is defined as the risk of changes in current interest rates having a negative effect on the Group.

Exposure

Lindab is a net borrower. At the end of the year net debt amounted to SEK 3,310 m (1,696), meaning that rising interest rates will have an adverse effect on the Group. On December 31, 2022, IFRS 16 Leases affected net debt by SEK 1,212 m (876).

Comments

Surplus liquidity is always used to amortise existing loans. In accordance with the Treasury Policy, the fixed interest rate period is to be 1-12 months. On December 31, 2022, it was 4 months (3). The interest rate, calculated as the Group's interest expense in relation to average liabilities, amounted to 3.3 percent (2.5).

Note 3, cont.**Currency**

Currency risk is the risk of negative effects on the consolidated statement of comprehensive income, cash flow and statement of financial position as a result of changes in exchange rates:

- The profit or loss is affected when income and expenses in foreign currencies are translated into Swedish kronor (SEK).
- The statement of financial position is affected when assets and liabilities in foreign currencies are recalculated in Swedish kronor (SEK).

The risk can be divided into transaction risk and translation risk.

Transaction risk

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<p>Risk</p> <p>Transaction risk occurs when transactions are made in another currency than the local company's functional currency. A company may also have monetary assets and liabilities in a currency other than the functional currency which are translated to the local currency using the exchange rate at the balance sheet date. The translation of the monetary assets and liabilities results in currency effects, which are recognised in the statement of comprehensive income.</p>	<p>Exposure</p> <p>Of sales in continuing operations, 70 percent (68) were conducted in other currencies than SEK. In total, sales are made in 10 (11) different currencies, the most important of which, besides SEK, are EUR, DKK, NOK and GBP. Lindab's net exposure translated to SEK is approximately SEK 1,000 m (400) annually. SEK 5 m (0) of the transaction exposure entered in the balance sheet was hedged at the end of the year.</p>	<p>Comments</p> <p>To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company is responsible for identifying its own currency exposure. Some special orders, projects, investments and purchases can be hedged to create certainty of future cash flows.</p> <p>The Treasury function is responsible for the Group's overall currency exposure, and, together with the CFO, makes decisions of and implements any hedging of subsidiaries' exposures.</p>

Translation risk

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<p>Risk</p> <p>Translation differences arise when translating foreign subsidiaries' statements of financial position in local currency to SEK. The statement of profit or loss is translated at the average rate for the year and the statement of financial position is translated at the rate on December 31. The translation difference is applied to other comprehensive income. Translation exposure is the risk that the translation difference represents in terms of the impact on comprehensive income. Parts of this exposure have been hedged since 2013.</p> <p>Lindab AB has currency risks in its lending and borrowing to Group companies, which mainly takes place in the Group companies' local currency.</p>	<p>Exposure</p> <p>At the end of 2022, the Group's net investments in foreign currency amounted to SEK 5,794 m (4,751). The predominant currencies are EUR at SEK 2,210 m (1,557), DKK at SEK 764 m (714) and GBP at SEK 534 m (462). SEK 740 m (739) is hedged by borrowings in foreign currency and currency swaps.</p> <p>At the end of 2022, Lindab AB's lending in foreign currency amounted to SEK 1,226 m (715), and its borrowing to SEK 176 m (318).</p>	<p>Comments</p> <p>Currency hedging of the Group's translation exposure is determined by the CFO, which is in accordance with the Group's Treasury Policy. Hedging may be arranged for up to 90 percent of the value of the underlying asset. Hedging may be arranged by currency swaps or loans. Lindab hedges net investments in EUR and CHF, for which hedge accounting is applied. Hedging is arranged by means of currency swaps and loans. No inefficiencies occur in the hedges.</p> <p>The currency risk in these transactions is hedged using forward exchange agreements. These are evaluated monthly and the effect is recognised in financial items in the statement of comprehensive income.</p>

Liquidity risk

The table below shows the Group's financial liabilities, presented according to the time remaining until the contractual maturity date.

At December 31, 2022	< 3 months	Between 3-12 months	Between 1-2 years	Between 2-5 years	> 5 years
Borrowings (excluding lease liabilities)	26	82	1,057	1,460	38
Lease liabilities	85	251	267	464	328
Derivative instruments	827	-	-	-	-
Accounts payable and other liabilities	974	477	-	-	-
At December 31, 2021					
Borrowings (excluding lease liabilities)	3	10	1,074	9	31
Lease liabilities	63	189	187	285	215
Derivative instruments	111	404	-	-	-
Accounts payable and other liabilities	1,062	435	-	-	-

The amounts included in the table are the contractual undiscounted cash flows. The derivatives refers to gross outflow in terms of currency futures. The liquidity risk is limited as it is covered by guaranteed available credit limits, contractual gross inflows at maturity of currency swaps and inflows from financial assets.

Note 3, cont.

Currency futures

		Dec. 31, 2022		Dec. 31, 2021	
Corresponding amount in SEK m		Amount	Maturity, months	Amount	Maturity, months
Sell	EUR	-460	3	-200	3
Sell	CHF	-19	3	-42	3
Sell	GBP	-	-	-8	3
Sell	NOK	-29	3	-41	4
Sell	CZK	-272	3	-220	4
Sell	RUB	-	-	-4	8
Sell	HUF	-39	3	-	-
Sell	PLN	-8	3	-	-
Sell, total		-827		-515	
Buy	EUR	21	3	-	-
Buy	USD	-	-	77	2
Buy	CHF	-	-	10	2
Buy	HRK	-	-	6	4
Buy	CZK	2	3	16	1
Buy	HUF	6	3	-	-
Buy, total		29		109	
Net		-799		-407	

Offsetting of assets and liabilities within ISDA agreements

Lindab performs no balance sheet offsetting as the right to offset is contingent on ISDA agreements. In accordance with the table below, the right of offset amounts to SEK 21 m (8).

	Assets, currency derivatives	Liabilities, currency derivatives	Total
Dec. 31, 2022			
Amounts recognised in the balance sheet	1	20	21
Financial agreements	-21	-20	-41
Net	-20	0	-20
Dec. 31, 2021			
Amounts recognised in the balance sheet	1	7	8
Financial agreements	-8	-7	-15
Net	-7	0	-7

The following exchange rates have been applied in the translation of foreign operations

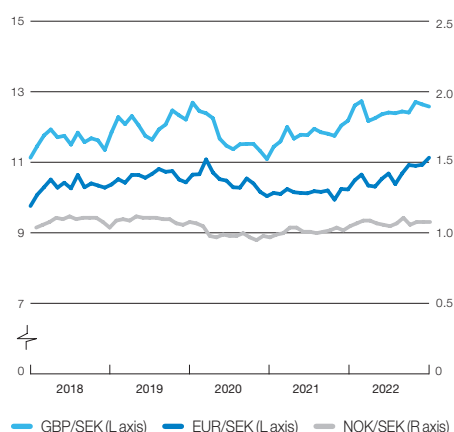
Country	Currency	Currency code	Average exchange rate		Closing day rate	
			2022	2021	2022	2021
Euro area	1	EUR	10.63	10.14	11.13	10.23
Denmark	1	DKK	1.43	1.36	1.50	1.38
Norway	1	NOK	1.05	1.00	1.06	1.03
Poland	1	PLN	2.27	2.22	2.37	2.23
Romania	1	RON	2.15	2.06	2.25	2.07
Russia	100	RUB	14.45	11.64	15.53	12.16
Switzerland	1	CHF	10.58	9.38	11.29	9.85
UK	1	GBP	12.47	11.80	12.58	12.18
Czech Republic	100	CZK	43.28	39.55	46.07	41.05
Hungary	100	HUF	2.72	2.83	2.78	2.77
USA	1	USD	10.11	8.58	10.44	9.04

Sensitivity analysis

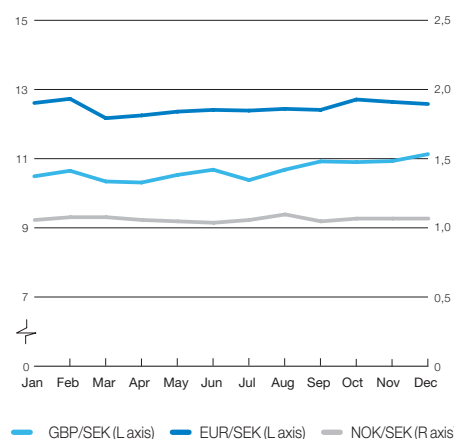
	Change percent	Impact on earnings, SEK m	
		Dec. 31, 2022	Dec. 31, 2021
Currency fluctuation, sales	+/-1	+/-86	+/-75
Currency fluctuation, purchasing of raw materials	+/-1	+/-47	+/-36
Currency fluctuation, net assets	+/-1	+/-50	+/-40
Currency fluctuation, net debt	+/-1	+/-15	+/-13
Interest rate fluctuations	+/-1	+/-24	+/-15

The calculations are based on 2022 and 2021 volumes, for total operations, and assume that everything else remains unchanged, for example that sales prices are not adjusted in response to changes in steel prices. The calculation excludes the tax effect.

Exchange rate development 2018–2022



Exchange rate development January–December 2022



Variation in currency, sales and purchases of raw materials

Of Lindab's total operations, 70 percent (71) of sales and 76 percent (75) of its total purchases of raw materials were conducted in a currency other than SEK, meaning that fluctuations in SEK affect the Group's gross profit. Raw material purchases represent the only major currency exposure in terms of costs. A fluctuation of +/- 1 percent in SEK affects sales by SEK 86 m (75) and raw material purchases by SEK 47 m (36). The most important currencies are EUR, DKK, NOK and GBP. USD is also an important currency as far as raw material purchases are concerned.

Currency fluctuation, net assets

Lindab's net assets in foreign currency amount to SEK 5,794 m (4,751). The single largest net assets are in EUR followed by DKK, GBP and PLN. SEK 740 m (739) of the net assets is hedged via loans and currency swaps. A fluctuation of +/- 1 percent in SEK affects net assets by SEK 50 m (40).

Currency fluctuation, net debt

Lindab's net debt amounts to SEK 3,310 m (1,696). Of the net debt, 44 percent (75) is in currencies other than SEK. The greatest exposures in foreign currency are made up of loans in EUR and CHF. A fluctuation of +/- 1 percent in SEK affects net debt by SEK 15 m (13) of which SEK 8 m (9) is recognised in other comprehensive income.

Interest rate fluctuations

Changes in interest rates affect Lindab's profitability and cash flow. A change in interest rates of 1 percent affects Lindab's profit by SEK 24 m (15).

Note 3, cont.**Asset management**

Lindab's managed capital comprises the sum of shareholders' equity and the Group's net debt, amounting to SEK 10,061 m (7,346).

The Group's capital is to be used to retain a high degree of flexibility and to finance acquisitions. Any surplus capital can be transferred to Lindab's shareholders.

The overall objective of asset management is to ensure the Group's ability to continue as a going-concern, while ensuring that the Group's funds are being used optimally to give shareholders a good return and lenders a good level of security.

For a number of years, Lindab has been governed on the basis of financial targets. These objectives are:

- Annual growth should be at least 10 percent, combining organic and acquired growth.
- Operating margin (EBIT) should exceed 10 percent annually, adjusted for one-off items and restructuring costs.
- Net debt should not be higher than three times EBITDA, calculated based on 12-month average values.

Lindab's Dividend Policy states that the proposed dividend should equal at least 40 percent of the company's profit after tax for the year, taking to account the company's financial position, acquisition opportunities and long-term financing needs. Lindab's Board of Directors proposes to the Annual General Meeting that a dividend of SEK 5.20 (4.00) per share be paid for 2022, see Note 26.

To ensure the availability of financing, it is important to meet the obligations to the banks arising pursuant to the credit agreements. The credit agreements include a covenant in the form of the net debt to EBITDA ratio. Lindab fulfills this requirement on December 31, 2022.

Lindab's Treasury Policy has been approved by the Board of Directors and this constitutes a framework of guidelines and regulations for the financing operations that are centralised at Group Finance. This enables the Group to monitor all financial risk positions and to safeguard common interests. At the same time, cost efficiency, economies of scale and skills development are achieved.

Credit risk management

Financial assets in the form of accounts receivable represent a credit risk for the Group. Customer credit risk is managed in the context of operating activities by

each business unit and is based on the Group's established policies, procedures and controls. Individual credit limits are identified for each customer based on guidelines and opinions on limits are based on the estimated risk profile. It should also be noted that in some customer-related transactions, Lindab works with advance payments from customers, which may be due both to cash flow optimisation and credit risk management.

Lindab works actively to monitor and ensure that outstanding accounts receivables are paid. In addition, portions of the accounts receivable portfolio are covered by credit insurance. The Group's exposure to individual customers is limited as Lindab's largest customer accounts for 1.8 percent (1.9) of the Group's net sales.

Credit loss provisions are in place for recognised accounts receivable, which, in addition to an individual assessment, correspond to expected losses based on the remaining maturity period. Outstanding receivables are categorised on the balance sheet date based on due date and the number of days arrears. Based on this, loss provisions are calculated on the basis of six different valuation levels, which reflect both the Group's historical loss experience and a future expected credit loss adjustment based on current market conditions. For details of the method used to value accounts receivable and the change in the loss provisions over the year, see also Note 25. On the balance sheet date, the recognised credit loss provision amounted to SEK -67 m (-69).

Lindab is also exposed to credit risk from deposits held with banks and financial institutions. This credit risk is managed by the Group's central Treasury function in accordance with Lindab's Treasury Policy. Taking into account the counterparties' financial position and an independent rating agencies assessment of these, the total credit risk exposure is considered to correspond to the recognised value of these financial assets. In general, it can also be mentioned that the Group's Treasury Policy specifies the lowest permitted rating, by independent rating institutions, for banks used by Lindab for deposits and lending.

Other financial assets are generally considered to have an inherently low credit risk. These are valued on an ongoing basis in order to assess any inherent risk of loss based on objective reasons, on historical experience and also reflect estimated future financial conditions for counterparties. Individual assessments are applied. The assessment process for other financial assets is decentralised with a view to ensure that the best possible expertise is applied when evaluating any loss provisions.

Note 04 Key accounting estimates and judgements

IFRS is a principles-based framework and contains no detailed rules under normal circumstances, but instead develops the overall principles that should characterise the financial statements. This implies that significant estimates and judgements must be made by Lindab which may give rise to specific consequences in the financial statements. The judgements made are central to the financial outcome, and these are combined with detailed information.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable in the circumstances.

In the application of accounting policies, various assumptions have been made that may substantially affect the amounts presented in Lindab's financial statements.

Impairment testing of goodwill*Important sources of estimation uncertainty*

The Group continually tests goodwill for impairment in accordance with the accounting policies described in Note 2. The impairment test is based on a review of the recoverable amount. The value is estimated based on the management's assessment of future cash flows which are based primarily on internal business plans and financial budgets and forecasts.

The Group's impairment of goodwill is conducted at segment level, which is considered to be the lowest cash-generating unit for the ongoing monitoring of this item from the perspective of the chief operating decision maker (see Notes 2 and 18, respectively). At the end of December 2022, reported goodwill amounted

to SEK 3,967 m (3,014). Of this balance, SEK 2,896 m (2,113) related to Ventilation Systems and SEK 1,071 m (901) to Profile Systems.

When testing for impairment, a management assessment is required of various factors, particularly with regard to events which may affect the value of goodwill, the assumptions underlying cash flow forecasts and whether the discounting of these cash flows is reasonable. Changes in the assumptions made by the management may result in a different outcome and a different future financial position. For further information on impairment testing of goodwill, see Note 18.

Leases*Important sources of uncertainty in estimations and judgements in the application of the Group's accounting policies*

Some subjective estimates and judgements are made in connection with the reporting of leases, both in terms of the possibility/probability of exercising options to extend, terminate and purchase, estimated useful life of a lease that is extended on an ongoing basis if neither party actively terminates the lease and actual expected useful life of the asset under existing leases. From a materiality perspective, these relate primarily for the Group to property leases where these judgements can have a material effect on the financial position. Lindab has a structure for how these components should be assessed and in terms of properties, this structure is largely based on the main character of the property (production, warehouse, branches or offices). The guidelines aim to set out and reflect expected useful lives in a fair manner and therefore also the value of right-of-use assets and the carrying amount of liabilities in the form of future lease expenses. This being based on known information in connection with each closing of the books. In

Note 4, cont.

accordance with IAS 36 *Impairment of Assets*, judgements also include testing the carrying amount of assets from an impairment loss perspective.

Furthermore, a component that affects the carrying value of leases in the Group's financial position is the underlying discounting factors. When calculating the balance sheet values, Lindab applies an incremental borrowing rate for the relevant currency and asset type that is assessed relevant, with the aim of best reflecting lease related assets and financial obligations in a fair manner. The weighted average incremental borrowing rate was 2.5 percent (2.6) at the beginning of 2022 and 3.3 percent (2.5) at the end of December.

Further information regarding leases is provided in Note 31.

Deferred tax assets*Important sources of estimation uncertainty*

Deferred tax assets and liabilities are reported for temporary differences and unutilised carry-forward tax losses. Deferred tax assets, which are attributable to carry-forward tax losses, are reported to the extent that it is likely that future taxable surpluses will be available, against which the accumulated loss may be utilised. The Group's carry-forward tax losses relate primarily to countries with long or indefinite periods of utilisation. Lindab recognises deferred tax assets based on the management's estimates of future taxable results in various tax jurisdictions.

At the end of 2022, deferred tax assets related to carry-forward tax losses amounted to SEK 11 m (16). See also Note 16.

Recognition of stock*Important sources of estimation uncertainty*

Stock is recognised at the lower of costs and net realisable value. Valuations and assessments of stock are governed by internal regulations which all companies within the Group are obliged to comply with. The aim is to ensure that stock is valued at the lower of cost and net realisable value at all times.

When calculating the net realisable value, an assessment is made of discontinued items, surplus items, damaged goods, and the estimated sales value based on available information. On December 31, 2022, the provision for stock obsolescence amounted to SEK 106 m (72), see Note 24.

Expected bad debt losses*Important sources of estimation uncertainty*

Lindab applies an assessment of expected bad debt losses to its valuation of recognised accounts receivable. The valuation method is based on an estimate of expected bad debt losses for all outstanding receivables, including receivables that are not due. Provisions for expected bad debt losses are calculated on the basis of central guidelines, which are based on judgement of expected bad debt losses in different due date categories and based on a combination of historical experience and changes expected in the individual categories/markets. In addition to the calculation of provisions for bad debt losses based on the guidelines given for forming provisions, an individual judgement is also made of individual customer exposures. This judgement is made based on circumstances that may significantly impact the valuation, such as the solvency and financial position of significant customers as known at the balance sheet date. For further information regarding the valuation method, see Note 2 and Note 25. At the end of 2022, the provision for expected customer credit losses amounted to SEK 67 m (69). See also Note 25.

Other provisions*Important sources of estimation uncertainty*

Provisions for future expenses resulting from the warranty commitments are reported at the estimated amount required to settle the commitment at the balance sheet date. The estimated amount is based on calculations, judgements and experience. Through experience, Lindab has developed a common calculation principle for warranty provisions.

Lindab's production of steel products has a relatively limited impact on the environment. The Group pursues activities on properties where soil contamination may occur. In cases where there is a risk of environmental liability, a judgement is made to determine whether a provision is required based on known information, the perceptions of representatives and other advisers, the probability that a present obligation exists and the reliability of the figure that the obligation is estimated to amount to.

The amount reported as a provision is the best estimate of the expense required to settle the obligation in question at the balance sheet date. The Group's reporting of provisions imply that SEK 18 m (23) was reported as other provisions as of December 31, 2022. See also Note 28.

Outstanding legal matters are reviewed regularly. An assessment is made of whether a liability should be recognised and whether an obligation has resulted from an event. Furthermore, it is assessed whether an outflow of economic resources is likely to be required to settle the obligation, and whether a reliable estimate of the amount can be made.

Whether an existing obligation is likely or not is a matter of judgement. The risk types for these provisions vary, and the management assesses the nature of the provision and scope when determining whether an outflow of resources is likely or not.

Pensions*Important sources of estimation uncertainty*

Provisions and the costs of post-employment benefits, mainly pensions, depend on the assumptions made when the debt is calculated. Specific assumptions and actuarial calculations are made for each of the countries where Lindab's operations result in such obligations. The assumptions concern discount rates, inflation, salary growth rates, departure rates, mortality and other factors.

In determining the discount rate, Lindab takes into account the discount rate for each country which is denominated in the currency in which the benefits will be paid and which have a maturity corresponding to the estimates for the current pension obligation. Other important assumptions are based in part on prevailing market conditions. Lindab assesses actuarial assumptions on a quarterly basis and adjusts them as appropriate. Any change in these assumptions will impact the carrying amount of the pension obligations. For sensitivity analysis, see Note 27.

The Group's provisions for defined benefit plans amounted on the balance sheet date to SEK 192 m (242) net after deductions for plan assets.

Macroeconomic factors*Important sources of estimation uncertainty*

There are constantly various macroeconomic factors which affect or may affect the Group's operations going forward. The level of potential impact depends on the nature of the individual factors in relation to Lindab's operations. In the past two years, for example, possible effects have been monitored, analysed and reflected by the management based on Russia's invasion of Ukraine with subsequent market uncertainty in several countries, prevailing local restrictions due to Covid-19, rising inflation, high energy prices, turbulent steel price developments and the economic situation, with some reduction in construction activity in parts of Europe. Lindab evaluates continuously factors that may have a significant impact on the Group, in addition to operational management, reflecting certain significant judgements made from a financial valuation perspective. Estimated future cash flows in impairment tests reflect expected future outcomes, discount factors reflect assessed underlying risk, and so on. The Group closely monitors how macroeconomic factors relevant to its business develop, and regularly evaluates different scenarios in order to adapt its operations to prevailing circumstances with reasonable speed and also to reflect this in its financial positions and valuations.

Note 05 Business combinations
Business combinations in 2022
Alig Ventilation AB

On January 11, 2022, Lindab completed the acquisition of all shares and voting rights in the Swedish company Alig Ventilation AB. This company focuses on ventilation for smaller properties and handles both new construction and renovation. The acquisition gives Lindab access to extended expertise in ventilation in single houses and smaller residential buildings. In addition, the acquisition provides established relationships with Swedish manufacturers of single-family homes and a direct sales channel to consumers. Alig Ventilation AB has its registered office in Mariestad, Sweden. The company has annual turnover of approximately SEK 65 m and 15 employees.

The acquisition of Alig Ventilation AB was mainly settled in cash at the time of the transaction. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill, which is primarily related to increased expertise on ventilation solutions for single residential houses. Identified intangible assets are primarily related to customer relationships. Alig Ventilation AB is part of the Ventilation Systems segment.

Nord Trade AB

On January 20, 2022, Lindab acquired all shares and voting rights in the Swedish company Nord Trade AB. The company is a distributor, among other things, of Lindab's building products and will in the future broaden its range to include the Group's ventilation products. Lindab strengthens its presence in northern Sweden through the acquisition of Nord Trade AB and its establishment in a geographically important location. Nord Trade AB is based in Skellefteå, Sweden. The company has annual turnover of approximately SEK 20 m and two employees.

The acquisition of Nord Trade AB was mainly settled in cash at the time of the transaction. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill, which is primarily related to Lindab strengthening its geographical presence in northern Sweden. Identified intangible assets are primarily related to customer relationships. Nord Trade AB is part of the Profile Systems segment.

Felderer AG

On April 29, 2022, Lindab completed the acquisition of all shares and voting rights in the German ventilation company Felderer AG. The company is one of Germany's largest distributors of ventilation products such as ducts, silencers, diffusers and fire protection products. It also manufactures circular ventilation ducts. By adding Felderer AG to Lindab's operations, the Group is more than doubling its net sales in Germany. The acquisition additionally complements Lindab on many levels and is expected to extend and broaden the Group's ventilation offering on the German market, market that is assessed as having great potential for the Group going forward. Felderer AG has its registered office in Feldkirchen, Germany. The company has annual turnover of approximately SEK 700 m, and has an operating margin that currently is lower than Lindab's operating margin. The company has 160 employees.

The acquisition of Felderer AG was settled in cash at the time of the transaction. According to finalised purchase allocation analysis, the acquisition resulted in a goodwill, which, among other things, relates to Lindab significantly strengthening its position in an important market for the Group, gaining solid ventilation knowledge combined with extensive local market expertise and the opportunity for buyer-specific synergies going forward. Identified intangible assets are primarily related to customer relations and the Felderer trademark. Felderer AG is part of the Ventilation Systems segment.

R-Vent Netherlands B.V.

On June 16, 2022, Lindab acquired all shares and voting rights in the Dutch company R-Vent Netherlands B.V. The company is a leading distributor of ventilation products in the Netherlands and also has an extensive in-house production of high-quality circular and rectangular duct systems with accessories. With the acquisition, Lindab establishes its own presence in the Netherlands, a strong and well-developed ventilation market with good potential of growth for the Group. R-Vent Netherlands B.V. has its registered office in Bergschenhoek, the Netherlands. The company has annual turnover of approximately SEK 500 m and an operating margin in line with the Ventilation Systems segment. The company has 140 employees.

The acquisition of R-Vent Netherlands B.V. was settled in cash at the time of the transaction. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill, which among other things relates to the fact that Lindab through the acquisition clearly establishes its presence on the Dutch market, while the Group also gains extensive local expertise in both the market and production of circular as well as rectangular duct systems. The goodwill also relates to potential buyer-specific synergies going forward. Identified intangible assets are primarily related to customer relations and trademarks. R-Vent Netherlands B.V. is part of the Ventilation Systems segment.

Muncholm A/S

On July 6, 2022, Lindab completed the acquisition of all shares and voting rights in the Danish company Muncholm A/S. The company specialises in products for tinsmiths and is a leader in aluminum facades and self-supporting roofs. In the wholesale business, the company also has an extensive range of machinery and tools. Through the acquisition, Lindab further strengthens its position in the Danish market, while gaining an important direct sales channel to tinsmiths and architects in Denmark, complementing the existing product range with more high quality products that fit well with Lindab's range and gaining solid expertise in the area. Muncholm A/S has its registered office in Hadsten, Denmark. The company has annual turnover of approximately SEK 250 m, and has an operating margin in line with the Lindab Group's operating margin. The company has 20 employees.

The acquisition of Muncholm A/S was mainly settled in cash at the time of the transaction. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill, which, among other things, relates to the fact that through the acquisition Lindab gains an established direct sales channel to tinsmiths and architects on the Danish market, expertise in relation to these important customer groups and potential buyer-specific synergies going forward. Identified intangible assets are primarily related to customer relations and the Muncholm trademark. Muncholm A/S is part of the Profile Systems segment.

Giroventilation AB

On July 15, 2022, Lindab acquired all shares and voting rights in the Swedish company Giroventilation AB. The company is a well-established manufacturer of rectangular ventilation ducts and has solid knowledge of ventilation construction. Through the acquisition, Lindab is strengthening both sales and production of rectangular ventilation ducts, primarily in the Stockholm region. Giroventilation AB has its registered office in Stockholm, Sweden. The company has annual turnover of approximately SEK 55 m, and has an operating margin that is higher than the Lindab Group's operating margin. The company has 31 employees.

The acquisition of Giroventilation AB was mainly settled in cash at the time of the transaction. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill, which, among other things, relates to the fact that Lindab, through the acquisition, gains a strengthened market position in rectangular ventilation in the Stockholm area, obtains additional expertise in rectangular ventilation construction and is expected to gain synergies in relation to previous acquisitions in the region. Identified intangible asset relates to the Giroventilation trademark. Giroventilation AB is part of the Ventilation Systems segment.

Lindab LLC

On July 22, 2022, Lindab entered into an agreement to divest all shares and voting rights in the Russian company Lindab LLC to the company's local management. The divestment was officially registered on August 1, when ownership was transferred to the counterparty. Lindab's operations in Russia have thus been terminated. Lindab already decided in the first quarter of the year to terminate its presence in Russia and consequently close Lindab LLC. One-off items and restructuring costs amounted to SEK -22 m. One-off items and restructuring costs are mainly not affecting cash flow. The divestment resulted in a negative cash flow impact for the Group of SEK -12 m. Lindab LLC reported net sales for 2022, up to the time of divestment, equivalent to SEK 30 m, and the business had 30 employees at the time of the divestment. Lindab LLC was part of the Ventilation Systems segment. After the divestment, the company continues to operate under a different name.

Note 5, cont.*Disys Technologies Ltd.*

On September 5, 2022, Lindab acquired all shares and voting rights in the British company Disys Technologies Ltd. The company specialises in advanced fire safety systems and has developed products that provide real-time monitoring of fire and smoke dampers in ventilation systems. The company also offers maintenance of fire safety products in ventilation systems. The acquisition further strengthens Lindab's product portfolio in fire safety products and creates a complete ventilation offering for the UK market in terms of fire safety with products, monitoring and system maintenance. Disys Technologies Ltd. has its registered office in Llanelli, United Kingdom. The company has annual turnover of approximately SEK 18 m, and has an operating margin that is higher than the Lindab Group's operating margin. The company has 10 employees.

The acquisition of Disys Technologies Ltd. was settled in cash at the time of the transaction. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill, which, among other things, relates to Lindab creating a complete ventilation offering for fire safety in the UK and thereby gaining a strengthened position on the UK market. The acquisition is also expected to generate synergies as the Group's existing product portfolio can be well integrated with the acquired company's technologies. Identified intangible assets are primarily related to customer relations and technology. Disys Technologies Ltd. is part of the Ventilation Systems segment.

Liftasud SAS and SRA Liftasud SAS

On September 13, 2022, Lindab acquired all shares and voting rights in the French companies Liftasud SAS and SRA Liftasud SAS. The companies are well-known distributors in France of ventilation products such as ducts, silencers, insulation, air conditioning and heating systems. The business also has significant expertise in silencing, a product area that is growing in importance in the offering for a good indoor environment. This acquisition strengthens Lindab's presence on the French market, primarily in the Paris area, and expands access to expertise in silencing of ventilation systems. The registered office of the companies is in Torcy, France. Together, the companies have annual turnover of approximately SEK 250 m, and an operating margin that is lower than the Lindab Group's operating margin. The companies have 55 employees.

The acquisitions of Liftasud SAS and SRA Liftasud SAS were mainly settled in cash at the time of the transaction. According to finalised purchase price allocation analysis, the acquisitions resulted in a goodwill, which, among other things, relates to the fact that Lindab has significantly strengthened its position on the French market through the acquisitions. The Group also gains solid expertise in silencing of ventilation systems and local market expertise, which are important factors for continued growth. Identified intangible assets are primarily related to customer relations and the Liftasud trademark. The companies are part of the Ventilation Systems segment.

General information on acquisitions in 2022

All acquired companies have been consolidated in Lindab from the time of acquisition, i.e. from when Lindab gained a controlling influence. Together, the companies acquired in 2022 have increased Lindab's net sales, cumulatively from the respective acquisition date until December 31, 2022, by SEK 1,303 m. Felderer AG contributed SEK 516 m and R-Vent Netherlands B.V. contributed SEK 256 m. The Group's operating profit increased by SEK 95 m as a result of completed acquisitions. If all the acquisitions had been completed as of January 1, 2022, the Group's net sales would have increased by approximately SEK 1,900 m. Acquisition-related costs for acquisitions made during the year amounted to SEK 23 m (4), with these being included under other operating expenses.

The acquisitions of Alig Ventilation AB, Nord Trade AB, Muncholm A/S, Giroventilation AB and Liftasud SAS included contingent additional purchase considerations of cumulative SEK 62 m, to be disbursed in part or in full depending on whether future expectations regarding identified sales and profit levels are met within a defined period (maximum 36 months). On the balance sheet date, the possible undiscounted amount of the future contingent additional purchase consideration for these acquisitions and previously completed acquisitions was between SEK 0-72 m. On December 31, 2022, 92 percent of the maximum outcome was expected to occur.

Business combinations 2021*KAMI, Kalix Mekaniska Industrier AB*

On July 7, 2021, Lindab acquired all shares and voting rights of the Swedish company KAMI, Kalix Mekaniska Industrier AB. The company is mainly a manufacturer and

distributor of premium sheet metal roofs, especially developed and designed for the Nordic climate. The acquisition is a good complement to Lindab's current range of sheet metal roofs. KAMI, Kalix Mekaniska Industrier AB, has its registered office in Kalix, Sweden. The company has an annual turnover of approximately SEK 100 m and 22 employees.

The acquisition of KAMI, Kalix Mekaniska Industrier AB, was mainly settled in cash at the time of transaction and there is no additional purchase consideration. According to the finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This relates primarily to expertise regarding sheet metal roofing and a well-managed distribution network in northern Sweden and Norway. Identified intangible asset is related to the trademark of KAMI. KAMI, Kalix Mekaniska Industrier AB, is part of the Profile Systems segment.

H.A. Helgesen & Sønner AS

On September 22, 2021, Lindab acquired all shares and voting rights of the Norwegian ventilation company H.A. Helgesen & Sønner AS. The company is primarily a manufacturer of rectangular ventilation ducts and has an extensive logistics network in western Norway. The aim of the acquisition is to further complement Lindab's business presence in Norway, both in terms of products and distribution. H.A. Helgesen & Sønner AS has its registered office in Sula, Norway. The company has an annual turnover of approximately SEK 15 m and has 9 employees.

The purchase consideration of H.A. Helgesen & Sønner AS was mainly settled at the time of transaction. According to the finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This is, among other things, related to knowledge of rectangular ventilation ducts and local market presence in the western part of Norway. Identified intangible asset is related to the trademark of H.A. Helgesen & Sønner. The company is part of the Ventilation Systems segment.

Tecnovent SA

On October 5, 2021, Lindab acquired all shares and voting rights of the Swiss company Tecnovent SA. The main business of the company is production and sales of ventilation grilles, roof hoods and rectangular ventilation ducts. The acquisition complements Lindab's current product range and strengthens the Group's position in south-eastern Switzerland. Tecnovent SA is based in Bioggio, Switzerland. The company has annual turnover of approximately SEK 20 m and 15 employees.

The purchase consideration of Tecnovent SA was mainly settled at time of transaction. According to the finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This goodwill is, among other things, related to local knowhow in terms of production of rectangular ventilation ducts and a strong market presence in regions of Switzerland where Lindab is not so much represented currently. Identified intangible assets are related to the trademark of Tecnovent. Tecnovent SA is part of the Ventilation Systems segment.

Klimatek Ventilationsmateriel A/S

On November 18, 2021, Lindab acquired all shares and voting rights of the Danish company Klimatek Ventilationsmateriel A/S. The company manufactures both standardised and customised components for ventilation systems. The aim of the acquisition is to complement Lindab's extensive range of standardised ventilation products, but it will also contribute to the marine business of the Group. Klimatek Ventilationsmateriel A/S has its registered office in Skive, Denmark. The company has an annual turnover of approximately SEK 30 m and has 22 employees.

The purchase consideration of Klimatek Ventilationsmateriel A/S was mainly settled at the time of transaction. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This goodwill is primarily related to knowhow in terms of customised ventilation products and production thereof. Identified intangible assets are related to customer relations and the trademark of Klimatek. Klimatek Ventilationsmateriel A/S is part of the Ventilation Systems segment.

Profilplåt i Sverige AB

On November 22, 2021, Lindab acquired all shares and voting rights of the Swedish company Profilplåt i Sverige AB. The company's main operations are production and sales of sheet metal roofs and walls. The purpose of the acquisition is mainly to complement Lindab's current production of these products, improve transportation possibilities to customers in the north of Sweden and strengthen the Group's geographical presence in the area. Profilplåt i Sverige AB has its registered office in Sundsvall, Sweden. The company has an annual turnover of approximately SEK 70 m and has 13 employees.

Note 5, cont.

The purchase consideration of Profilplåt i Sverige AB was mainly settled at the time of transaction. According to the finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This derives, for example, from product expertise, a locally established presence in an expansive region and improved transport conditions. Identified intangible assets are primarily related to customer relations and the trademark of Profilplåt. Profilplåt i Sverige AB is part of the Profile Systems segment.

Building Systems (Astron)

At the end of December 2021, Lindab divested all shares and voting rights in the business area and segment Building Systems to the French construction company Groupe Briand. The strategic decision to divest the business was taken by the Board of Directors during the third quarter. The divestment of the segment was part of Lindab's strategy of streamlining operations and focusing on the Group's core business. The business of Building Systems is focused on construction, production and sales of complete steel construction systems.

The divestment of Building Systems was settled in cash at the time of transaction. In connection with the decision and agreement to divestment, as well as the structure of the operations at the time, all criteria were assessed to have been met to report the segment as a business held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Among other effects, this

changed the classification of the operations in the accounts, as well as these being measured at the lower of the carrying amount or fair value less cost to sell, see also Note 2. In the third quarter, this entailed, among other things, the Group reporting one-off items and restructuring costs, attributable to the divestment of Building Systems of SEK 432 m, of which SEK 380 m was goodwill impairment. Of the total for one-off items and restructuring costs, SEK 418 m was reported as costs in operations held for sale and SEK 14 m in continuing operations. The latter amount was attributable to the revaluation of deferred tax assets for previous carry-forward tax losses in Germany, a revaluation necessitated by the termination of the Group's tax union in Germany due the divestment.

At the end of the fourth quarter, the segment was divested and Building Systems was classified as discontinued operations. Recognised one-off items and restructuring costs attributable to the transaction amounted to SEK 455 m for the year, of which SEK 441 m was reported in costs for discontinued operations and SEK 14 m in continuing operations. Additional one-off items and restructuring costs during the fourth quarter related mainly to confirmed capital gains/losses, certain changed assessments in transaction-related costs and translation/hedging effects attributable to divested operations. In 2021, Building Systems' turnover amounted to SEK 971 m and the business area reported an adjusted operating profit of SEK 31 m. At the time of the divestment Building Systems had 684 employees.

Transferred considerations, goodwill and effect on cash and cash equivalents

Details regarding purchase consideration, goodwill and the impact of acquisitions/divestments on the Group's cash and cash equivalents.

	Acquired businesses				Divested businesses		
	2022				2021	2022	2021
	Felderer AG	R-vent Netherlands B.V.	Other acquisitions	Total			
Consideration transferred at the time of acquisition/divestment	263	404	454	1,121	204	0	316
Contingent future additional purchase consideration	-	-	62	62	12	-	-
Non-contingent future additional purchase consideration	-	-	4	4	-	-	-
Direct costs in connection with acquisitions/divestments ^{1) 2)}	10	6	7	23	4	0	24
Total acquisitions/divestments	273	410	527	1,210	220	0	340
Less direct costs in connection with acquisitions/divestments	-10	-6	-7	-23	-4	0	-24
Total consideration/contingent additional purchase consideration transferred	263	404	520	1,187	216	0	316
Fair value of acquired/divested net assets/liabilities	82	137	205	424	106	3	328
Goodwill/capital gain/loss¹⁾	181	267	315	763	110	-3	-12
Consideration transferred at the time of acquisition/divestment							
Consideration transferred at the time of acquisition/divestment	263	404	454	1,121	204	0	316
Cash and cash equivalents in the acquired/divested subsidiary	-62	-17	-66	-145	-37	-12	-157
Effect of acquisition/divestment on consolidated cash and cash equivalents	201	387	388	976	167	-12	159

1) Direct costs and capital losses are reported in the statement of profit or loss under other operating expenses, while capital gains are reported under other operating income.

2) Of the direct costs of completed acquisitions in 2022, SEK 20 m has been charged to other operating expenses in the current year and the remaining SEK 3 m charged in 2021.

In addition to the aforementioned impact on consolidated cash and cash equivalents in connection with acquisitions/divestments in 2022, Lindab also settled part of the contingent additional purchase considerations from acquisitions implemented during the year and made previously. These settled contingent additional purchase considerations related to the acquisitions of Aer Faber AS (Norway) in 2020, Tecnovent SA (Switzerland) and Profilplåt i Sverige AB (Sweden) in 2021, and Alig Ventilation AB (Sweden) in 2022. The settlements amounted to SEK 7 m (12) and were paid to the former owners. Remaining contingent additional purchase considerations related to acquisitions are estimated at 92 percent (100) of maximum outcome as of December 31, 2022. As a result, the statement of profit or loss was positively impacted during the year by SEK 6 m (2) related to changes in the valuation of outstanding contingent additional purchase considerations. This transaction-related income is recognised as other operating income.

The fair value of acquired assets and liabilities corresponds mainly to book value, with the exception of properties and intangible assets identified in connection with acquisitions, and the net value of the acquired assets is essentially the same as their gross value.

No portion of reported goodwill is deductible for income tax.

Note 5, cont.

Acquired/divested assets and assumed liabilities

Acquired/divested net assets, acquired liabilities and goodwill related to acquisitions/divestments are presented in the table below. Recognised intangible assets, reported for 2022 and 2021, related primarily to customer relations and trademark.

	Acquired businesses				Divested businesses			
	2022				2021	2022		2021
	Felderer AG	R-vent Nether- lands B.V.	Other acqui- sitions	Total				
Intangible assets	24	90	51	165	6	0	36	
Tangible fixed assets	5	14	26	45	33	0	126	
Right-of-use assets	66	176	77	319	21	0	117	
Financial fixed assets	0	-	0	0	-	-	0	
Other non-current receivables	-	-	2	2	-	-	-	
Deferred tax assets	-	2	3	5	0	2	13	
Stock	40	51	117	208	35	0	230	
Accounts receivable and other current assets	26	76	121	223	43	12	177	
Cash and cash equivalents	62	17	66	145	37	12	157	
Total acquired/divested assets	223	426	463	1,112	175	26	856	
Deferred tax liabilities	-7	-23	-13	-43	-8	-2	-10	
Pensions	-	-	-2	-2	-	-	-11	
Non-current lease liabilities	-49	-160	-67	-276	-15	0	-100	
Non-current liabilities	-5	-	-31	-36	-3	-	-19	
Current lease liabilities	-23	-25	-11	-59	-6	0	-24	
Current liabilities	-57	-81	-134	-272	-37	-21	-364	
Total acquired/divested liabilities	-141	-289	-258	-688	-69	-23	-528	
Fair value of acquired/divested net assets	82	137	205	424	106	3	328	
Goodwill	181	267	315	763	110	-	-	
Capital gain/loss	-	-	-	-	-	-3	-12	
Consideration transferred at the time of acquisition/divestment including future contingent/non-contingent additional purchase consideration/purchase consideration	263	404	520	1,187	216	0	316	

Statement of profit or loss, discontinued operations

	2022	2021
Net sales	-	971
Cost of goods sold	-	-746
Gross profit	-	225
Other operating income	-	4
Selling expenses	-	-86
Administrative expenses	-	-85
R&D expenses	-	-12
Other operating expenses	-	-471
Total operating expenses	-	-650
Operating profit¹⁾	-	-425
Net financial items	-	4
Earnings before tax	-	-421
Tax on profit for the year	-	0
Profit/loss for the year²⁾	-	-421
Earnings per share before dilution	-	-5.51
Earnings per share after dilution	-	-5.50

Cash flow, discontinued operations

	2022	2021
Cash flow from operating activities	-	38
Cash flow from investing activities	-	-16
Cash flow from financing activities	-	-24
Cash flow for the year	-	-2

One-off items and restructuring costs, discontinued operations

	2022	2021
Adjusted operating profit	-	31
One-off items and restructuring costs ¹⁾	-	-456
Operating profit	-	-425

1) Operating profit for 2021 was adjusted for one-off items and restructuring costs of SEK -456 m. The value was a consequence of the made decision to divest Building Systems and mainly related to impairment of goodwill, when assessing the value to the lower of carrying amount and fair value less costs to sell.

2) In 2021, profit for the year was impacted by one-off items and restructuring costs of SEK -441 m.

Note 06 Employees and senior executives
Average number of employees

	2022			2021		
	Men	Women	Total	Men	Women	Total
<i>Parent Company, Sweden</i>	-	-	-	-	-	-
<i>Subsidiaries</i>						
Sweden	1,123	277	1,400	1,026	257	1,283
Belgium	22	4	26	22	5	27
Denmark	392	117	509	393	105	498
Estonia	54	15	69	63	11	74
Finland	76	19	95	72	18	90
France	136	41	177	122	36	158
Ireland	75	6	81	67	6	73
Italy	82	50	132	91	43	134
Latvia	10	1	11	11	1	12
Luxembourg	-	-	-	130	19	149
Netherlands	59	12	71	-	-	-
Norway	109	16	125	105	16	121
Poland	221	108	329	252	113	365
Romania	85	13	98	85	13	98
Russia	13	2	15	245	57	302
Switzerland	95	12	107	86	12	98
Slovakia	33	14	47	33	14	47
UK	294	71	365	282	69	351
Czech Republic	560	201	761	770	233	1,003
Germany	176	43	219	120	26	146
Hungary	120	37	157	118	35	153
USA	6	1	7	6	1	7
Subsidiaries, total	3,741	1,060	4,801	4,099	1,090	5,189
<i>Of which, discontinued operations</i>	-	-	-	547	108	655
Group, total	3,741	1,060	4,801	4,099	1,090	5,189

Gender balance, senior executives

	Dec. 31, 2022			Dec. 31, 2021		
	Men	Women	Total	Men	Women	Total
<i>Parent Company, Sweden</i>						
Board of Directors, elected by the Annual General Meeting	4	3	7	4	3	7
Board of Directors, employee representatives	2	-	2	2	-	2
<i>Group</i>						
CEO/Executive Management	7	1	8 ¹⁾	8	1	9 ²⁾

1) Olof Christensson was a member of the Executive Management until September 2022.

2) Madeleine Hjelmsberg and Stefaan Sonjeau were members of the Executive Management until September 2021. Jonas Arkestad has been a member of the Executive Management since September 2021.

Personnel costs

	2022			2021		
	Board of Directors/ CEO and Executive Management	Other employees	Total salaries and remuneration	Board of Directors/ CEO and Executive Management	Other employees	Total salaries and remuneration
Salaries and remuneration						
Parent Company, Sweden	4.5	-	4.5	3.8	-	3.8
Subsidiaries, total	80.0	1,952.5	2,032.5	77.8	1,875.0	1,952.9
Group, total	84.5	1,952.5	2,037.0	81.6	1,875.0	1,956.6
Payroll overheads						
Parent Company, Sweden	1.5	-	1.5	1.2	-	1.2
<i>of which, pensions</i>	0.0	-	0.0	0.0	-	0.0
Group, total	29.8	550.5	580.3	27.3	517.7	545.0
<i>of which, pensions</i>	10.0	139.1	149.1	7.2	117.8	125.0
Total personnel costs	115.8	2,503.0	2,618.8	110.1	2,392.7	2,502.8¹⁾

1) For total personnel costs for discontinued operations see Note 10.

Note 6, cont.

Of the total pension provisions of SEK 217 m (270) in the statement of financial position, SEK 18 m (24) comprises pension obligations relating to former CEOs. The obligations are invested in endowment insurance funds. The value of these amounts to SEK 18 m (24).

In 2022, total remuneration paid to Board members amounted to SEK 4,549 k (3,807), according to the table below.

At the Annual General Meeting on May 12, 2022, it was resolved that fees totaling SEK 4,293 k should be paid to the Board members, of this SEK 1,240 k to the Chairman of the Board, SEK 500 k to each of the elected Board members and SEK 26 k each to the employee representatives. Remuneration to Board members serving on the Audit Committee is to be paid in the amount of SEK 200 k to the Chairman and SEK 100 k to each of the Audit Committee's ordinary members. Remuneration to Board members serving on the Remuneration Committee is to be paid in the amount of SEK 110 k to the Chairman and SEK 55 k to each of the Remuneration Committee's ordinary members. The total fees payable to the members of the Audit and Remuneration Committees are not to exceed SEK 565 k. In total, remuneration of SEK 4,858 k can be paid to the Board and committee members in accordance with the resolution of the 2022 Annual General Meeting.

Board fees including committee fees

SEK k	2022	2021
Peter Nilsson	1,266.7	1,039.7
Per Bertland	521.7	444.1
Sonat Burman-Olsson	468.3	400.4
Viveka Ekberg	651.7	535.4
Anette Frumerie	560.0	467.4
Marcus Hedblom	560.0	467.4
Staffan Pehrson	468.3	400.4
Pontus Andersson	26.3	26.3
Ulf Jönsson (elected 2022)	17.5	-
Anders Lundberg (resigned in 2022)	8.8	26.3
Total	4,549.3	3,807.4

No Board members or deputies are entitled to any benefits on termination of the Board assignment.

Remuneration to Executive Management and other terms of employment

2022 SEK	Ola Ringdahl ¹⁾	Remuneration other Executive Management ¹⁾	Total
Fixed salary incl. holiday pay	6,597,411	15,333,267	21,930,678
Variable salary	5,922,817	7,753,419	13,676,236
Pensions	1,944,787	3,458,045	5,402,832
Benefits	145,473	423,587	569,060
Total	14,610,488	26,968,318	41,578,806

2021 SEK	Ola Ringdahl ¹⁾	Remuneration other Executive Management ¹⁾	Total
Fixed salary incl. holiday pay	6,258,939	17,500,527	23,759,466
Variable salary	7,640,542	10,950,889	18,591,431
Pensions	1,808,039	2,524,223	4,332,262
Benefits	128,208	909,978	1,038,186
Total	15,835,728	31,885,617	47,721,345

¹⁾ The remuneration excludes social charges and special payroll tax. Remuneration of other Executive Management relates to 8 (9) individuals.

Fixed and variable salary

Remuneration to Executive Management is based on a combination of fixed and variable salary. The variable remuneration comprises short-term and long-term cash remuneration programs based on the results achieved.

The maximum short-term variable salary amounts to 40 percent of the employee's fixed salary, with the exception of the company's President and CEO who is entitled to a maximum short-term variable salary amounting to 60 percent of annual fixed salary. The long-term variable cash remuneration amounts to a

maximum of 40 percent of the employee's fixed salary, with the exception of the company's President and CEO who is entitled to a maximum long-term variable remuneration amounting to 70 percent of annual fixed salary. Ola Ringdahl's fixed salary for 2022 amounted to SEK 6,597,411. He is entitled to pension premiums corresponding to 30 percent of his fixed remuneration. In addition, Ola Ringdahl is entitled to a company car and certain other benefits.

The remunerations paid to the President and CEO and other members of Executive Management in 2022 are presented in the table on this page.

Termination rules

Ola Ringdahl is subject to a 12-month notice period on dismissal by the company and of six months on resignation. During the notice period, Ola Ringdahl is entitled to unchanged salary and employment benefits, with the exception of variable remuneration. Ola Ringdahl is bound by a non-competition clause for a period of two years from the point at which his employment ceases, during which time he is entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Ola Ringdahl.

The notice period for other senior executives is 12 months on dismissal by the company, and six months on resignation by the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. Other senior executives are bound by non-competition clauses for one year from the cessation of employment, during which they are entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Pensions

The retirement age for all senior executives is 65 years.

The company has undertaken to pay pension contributions for Ola Ringdahl corresponding to 30 percent of his annual gross salary. During 2022, the costs for these pension contributions amounted to SEK 1,945 k (1,808).

Other senior executives have pension benefits. The pension has to comply with current agreements, be defined-contribution plans in nature and based on the same principles as the fixed salary. The total pension premiums for these individuals amounted to SEK 3,458 k (2,524).

Bonus programs

In addition to variable salary for the Executive Management, there are bonus programs for other senior executives. Bonus programs are based on performance-oriented targets. Bonus amounts to 10-40 percent of annual salary, depending on position held.

Profit-sharing plan

In accordance with agreements, since 1980 the company has made annual provisions to a profit-sharing foundation for permanent employees in certain Swedish companies. This provision is based on the earnings of the Swedish Group companies. Since 2019, the terms of the provision have been altered to some extent to more clearly reflect how Lindab meets the Group's financial targets with an operating margin equivalent to 10 percent. The maximum amount of the provision is adjusted annually applying the consumer prices index (CPI). The year's provision for the profit-sharing plan amounted to SEK 8,562 k (7,268) including special payroll tax. The profit-sharing foundation's shareholding comprises shares in Lindab. At the end of 2022, the profit sharing foundation held 463,400 Lindab shares (476,000). In addition to the Swedish profit sharing scheme, there is also a small profit sharing scheme in Lindab's French companies.

Incentive programs

Principles for guidelines for remuneration of senior executives were adopted at the Annual General Meeting in 2021. These guidelines are to be submitted for approval at the Annual General Meeting at least every four years. According to adopted guidelines, the remuneration program for senior executives is, among other things, to include a variable cash pay element. This variable element is to be based on measurable criteria, which reflect predetermined financial and qualitative targets for Lindab. Based on a previous resolution at the Annual General Meeting, a long-term incentive program was implemented in 2022. The program has a three-year measuring period and any outcome in terms of long-term variable cash pay is presumed to be invested in shares or share related instruments in

Note 6, cont.

Lindab on market terms. The total cost in the event of a maximum outcome for the three-year measuring period of 2022 to 2024 is estimated at SEK 14 m. The long-term incentive programs from 2020 and 2021 are essentially the same as the 2022 program, and the measurement periods of these programs are 2020 to 2022 and 2021 to 2023 respectively.

Share option program

The 2022 Annual General Meeting resolved on a share option program for senior executives in the Lindab Group through a private placement of at most 275,000 share options. The program essentially follows the same design and purpose as previously implemented share option programs. Under this program, 238,050 share options were acquired by senior executives in Lindab in accordance with a market valuation based on established agreements. Each share option entitles the holder to acquire one share in Lindab at an exercise price of SEK 219.90. Acquisitions of shares supported by share options may take place after Lindab has published the half-year interim report for the year 2025 and up until August 31 of the same year. At the Annual General Meetings held in 2019, 2020 respectively 2021, there were also resolutions to implement share option programs for senior executives. During the third quarter of 2022, all 175,000 held options from the 2019 share option program were exercised to subscribe for shares under the terms of the program. This resulted in 175,000 treasury shares in Lindab International AB being exchanged upon exercise of options. Options were exercised at an exercise price of SEK 120.00 per share. At the end of 2022, there were 210,000 remaining share options with an exercise price of SEK 101.90 from the 2020 share option program, exercisable during summer 2023. From the 2021 share option program there were 183,950 remaining share options with an exercise price of SEK 222.00 exercisable during summer 2024.

When exercising a share option, Lindab can utilise treasury shares in the divestment of shares to the holder of a share option.

Guidelines for remuneration to senior executives

Principles on guidelines for remuneration to senior executives were last adopted at the 2021 Annual General Meeting, principles which are to be presented for adoption by the Annual General Meeting at least every four years. According to these principles, the following are to apply to the remuneration of senior executives:

- The total remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefit and other benefits.
- The remuneration is to be competitive.
- Variable cash remuneration covered by the guidelines is to be aimed at promoting the company's business strategy and long-term interests.
- Variable cash remuneration is to be linked to predetermined and measurable criteria that may be financial or non-financial, but clearly linked to the company's predefined financial or qualitative objectives. They can further consist of individualised quantitative or qualitative targets. The criteria for payment of variable cash remuneration will be measurable over a performance period of one or more years.
- Total variable cash remuneration may amount to at most 130 percent for the President and CEO and 100 percent for other senior executives during the measurement period for such criteria.
- For all members of the company's management (who are not covered by the collectively agreed pension benefit, ITP plan), the pension premium on fixed cash salary is not to exceed 30 percent.
- In specific cases, the Board of Directors may deviate from the guidelines. The Board of Directors did not exercise this mandate in 2022.
- In addition to what is stipulated in the guidelines, the Annual General Meeting may resolve, for example, on share or share price related remuneration.

Regarding guidelines for senior executives for the period following the next Annual General Meeting, please see the Board of Directors' forthcoming proposal to the 2023 Annual General Meeting.

Note 07 Segment reporting

	Ventilation Systems		Profile Systems		Other		Total		Eliminations		Total continuing operations	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales, external	8,444	6,391	3,922	3,257	-	-	12,366	9,648	-	-	12,366	9,648
Net sales, internal between segments	4	6	42	30	-	-	46	36	-46	-36	-	-
Net sales, total	8,448	6,397	3,964	3,287	-	-	12,412	9,684	-46	-36	12,366	9,648
Adjusted operating profit before amortisation/depreciation and impairment losses	1,246	1,118	626	589	-44	-47	1,828	1,660	-	-	1,828	1,660
Amortisation/depreciation and impairment losses	-365	-296	-100	-84	-16	-14	-481	-394	-	-	-481	-394
Adjusted operating profit	881	822	526	505	-60	-61	1,347	1,266	-	-	1,347	1,266
One-off items and restructuring costs	-22 ¹⁾	-	-	-	-	-	-22 ¹⁾	-	-	-	-22 ¹⁾	-
Operating profit	859	822	526	505	-60	-61	1,325	1,266	-	-	1,325	1,266
Net financial items											-87	-43
Earnings before tax											1,238	1,223
Tax on profit for the year											-264	-265
Profit for the year											974	958
Fixed assets, excluding financial assets	5,507	4,067	1,733	1,420	179	176	7,419	5,663	-	-	7,419	5,663
Stock	1,669	1,332	1,083	758	-	-	2,752	2,090	-	-	2,752	2,090
Other assets	1,545	1,179	642	675	444	560	2,631	2,414	-429	-547	2,202	1,867
Unallocated assets											584	685
Total assets											12,957	10,305
Shareholders' equity											6,751	5,650
Other liabilities	2,724	2,377	950	1,065	94	102	3,768	3,544	-429	-547	3,339	2,997
Unallocated liabilities											2,867	1,658
Total shareholders' equity and liabilities											12,957	10,305
Gross investments in fixed assets	217	238	118	131	24	14	359	383	-	-	359	383 ²⁾

1) Includes impairment losses of SEK 2 m. See also Note 9.

2) Gross investments in discontinued operations amounted to SEK 12 m in 2021.

*Note 7, cont.***Segment information**

The Group's segments comprise: Ventilation Systems and Profile Systems. In December 2021, Lindab divested the segment Building Systems to an external party, see Note 5. As Building Systems was classified as discontinued operations at the end of 2021, the segment information provided here relates only to the continuing operations, i.e. Ventilation Systems and Profile Systems.

The division into segments is based on the various customer offers provided by each business area. The customer offers within each segment are as follows:

- Ventilation Systems offers air duct systems with accessories and indoor climate solutions for ventilation, cooling and heating to installers and other customers in the ventilation industry.
- Profile Systems offers the construction industry products and systems in sheet metal for rainwater systems, roof and wall products as well as steel profiles for wall, roof and beam constructions.

Both Ventilation Systems' and Profile Systems' operations are managed based on geographically divided sales organisations, which are supported by a number of product and system areas with joint production and purchasing functions for each business area. "Other" refers to unallocated items and includes, for example, Parent Company functions. The financial targets, on the basis of which Lindab's operations are managed, relate to growth, profitability, debt ratio and Dividend Policy, see page 78.

The segments are responsible for the management of the operating assets, and the profits from these are calculated at this level, while the Treasury function is responsible for financing at the Group and country level. Accordingly, unallocated assets mainly comprise pension assets, as well as current and deferred tax assets. Unallocated liabilities mainly comprise net borrowing, pension provisions and current and deferred tax liabilities.

The purchasing and processing of steel mainly occurs centrally. Profit or loss items from the internal sales by these operations are attributed to the segments in the consolidation process.

Information on income from external customers and adjusted operating profit per operating segment is presented in the tables on page 84. Inter-segment transfer pricing in the Group is determined on an arm's-length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported where the asset exists.

Geographical information*Net sales from external customers (based on domicile)*

Reported below are external net sales in Lindab's largest markets based on the customer's domicile. The presentation is based on continuing operations. Lindab's largest customer accounts for 1.8 percent (1.9) of consolidated net sales, meaning that Lindab's dependence on individual customers is limited.

Country	2022	Percent	Country	2021	Percent
Sweden	3,684	30	Sweden	3,058	32
Denmark	1,325	11	Denmark	1,054	11
Germany	1,045	8	UK	775	8
Norway	1,020	8	Norway	724	7
UK	911	7	France	523	5
France	690	6	Germany	475	5
Finland	459	4	Finland	384	4
Others	3,232	26	Others	2,655	28
Total, continuing operations	12,366	100	Total, continuing operations	9,648	100
			Building Systems, discontinued operations	971	-
			Total, total operations	10,619	-

Non-current assets by country

Non-current assets refer to intangible assets and tangible fixed assets, as well as right-of-use assets and are allocated by individually significant countries with regard to production capacity.

Country	2022	Percent	Country	2021	Percent
Sweden	958	28	Sweden	875	33
Czech Republic	459	13	Czech Republic	422	16
Netherlands	303	9	Denmark	230	9
Denmark	298	9	UK	179	7
France	292	8	France	169	6
UK	176	5	Poland	124	5
Germany	169	5	Switzerland	114	4
Poland	136	4	Ireland	97	3
Others	661	19	Others	439	17
Total	3,452	100	Total	2,649	100
Goodwill	3,967	-	Goodwill	3,014	-
Total	7,419	-	Total	5,663	-

Note 08 Revenue recognition

Lindab's operations are focused on developing, manufacturing, marketing and selling products within the principal category of Construction. The product portfolio comprises both individual items and entire systems for ventilation, cooling and heating, as well as building products and building solutions, such as steel rainwater systems, cladding products for roofs and walls, steel profiles for wall, roof and beam structures and large span buildings. Until the end of 2021, when Building Systems was divested, complete, prefabricated steel building systems were also included under the Astron brand. Sales of these steel building systems sometimes included an element of installation, although this was a non-essential part of the Group's sales, with installation services only being sold on request in connection with a material product.

Based on the nature of the products in Lindab's product portfolio and the products offered to the market, a contractual performance obligation towards the customer is mainly considered to result in revenue being recognised at a certain point in time. This usually occurs in connection with the physical delivery to the counterparty, which is when, in reality, the customer obtains control of the product. In sales of larger, complete steel building systems, which may include partial deliveries, revenue is recognised, to all intents and purposes, when the physical delivery take place and in accordance with what is regulated in the contract.

Based on the current focus and product portfolio of the operations, Lindab's assessment is that revenues are essentially reported at a certain point in time. Accordingly, the revenue recognised reflects the value of the net compensation to which Lindab is expected to be entitled on fulfilment of a contractual performance obligation. This means that any volume discount and/or expected utilisation of any future cash discount reduces, in accounting terms, the gross sales price at the time at which the revenue is recognised. Revenue reductions and provisions for future volume-related discounts are based on both experience and expected outcomes based on current agreements and indicative forward-looking purchasing trends among individual customers. The same criteria form the basis for the assessment and recognition of any cash discounts applied, although then reflecting anticipated future payment patterns. The presence of volume and cash discounts vary between the different geographical markets, as well as between customer categories and products.

Taking into account that Lindab essentially recognises revenue at a certain point in time, i.e. mainly in connection with the physical delivery to the counterparty, accrued income as of the balance sheet date is of minor value. Recognised net sales are reduced by volume/cash discounts for which provisions amounting to SEK -280 m (-231) had been made as per the balance sheet date, see Note 30. These comprise contractual liabilities, which are usually settled within a year.

Note 8, cont.

No disclosures are made regarding unfulfilled or partially unfulfilled performance obligations as these are included in agreements that are valid for less than a 12 month period and amount to a minor value.

The Group's revenue is recognised and assessed, primarily based on the segments' respective geographical markets. Ventilation Systems' revenue derives mainly from sales of ventilation-related products and indoor climate solutions, and Profile

Systems' revenue derives mainly from sales of various construction products and building systems in sheet metal, as well as different steel profiles. Building Systems' revenue was generated mainly through sales of steel construction systems. The Building Systems segment was divested at the end of December 2021.

Inter-company transactions between the segments are minor, see Note 7.

Net sales per segment and region

	Nordic region	Western Europe	Central Europe	Other markets	Total
2022					
Ventilation Systems	3,362	4,032	886	164	8,444
Profile Systems	3,148	176	585	13	3,922
Total	6,510	4,208	1,471	177	12,366
2021					
Ventilation Systems	2,818	2,681	752	140	6,391
Profile Systems	2,478	161	599	19	3,257
Total, continuing operations	5,296	2,842	1,351	159	9,648
Building Systems, discontinued operations	4	422	535	10	971
Total, total operations	5,300	3,264	1,886	169	10,619

Note 09 Amortisation/depreciation and impairment losses by type of asset and function

	Note	Continuing operations		Discontinued operations		Total operations	
		2022	2021	2022	2021	2022	2021
Amortisation/depreciation							
Capitalised expenditure for development work	18	3	5	-	-	3	5
Patents and similar rights	18	1	4	-	-	1	4
IT and other intangible assets	18	30	17	-	2	30	19
Trademarks	18	6	4	-	-	6	4
Buildings and land	19	46	37	-	2	46	39
Rights-of-use buildings and land	20	204	167	-	14	204	181
Machinery and other technical facilities	19	101	82	-	7	101	89
Equipment, tools and installations	19	35	27	-	1	35	28
Other rights-of-use of tangible fixed assets	20	55	48	-	4	55	52
Total		481	391	-	30	481	421
Impairment losses							
Goodwill	18	-	-	-	380	-	380
Buildings and land	19	0	0	-	-	0	0
Machinery and other technical facilities	19	2	3	-	-	2	3
Equipment, tools and installations	19	0	-	-	-	0	-
Total		2	3	-	380	2	383
Total amortisation/depreciation and impairment losses by type of asset		483	394	-	410	483	804
Total amortisation/depreciation distributed function							
Cost of goods sold		222	182	-	22	222	204
Selling expenses		217	170	-	5	217	175
Administrative expenses		39	35	-	3	39	38
R&D expenses		3	4	-	0	3	4
Total		481	391	-	30	481	421
Total impairment losses distributed by function							
Cost of goods sold		-	3	-	-	-	3
Other operating expenses		2 ¹⁾	-	-	380 ²⁾	2 ¹⁾	380 ²⁾
Total		2	3	-	380	2	383
Total amortisation/depreciation and impairment losses distributed by function		483	394	-	410	483	804

1) Of which, SEK 2 m is recognised as one-off items and restructuring costs.

2) Of which, SEK 380 m is recognised as one-off items and restructuring costs.

Note 10 Costs distributed by cost items

Note	Continuing operations		Discontinued operations		Total operations		Parent Company		
	2022	2021	2022	2021	2022	2021	2022	2021	
Cost of direct materials	6,217	4,398	-	518	6,217	4,916	-	-	
Other external expenses	1,581	1,253	-	118	1,581	1,371	3	3	
Personnel costs	2,687	2,334	-	263	2,687	2,597	6	5	
Amortisation/depreciation and impairment losses	9, 18, 19, 20	481	394	-	30 ²⁾	481	424 ²⁾	-	-
Other operating expenses	13	188 ¹⁾	76	-	471 ²⁾	188 ¹⁾	547 ²⁾	-	-
Profit or loss from participations in associated companies	21	2	0	-	-	2	0	-	-
Total		11,156	8,455	-	1,400	11,156	9,855	9	8

1) Other operating expenses include one-off items and restructuring costs of SEK -22 m.

2) Other operating expenses include one-off items and restructuring costs of SEK -456 m, of which SEK -380 m relates to goodwill impairment.

In the consolidated statement of profit or loss, costs are classified by function. Cost of goods sold, selling expenses, administrative expenses, research and development expenses, other operating expenses and profit or loss from participations in associated companies for continuing operations amounted to SEK 11,156 m (8,455). An alternative breakdown of these costs into key cost

categories is shown above. Personnel costs for continuing operations include payroll costs of SEK 2,619 m (2,240) and temporary personnel at SEK 68 m (94). Other external expenses relate mainly to production, sales and administration costs.

Note 11 Auditors' fees and expenses**Remuneration of the Auditors**

An audit includes an examination of the annual accounts, the accounting policies applied and significant estimates that were made by the management. This also

includes a review in order to determine whether the Board of Directors and CEO may be discharged from liability.

	Continuing operations		Discontinued operations		Total operations		Parent Company	
	2022	2021	2022	2021	2022	2021	2022	2021
Deloitte								
Audit assignments	8.1	7.0	-	1.1	8.1	8.1	0.5	0.5
Other audit engagements separate from audit assignments	0.3	0.0	-	-	0.3	0.0	-	-
Tax advice	0.1	0.1	-	-	0.1	0.1	-	-
Other assignments	0.2	0.2	-	-	0.2	0.2	-	-
<i>Total, Deloitte</i>	<i>8.7</i>	<i>7.3</i>	<i>-</i>	<i>1.1</i>	<i>8.7</i>	<i>8.4</i>	<i>0.5</i>	<i>0.5</i>
Other								
Audit assignments	2.7	1.6	-	0.5	2.7	2.1	-	-
Tax advice	0.6	0.6	-	-	0.6	0.6	-	-
Other assignments	0.2	0.3	-	0.1	0.2	0.4	-	-
<i>Total, other</i>	<i>3.5</i>	<i>2.5</i>	<i>-</i>	<i>0.6</i>	<i>3.5</i>	<i>3.1</i>	<i>-</i>	<i>-</i>
Total	12.2	9.8	-	1.7	12.2	11.5	0.5	0.5

Note 12 Research and development

Research and development expenses for continuing operations amounted to SEK 61 m (53) and are expensed directly in the consolidated statement of profit or loss, of which SEK 3 m (5) relates to the amortisation of capitalised development expenditure.

Research and development expenses related to discontinued operations amounted to SEK 12 m in 2021.

For capitalised development expenditure, see Note 18.

Note 13 Other operating income and expenses

	Continuing operations		Discontinued operations		Total operations		Parent Company	
	2022	2021	2022	2021	2022	2021	2022	2021
Income								
Translation differences on operating receivables/ liabilities	84	42	-	1	84	43	-	-
Capital gains on disposal of fixed assets	6	4	-	-	6	4	-	-
Other	25	27	-	3	25	30	-	-
Total	115	73	-	4	115	77	-	-
Expenses								
Translation differences on operating liabilities/ receivables	-122	-49	-	-1	-122	-50	-	-
Capital losses on disposal of fixed assets	-1	-1	-	0	-1	-1	-	-
Other ^{1) 2)}	-65	-26	-	-470	-65	-496	0	-
Total	-188	-76	-	-471	-188	-547	0	-

1) In 2022, Other includes one-off items and restructuring costs of SEK -22 m, related to the decision to close and later divest the operation in Russia. This item also includes acquisition-related costs for acquisitions completed during the year of SEK 23 m, see Note 5.

2) In 2021, Other includes one-off items and restructuring costs equivalent to SEK -456 m related to the divestment of Building Systems, of which SEK -380 m relates to goodwill impairment. Recognised non-recurring items and restructuring costs for the year 2021 are classified as discontinued operations. This item also includes acquisition-related costs for acquisitions completed during the year of SEK 4 m, see Note 5.

Note 14 Government grants

	Continuing operations		Discontinued operations		Total operations	
	2022	2021	2022	2021	2022	2021
Government grants and cost reductions						
Government grants affecting profit for the year	3	5	-	3	3	8
Government cost reductions affecting profit for the year	0	3	-	-	0	3
Government investment grant, offset against fixed assets	0	-	-	-	0	-
Total	3	8	-	3	3	11

In 2022, government grants and cost reductions received were mainly related to energy subsidies in the Czech Republic. For 2021, the grants were primarily related to Covid-19 measures and were mainly received by the operations in Ireland, Luxembourg and Sweden.

Government grants compensating for specific costs are recognised as cost reductions in the statement of profit or loss and thus classified within the same category as the underlying cost. Government grants representing contributions of a more general nature are recognised under other operating income.

Note 15 Financial income and expenses

	Note	Continuing operations		Discontinued operations		Total operations		Parent Company	
		2022	2021	2022	2021	2022	2021	2022	2021
Profit or loss from participations in Group companies									
Group contributions received		-	-	-	-	-	-	55	25
Dividends received		-	-	-	-	-	-	7	-
Total		-	-	-	-	-	-	62	25
Financial income									
Contractual interest on financial assets		5	3	-	8	5	11	-	-
of which, financial assets valued at amortised cost		2	3	-	0	2	3	-	-
Total financial income		5	3	-	8	5	11	-	-
Financial expenses									
Contractual interest on financial liabilities		-54	-15	-	-1	-54	-16	-	-
of which, financial liabilities valued at amortised cost		-37	-2	-	0	-37	-2	-	-
Interest expenses on pensions, net	27	-4	-3	-	0	-4	-3	-	-
Interest expenses on lease liabilities	31	-24	-21	-	-3	-24	-24	-	-
To Group companies		-	-	-	-	-	-	-15	-5
Other financial expenses		-3	-3	-	0	-3	-3	-	-
Total financial expenses		-85	-42	-	-4	-85	-46	-15	-5
Currency effects gains/losses, net		-7	-4	-	0	-7	-4	-	-
Total financial income and expenses		-87	-43	-	4	-87	-39	47	20

Note 16 Tax on profit for the year

Income tax in the consolidated statement of profit or loss and in the consolidated statement of comprehensive income mainly comprises the following components.

	Continuing operations		Discontinued operations		Total operations		Parent Company	
	2022	2021	2022	2021	2022	2021	2022	2021
Statement of profit or loss								
<i>Current tax</i>								
Tax on profit for the year	-237	-269	-	3	-237	-266	-8	-3
Adjustments regarding previous years	5	0	-	0	5	0	0	0
Total current tax	-232	-269	-	3	-232	-266	-8	-3
<i>Deferred tax</i>								
Occurrence and reversal of temporary differences	-32	4	-	-3	-32	1	0	0
Effect of changed tax rates abroad	0	0	-	-	0	0	-	-
Total deferred tax	-32	4	-	-3	-32	1	0	0
Total recognised tax expense in the consolidated statement of profit or loss	-264	-265	-	0	-264	-265	-8	-3
Other comprehensive income								
Deferred tax attributable to defined benefit pension plans ¹⁾					-16	0	-	-
Current tax attributable to hedges of net investments ¹⁾					15	-8	-	-
Total recognised tax expense in other comprehensive income					-1	-8	-	-

1) Tax reported under other comprehensive income is not presented for continuing respectively discontinued operations, and only reflects how these items are presented in the consolidated statement of comprehensive income.

The tax expense for the Group's operations for the year amounted to SEK 264 m (265). The effective tax rate for the Group's total operations amounted to 21 percent (22) and for the continuing operations, the corresponding tax rate was 21 percent (22).

The average tax rate for the Group's total operations was 21 percent (19) and for the continuing operations, the corresponding tax rate was 21 percent (20). The average tax rate has been calculated by weighting the subsidiaries' earnings before tax against the local tax rate for each country.

For 2022, the effective tax rate and the average tax rate were in line, while the difference in the previous year was 3 percentage points for total operations and 2 percentage points for continuing operations. In 2021, the difference was mainly

explained by Lindab having divested Building Systems, resulting in termination of the Group's tax union in Germany. Lindab revaluated deferred tax assets related to previously recognised carry-forward tax losses in Germany, which had a negative effect on the effective tax rate in the period. The explanation for lower effective tax rate for 2022 compared to the previous year is mainly the same.

The tax rate in Sweden is 20.6 percent (20.6). The main reasons for the difference between the Swedish corporate tax rate and the Lindab Group's tax rate based on the earnings before tax are shown in the following table.

Note 16, cont.

	Continuing operations		Discontinued operations		Total operations	
	2022	Percent	2022	Percent	2022	Percent
Earnings before tax	1,238		-		1,238	
Tax at current tax rate for Parent Company	-255	-20.6	-	-	-255	-20.6
Reconciliation with recognised tax						
Effect of other tax rates for companies abroad	0	0.0	-	-	0	0.0
Unrecognised tax losses, incurred during the year	-4	-0.3	-	-	-4	-0.3
Tax attributable to previous years	5	0.4	-	-	5	0.4
Non-deductible expenses	-17	-1.4	-	-	-17	-1.4
Non-taxable income	6	0.5	-	-	6	0.5
Effect of changed tax rates on deferred tax	0	0.0	-	-	0	0.0
Reassessment of deferred tax attributable to carry-forward tax losses ¹⁾	0	0.0	-	-	0	0.0
Reassessment of other deferred tax assets	1	0.1	-	-	1	0.1
Other	0	0.0	-	-	0	0.0
Recognised tax expense	-264	-21.3	-	-	-264	-21.3

	Continuing operations		Discontinued operations		Total operations	
	2021	Percent	2021	Percent	2021	Percent
Earnings before tax	1,223		-421		802	
Reversal of goodwill impairment	-		380		380	
Profit before tax, excluding goodwill impairment	1,223		-41		1,182	
Tax at current tax rate for Parent Company	-251	-20.6	8	-20.6	-243	-20.6
Reconciliation with recognised tax						
Effect of other tax rates for companies abroad	11	0.9	4	9.8	15	1.3
Unrecognised tax losses, incurred during the year	-	-	-11	-28.0	-11	-0.9
Tax attributable to previous years	0	0.0	0	0.0	0	0.0
Non-deductible expenses	-11	-0.9	-3	-7.3	-14	-1.2
Non-taxable income	1	0.1	0	0.0	1	0.1
Effect of changed tax rates on deferred tax	0	0.0	-	-	0	0.0
Reassessment of deferred tax attributable to carry-forward tax losses ¹⁾	-11	-0.9	3	7.3	-8	-0.7
Reassessment of other deferred tax assets	1	0.1	-1	-2.4	0	0.0
Other	-5	-0.4	0	0.0	-5	-0.4
Recognised tax expense	-265	-21.7	0	0.0	-265	-22.4

1) Reassessment of deferred tax attributable to carry-forward tax losses related mainly to Germany. In 2021, continuing operations were affected by a negative reassessment effect related to deferred tax assets attributable to previously capitalised carry-forward tax losses. This was a consequence of the Group's decision to divest Building Systems, which entails the termination of the internal tax union in Germany. The negative revaluation effect amounted to SEK 14 m.

Deferred tax assets and liabilities at year-end, not taking into consideration any offsets made within the same fiscal jurisdiction, are detailed below.

	Deferred tax assets		Deferred tax liabilities		Net	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Intangible assets	2	2	-61	-19	-59	-17
Tangible fixed assets	4	3	-71	-60	-67	-57
Financial fixed assets	-	-	-	-	-	-
Stock	12	32	0	0	12	32
Receivables	2	3	-1	0	1	3
Provisions	21	45	0	-	21	45
Liabilities	0	0	0	-	0	0
Leases	11	7	0	0	11	7
Other	2	1	-20	-18	-18	-17
Carry-forward tax losses	11	16	-	-	11	16
Tax allocation reserves	-	-	-26	-37	-26	-37
Total	65	109	-179	-134	-114	-25
Offsetting of receivables/liabilities	-29	-27	29	27	-	-
According to consolidated statement of financial position	36	82	-150	-107	-114	-25

Note 16, cont.

Reconciliation of deferred tax liabilities/assets, net

	Note	2022	2021
Opening balance		-25	-16
Reported in the consolidated statement of profit or loss		-32	1
Acquisitions of subsidiaries	5	-38	-8
Divestments of subsidiaries	5	0	-
Discontinued operations	5	-	-3
<i>Reported in other comprehensive income and shareholders' equity:</i>			
- adjustment of defined-benefit pension plans		-16	0
Translation differences		-3	1
Closing balance		-114	-25

Expiry dates for unused carry-forward tax losses

	Dec. 31, 2022	Dec. 31, 2021
Within 1 year	1	2
In 2-4 years	1	1
In 5-6 years	-	0
After 6 years	253	230
- of which without maturity	253	230
Total	255	233

Deferred tax assets for carry-forward tax losses are recognised to the extent that it is probable that they can be utilised to lower future taxable gains.

At the end of the year, the Group had carry-forward tax losses of approximately SEK 289 m (286), of which SEK 34 m (53) formed the basis for the recognised deferred tax asset of SEK 11 m (16).

The remaining non-capitalised carry-forward tax losses of SEK 255 m (233) could result in a deferred tax asset of SEK 80 m (68). These have, however, not been taken into consideration as it is not considered possible to determine whether Lindab will be able to use them within the foreseeable future, or it is considered unlikely that Lindab will be able to utilise them.

Note 17 Earnings per share

	Continuing operations		Discontinued operations		Total operations	
	2022	2021	2022	2021	2022	2021
Before and after dilution						
Profit attributable to Parent Company shareholders, SEK m	974	958	-	-421	974	537
Weighted average number of ordinary shares outstanding, number	76,551,565	76,395,732	-	76,395,732	76,551,565	76,395,732
Earnings per share before dilution (SEK per share)	12.73	12.53	-	-5.51	12.73	7.02
Earnings per share after dilution (SEK per share)	12.70	12.50	-	-5.50	12.70	7.00

Earnings per share before dilution

Earnings per share before dilution are calculated by dividing the profit attributable to the Parent Company's shareholders by a weighted average number of ordinary shares outstanding during the period, excluding repurchased shares held as treasury shares by the Parent Company.

In 2022, the number of shares outstanding increased by 175,000, as a result of Lindab International AB selling 175,000 treasury shares to the option holders in the 2019 share option program. In 2021, the number of shares outstanding increased by 110,000 due to a warrants program from 2018 expiring during the year, and 110,000 shares being issued in connection with this. See Notes 6 and 26.

Earnings per share after dilution

Earnings per share after dilution are calculated by dividing the profit attributable to the Parent Company's shareholders by a weighted average number of ordinary shares outstanding, including the ordinary shares expected to be issued. These are calculated on the basis of the average share price of the ordinary shares during the period.

Note	18	Intangible assets
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January 1 – December 31, 2022		Capitalised expenditure for develop- ment work	Patents and similar rights	IT and other intangible assets	Trademarks	Goodwill	Total
Accumulated acquisition values							
Opening balance		60	100	238	81	3,014	3,493
Items related to acquisitions of subsidiaries	5	-	-	207	11	763	981
Items related to divestments of subsidiaries	5	-	-	0	-	0	0
Acquisitions		3	0	37	-	-	40
Disposals		-	-	-16	-	-	-16
Reclassifications		0	0	-27	-	-	-27
Translation differences for the year		6	3	32	1	190	232
Closing balance		69	103	471	93	3,967	4,703
Accumulated amortisation according to plan							
Opening balance		-43	-98	-167	-56	-	-364
Amortisation for the year		-3	-1	-30	-6	-	-40
Items related to acquisitions of subsidiaries	5	-	-	-53	-	-	-53
Items related to divestments of subsidiaries	5	-	-	0	-	-	0
Disposals		-	-	16	-	-	16
Reclassifications		0	-	27	-	-	27
Translation differences for the year		-4	-2	-19	0	-	-25
Closing balance		-50	-101	-226	-62	-	-439
Accumulated impairment losses							
Opening balance		-3	0	-9	-2	0	-14
Impairment losses for the year		-	-	-	-	-	-
Translation differences for the year		0	0	-1	0	-	-1
Closing balance		-3	0	-10	-2	0	-15
Net residual value, opening balance		14	2	62	23	3,014	3,115
Net residual value, closing balance		16	2	235	29	3,967	4,249
January 1 – December 31, 2021							
Accumulated acquisition values							
Opening balance		57	98	331	77	3,239	3,802
Items related to acquisitions of subsidiaries	5	1	1	2	3	110	117
Items related to discontinued operations	5	-	-	-124	-	-405	-529
Acquisitions		2	0	18	-	-	20
Disposals		-	-	-1	-	-	-1
Reclassifications		-1	0	-	-	-	-1
Translation differences for the year		1	1	12	1	70	85
Closing balance		60	100	238	81	3,014	3,493
Accumulated amortisation according to plan							
Opening balance		-38	-93	-254	-52	-	-437
Amortisation for the year		-5	-4	-19	-4	-	-32
Items related to acquisitions of subsidiaries	5	0	-1	-	-	-	-1
Items related to discontinued operations	5	-	-	115	-	-	115
Disposals		-	-	1	-	-	1
Reclassifications		1	0	-	-	-	1
Translation differences for the year		-1	0	-10	0	-	-11
Closing balance		-43	-98	-167	-56	-	-364
Accumulated impairment losses							
Opening balance		-3	0	-9	-2	0	-14
Impairment losses for the year		-	-	-	-	-380	-380
Items related to discontinued operations	5	-	-	-	-	378	378
Translation differences for the year		0	-	0	-	2	2
Closing balance		-3	0	-9	-2	0	-14
Net residual value, opening balance		16	5	68	23	3,239	3,351
Net residual value, closing balance		14	2	62	23	3,014	3,115

Note 18, cont.

Capitalised expenditure for development work mostly comprises internally generated capitalised expenses for software development and certificates. IT and other intangible assets mainly comprise software and acquired customer relationships.

Impairment testing of goodwill

At least annually, the Group analyses whether there is any indication of impairment of goodwill in accordance with the accounting policies described in Note 2. These analyses are based on the financial budgets, forecasts and business plans which have been approved by the Board of Directors and/or Executive Management. Estimates and calculations are based on these analyses. All impairment testing of goodwill is based on the going concern assumption.

Assessments of the indication of impairment of goodwill shall be based on the lowest cash-generating unit and correspond to the lowest level in the Group at which goodwill is monitored for internal management purposes. For the Lindab Group, this level is considered to be the respective integrated operating and reporting segments, Ventilation Systems and Profile Systems. Until September 2021, the former Building Systems segment was also classified as one of the lowest level of cash-generating units and was valued in accordance with the criteria in IAS 36 *Impairment of Assets*. As a consequence of the strategic decision and agreement to divest the operations in September 2021, the entire segment, including goodwill, was reclassified and valued in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* as of this point in time and until the completion of the divestment of Building Systems at the end of December of the same year. During the third quarter of 2021, this entailed, among other things, that the Group recognised one-off items and restructuring costs, including goodwill impairment of SEK -380 m, attributable to the divestment of the segment. See also Note 5.

Lindab conducted its most recent goodwill impairment analysis on November 30, 2022. The recoverable amount for the two cash-generating units was based on estimates of assessed values in use. These calculations were based on estimated future cash flows after tax derived from financial budgets and forecasts, as well as additional assessments for each segment, covering the period up until 2027. Key assumptions used for calculating values in use were expected sales growth, gross margins, discount rates and growth assumptions following the close of the forecasting period.

In order to forecast the gross margin, material assumptions have been made regarding sales volume, sales prices and raw material prices. These were based on historical results and an assessment of future development. Where possible, the assessment of future developments also included external sources of information, such as information from Euroconstruct on forward-looking sales forecasts.

The discount rate was estimated based on a weighted cost of capital after tax of 9.5 percent (8.4). The change in discount rate compared to 2021 was mainly due to an estimated higher cost of both equity and Group debt, primarily related to the trend in the risk-free interest rate component. At the same time, the ratio of the fair value of equity to net debt decreased slightly, partly offsetting the impact of the risk-free interest rate component on the final estimated discount rate. It should be noted that the quotient for the fair value of shareholders' equity in relation to the Group's net debt is based on a rolling 12-month period to balance out certain volatility in the underlying value.

Calculated discount rates were used for both cash-generating units in conjunction with impairment test discounting of estimated future cash flow after tax. Amounts after tax were used in the calculations for both cash flow and discount rate as the available models for calculating the discount rate include a tax element. This discounting is not materially different from discounting based on projected cash flows before tax and the pre-tax discount levels required by IFRS. The discount rate applied corresponded to a discount rate before tax of 12.4 percent (10.3) and was based on the Group's weighted average tax rate.

The discount rate represents an estimated return requirement based on the risks specific to Lindab, taking into account individual risks in the underlying assets that have not been included in the cash flow calculations. The calculation of the discount rate was based on the Group's specific situation and is derived from its weighted average cost of capital (WACC). WACC takes into account both liabilities and shareholders' equity. The capital cost of shareholders' equity is based on a theoretically assessed expected return for the Group's investors. The cost of the Group's liabilities is based on the interest-bearing liabilities that

Lindab is obliged to redeem. Group-specific risks are considered through an individually considered beta factor. The beta factor is assessed annually on the basis of publicly available market data.

Both Ventilation Systems and Profile Systems conduct operations within construction as the main line of business, with a shared concept regarding the development, production, marketing and distribution of products, as well as system solutions. Although the geographical markets are slightly different, the risk profile is considered to be fairly uniform as a whole. Consequently, the same assumptions have been applied to the discount rates for both segments.

Expected future cash flow beyond 2027 has been extrapolated with the help of estimated average long-term growth, terminal growth, of 1.0 percent (1.0) for Ventilation Systems and Profile Systems, respectively. This long-term growth shall reflect and be in line with average growth on the markets where the segments are operating in accordance with forecasts made by the construction industry's economic institutions. The assumption includes a weighting of the growth forecast for the underlying geographical markets, the Nordics, Western Europe and Central Europe, with a rather conservative assumption being applied.

To support goodwill impairment testing performed within the Group, a comprehensive analysis was made regarding the sensitivity of the variables used in the model. A deterioration of each of the main assumptions included in the calculation of value in use shows that the recoverable amount exceeds the carrying amount of all testing conducted for Ventilation Systems and Profile Systems. A change of 1 percentage point in the gross margin, discount rate and respectively growth assumption was taken into account in the analysis. All sensitivity analyses show a good margin before any impairment is recognised. As a result of the calculations, no indication of impairment of goodwill was recognised at the end of 2022, based on the going concern assumption.

Goodwill per segment	Dec. 31, 2022	Dec. 31, 2021
Ventilation Systems	2,896	2,113
Profile Systems	1,071	901
Total	3,967	3,014

Note 19 Tangible fixed assets

January 1 – December 31, 2022			Buildings and land	Machinery and other technical facilities	Equipments, tools and installations	Construction in progress buildings	Construction in progress machinery	Total
Accumulated acquisition values		Note						
Opening balance			1,327	2,158	583	16	151	4,235
Items related to acquisitions of subsidiaries		5	53	93	74	0	0	220
Items related to divestments of subsidiaries		5	0	0	0	-	-	0
Acquisitions			26	176	45	31	41	319
Disposals			-30	-29	-32	-	0	-91
Reclassifications			125	12	13	-26	-63	61
Translation differences for the year			114	119	23	0	5	261
Closing balance			1,615	2,529	706	21	134	5,005
Accumulated depreciation according to plan								
Opening balance			-522	-1,561	-456	-	-	-2,539
Depreciation for the year			-46	-101	-35	-	-	-182
Items related to acquisitions of subsidiaries		5	-32	-83	-60	-	-	-175
Items related to divestments of subsidiaries		5	0	0	0	-	-	0
Disposals			17	28	32	-	-	77
Reclassifications			-43	42	-1	-	-	-2
Translation differences for the year			-54	-81	-18	-	-	-153
Closing balance			-680	-1,756	-538	-	-	-2,974
Accumulated revaluations and impairment losses								
Opening balance			-2	-14	0	-1	0	-17
Impairment losses for the year			0	-2	0	-	-	-2
Items related to acquisitions of subsidiaries		5	-	-	-	-	-	-
Items related to divestments of subsidiaries		5	-	-	-	-	-	-
Reversal of impairment losses			-	-	-	-	-	-
Disposals			7	2	-	-	-	9
Reclassifications			-6	-	-	-	-	-6
Translation differences for the year			0	-1	0	0	0	-1
Closing balance			-1	-15	0	-1	0	-17
Net residual value, opening balance			803	583	127	15	151	1,679
Net residual value, closing balance			934	758	168	20	134	2,014
January 1 – December 31, 2021								
Accumulated acquisition values								
Opening balance			1,219	2,151	580	50	108	4,108
Items related to acquisitions of subsidiaries		5	23	51	14	1	0	89
Items related to discontinued operations		5	-107	-212	-19	0	-1	-339
Acquisitions			91	87	37	31	129	375
Disposals			-7	-52	-38	-	-	-97
Reclassifications			64	80	0	-67	-89	-12
Translation differences for the year			44	53	9	1	4	111
Closing balance			1,327	2,158	583	16	151	4,235
Accumulated depreciation according to plan								
Opening balance			-499	-1,613	-468	-	-	-2,580
Depreciation for the year			-39	-89	-28	-	-	-156
Items related to acquisitions of subsidiaries		5	-6	-40	-7	-	-	-53
Items related to discontinued operations		5	37	163	13	-	-	213
Disposals			2	48	36	-	-	86
Reclassifications			1	6	5	-	-	12
Translation differences for the year			-18	-36	-7	-	-	-61
Closing balance			-522	-1,561	-456	-	-	-2,539
Accumulated revaluations and impairment losses								
Opening balance			0	-14	0	-1	0	-15
Impairment losses for the year			0	-3	-	-	-	-3
Items related to acquisitions of subsidiaries		5	-2	-1	-	-	-	-3
Items related to discontinued operations		5	0	0	0	-	-	0
Reversal of impairment losses			-	0	-	-	-	0
Disposals			0	4	-	-	-	4
Reclassifications			-	0	-	-	-	0
Translation differences for the year			0	0	0	0	0	0
Closing balance			-2	-14	0	-1	0	-17
Net residual value, opening balance			720	524	112	49	108	1,513
Net residual value, closing balance			803	583	127	15	151	1,679

Note	20	Right-of-use assets
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January 1 – December 31, 2022	Note	Rights-of-use buildings and land	Other rights-of-use of tangible fixed assets	Total
Accumulated acquisition values				
Opening balance		1,151	187	1,338
Items related to acquisitions of subsidiaries	5	305	14	319
Items related to divestments of subsidiaries	5	0	0	0
New and amended right-of-use agreements		176	55	231
Terminated right-of-use agreements		-74	-42	-116
Reclassifications		-62	0	-62
Translation differences for the year		81	12	93
Closing balance		1,577	226	1,803
Accumulated depreciation according to plan				
Opening balance		-386	-83	-469
Depreciation for the year		-204	-55	-259
Terminated right-of-use agreements		62	36	98
Items related to divestments of subsidiaries	5	0	0	0
Reclassifications		9	0	9
Translation differences for the year		-21	-5	-26
Closing balance		-540	-107	-647
Accumulated impairment losses				
Opening balance		-	-	-
Impairment losses for the year		-	-	-
Terminated right-of-use agreements		-	-	-
Reclassifications		-	-	-
Translation differences for the year		-	-	-
Closing balance		-	-	-
Net residual value, opening balance		765	104	869
Net residual value, closing balance		1,037	119	1,156

January 1 – December 31, 2021	Note	Rights-of-use buildings and land	Other rights-of-use of tangible fixed assets	Total
Accumulated acquisition values				
Opening balance		1,162	168	1,330
Items related to acquisitions of subsidiaries	5	17	4	21
Items related to discontinued operations	5	-158	-20	-178
New and amended right-of-use agreements		196	65	261
Terminated right-of-use agreements		-107	-36	-143
Reclassifications		0	0	0
Translation differences for the year		41	6	47
Closing balance		1,151	187	1,338
Accumulated depreciation according to plan				
Opening balance		-313	-64	-377
Depreciation for the year		-181	-62	-233
Terminated right-of-use agreements		65	27	92
Items related to discontinued operations	5	53	8	61
Reclassifications		0	0	0
Translation differences for the year		-10	-2	-12
Closing balance		-386	-83	-469
Accumulated impairment losses				
Opening balance		-	-	-
Impairment losses for the year		-	-	-
Terminated right-of-use agreements		-	-	-
Reclassifications		-	-	-
Translation differences for the year		-	-	-
Closing balance		-	-	-
Net residual value, opening balance		849	104	953
Net residual value, closing balance		765	104	869

Note 21 Associated companies

Associated companies are companies in which the Parent Company holds a significant but non-controlling influence, usually through a shareholding corresponding to between 20 and 50 percent of the voting rights. Associated companies are reported in accordance with the equity method as required by IAS 28 *Investments in Associates and Joint Ventures*. In accordance with this method, the participation in the associated company is valued at its acquisition value at the time of acquisition. The profit/losses arising after the acquisition in the associated company and that related to the Group's participation, with adjustments for the dissolution of acquired surplus and deficit values, are reported as a separate

item in the statement of profit or loss on the line Profit or loss from participations in associated companies.

During 2022 and 2021, no acquisitions or divestments of associated companies occurred. Lindab already holds 36.6 percent of the shares and votes in Leapcraft ApS (corporate identification no. 35 47 27 62) with registered office in Copenhagen, Denmark. These shares primarily constitute the Lindab Group's participations in associated companies.

	Group	
	2022	2021
Opening balance, associated companies	18	18
Acquisitions of associated companies	-	-
Profit or loss from participations in associated companies	-2	0
Closing balance	16	18

Note 22 Other non-current securities holdings

	Group	
	2022	2021
Opening balance	4	4
Discontinued operations	-	0
Translation differences for the year	1	0
Closing balance	5	4

Non-current holdings of unlisted shares and participations are recognised here. Associated companies are reported separately in Note 21. Other non-current securities holdings of SEK 5 m (4) constitute smaller holdings owned by Group companies.

Note 23 Other non-current receivables

	Group	
	2022	2021
Opening balance	4	4
Decrease/increase	2	0
Closing balance	6	4

Note 24 Stock

	Group	
	Dec. 31, 2022	Dec. 31, 2021
Raw materials and supplies	1,381	1,121
Work in progress	64	56
Finished goods and goods for resale	1,307	913
Total	2,752	2,090

Direct material costs for continuing operations for the year amounted to SEK 6,217 m (4,398), including an increased adjustment of the provision for obsolescence of SEK 23 m (decreased adjustment of 4). The obsolescence reserve for finished goods has increased by net SEK 16 m (3). The provision for obsolescence in total

stock at the balance sheet date amounted to SEK 106 m (72), equivalent to 4 percent (3) of the stock value before deducting obsolescence. During the year, exchange rate effects increased the total provision for obsolescence by SEK 6 m (2), and structural changes increased the provision by SEK 5 m (decreased by 6).

Note 25 Current receivables

	Group					
	Accounts receivable		Accrued income ¹⁾		Other receivables ²⁾	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Number of days overdue						
Not overdue	1,563	1,336	43	22	60	52
< 6 days	190	149	-	-	0	0
6 – 90 days	179	110	-	-	0	3
90 – 180 days	20	14	-	-	2	0
180 – 360 days	16	9	-	-	0	2
> 360 days	50	53	-	-	5	0
Total	2,018	1,671	43	22	67	57
Provision for expected bad debt losses	-67	-69	-	-	-	-
Total	1,951	1,602	43	22	67	57

1) Accrued income refers to exchange rate gains on forward exchange agreements amounting to SEK 2 m (2) and discounts on purchases of SEK 41 m (20).

2) Other receivables related to SEK 20 m (34) in VAT and SEK 47 m (23) in other receivables. The increase in other receivables related primarily to receivables versus a factoring company in companies acquired during the year.

Lindab applies a valuation method for calculating bad debt provisions for its accounts receivable, which is based on expected bad debt losses. The method used to calculate expected credit losses is based on six different levels of due date (see table above), from accounts receivable that are not yet due to receivables that are overdue by more than 360 days. The respective levels have an expected rate of credit loss, based on which accounting loss provisions are made unless an individual assessment indicates otherwise. The grading of credit losses for each level is based on historical loss patterns within Lindab over a six-year period adjusted by a forward-looking factor reflecting a future expectation of different payment structures based on the business cycle and other important conditions. On December 31, 2022, the credit loss grading for the different categories was in the range of 0.5 – 95.3 percent (0.5 – 95.3). A lower level of provisions than the credit loss grading is only accepted if the Group has obtained collateral or equivalent corresponding to the amount due.

The slightly lower provision for expected credit losses compared to 2021, despite higher gross accounts receivable, is mainly due to the fact that in 2021 there were some individual assessments that led to a greater need for a provision, assessments that do not have the same equivalent at year-end 2022. As in previous years, individual accounts receivable are written off at the point where it is no longer reasonable to expect that the counterparty will settle the claim.

In 2022, the result has been impacted by with SEK 10 m (12) in respect of the provision for expected customer credit losses and for the year's recognised, realised customer losses.

Change in provisions for expected bad debt losses	Group	
	2022	2021
Opening balance	69	81
Change, acquisitions/divestments	-2	0
Change, discontinued operations	-	-20
Increase in provisions	14	18
Actual losses	-13	-8
Reversed provisions	-7	-5
Translation differences	6	3
Closing balance	67	69

Prepaid expenses and accrued income	Group	
	Dec. 31, 2022	Dec. 31, 2021
Prepaid software licenses	19	16
Accrued exchange gains, forward exchange agreements	2	2
Prepaid insurance	12	9
Accrued purchasing discounts	41	20
Accrued income	43	24
Other prepaid expenses	71	142
Total	188	213

Other receivables	Group	
	Dec. 31, 2022	Dec. 31, 2021
VAT receivable	20	34
Receivable versus factoring company	16	-
Advance payments to suppliers	6	8
Deposits	2	2
Travel advances	0	1
Advance payments to employees	1	1
Other receivables	22	11
Total	67	57

Note 26 Shareholders' equity and number of shares

The table below indicates the changes in Lindab's share capital and the number of shares as of 2006.

Year	Action	Number of shares		Change in share capital (SEK)	Total share capital (SEK)
		Class A	Class B		
2006 ¹⁾	Number of shares	78,707,820	-	-	78,707,820
2020 ²⁾	Exercised warrants	25,000	-	25,000	25,000
2021 ²⁾	Exercised warrants	110,000	-	110,000	110,000
Closing balance		78,842,820	-	135,000	78,842,820
Number of treasury shares		-2,200,838	-		
Total number of shares outstanding, closing balance		76,641,982	-		

1) On December 1, 2006, Lindab was listed on Nasdaq, Stockholm, Mid Cap. Since January 3, 2022, Lindab is listed on Nasdaq, Stockholm, Large Cap.

2) In 2017 and 2018, warrant programs were established for senior executives which resulted in warrants being exercised and shares being issued in 2020 and 2021, respectively. After this, there are no further warrant programs outstanding. For further information on the exercise of warrants, see Note 33.

The share capital of SEK 78,842,820 is divided between 78,842,820 shares.

Treasury shares

In 2008, a repurchase of 3,935,391 treasury shares was implemented, amounting to SEK 348 m. In 2010, IVK-Tuote Oy was acquired by transferring 559,553 treasury shares to the sellers of that company. In 2012, 1,000,000 treasury shares, amounting to SEK 52 m, were divested. In 2022, the number of treasury shares decreased by 175,000 shares as a result of Lindab International AB (publ) selling treasury shares to option holders from the 2019 share option program, see Note 33. Following this transaction, the number of treasury shares amounts to 2,200,838.

Proposed appropriation of profit

SEK	2022
Profit brought forward	1,805,543,929
Profit for the year	35,952,933
Total profit brought forward at the end of the year	1,841,496,862

The Board of Directors proposes that the aforementioned amounts be appropriated as follows:

SEK	
Dividend to shareholders, SEK 5.20 per share	398,538,306
To be carried forward	1,442,958,556
Total	1,841,496,862

The total number of shares in Lindab International AB (publ) corresponds to 78,842,820, whereof Lindab holds 2,200,838 treasury shares. The value of proposed dividend is based on the number of outstanding shares, i.e. 76,641,982

Nature and purpose of the reserves in shareholders' equity

The foreign currency translation reserve comprises all exchange rate differences that arise when translating financial statements from foreign operations that prepare their financial statements in a currency other than the currency of the consolidated financial statements. The translation reserve also includes the cumulative net change in the hedging of net investments in foreign operations. Lindab uses currency swaps and loans as hedging instruments.

In accordance with the resolution by the Annual General Meeting of May 12, 2022, the proposed dividend for 2021 of SEK 4.00 per share has been paid. Total dividends paid amounted to SEK 306,217,928.

shares. The total value of actually paid dividend might be different if the number of treasury shares is amended before resolved reconciliation date(s).

Note 27 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations include, apart from pensions, other post-employment benefits paid to employees, e.g. upon termination of employment. The majority of employees in the Lindab Group are comprised by defined contribution plans. Some countries also have defined benefit plans for pensions or terminations. The tables in this note disclose the pension costs and liabilities as well as the material assumptions used in their calculations.

The retirement and family pension plans for salaried employees in Sweden are guaranteed through insurance cover with Alecta, in the so-called ITP2 plan. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan that includes several employers. For the financial years of 2022 and 2021, the company did not have access to the information required to report its proportionate share of the plan's obligations, plan assets and expenses which meant that it was not possible to report this as a defined benefit plan. The pension plan is in accordance with ITP, which is guaranteed through insurance with Alecta and is therefore shown as a defined contribution plan. The contribution to the defined benefit retirement and family pension plan is calculated individually and is dependent on the salary, previously earned pension and expected remaining working life of the person concerned. Anticipated

contributions for ITP 2 pension insurance cover with Alecta amount to SEK 4 m (6) for the next reporting period. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amount to 0.02 percent (0.00) and 0.07 percent (0.06), respectively.

A surplus or deficit with Alecta may mean a refund for the Group or alternatively lower or higher future charges. At the end of the year, Alecta's surplus in terms of the collective consolidation level amounted to 172 percent (172). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial assumptions.

The cost of defined contribution plans amounts to SEK 135 m (113). In the previous year, SEK 1 m related to discontinued operations, but there is no equivalent in 2022.

Lindab is exposed to several categories of risks by way of its defined benefit plans. These concern, among other things, risks related to the size of the actual payment. The increased life expectancy of the beneficiaries, which affects the duration of the pensions, and inflation, which affects salary and pension costs, are the risks affecting the scale of future payments and thereby also the size of the

Note 27, cont.

obligation. The discount rate used to calculate the present value of the pension liabilities varies, thereby affecting the liabilities. The discount rate also affects the interest expense or income among financial items, as well as the costs incurred to generate the earnings for the year. Another category concerns the return on investments. Pension funds are invested in different financial instruments where

returns are exposed to changes in the market. Weak returns can reduce the size of the investments and may result in insufficient pension funds to cover future pension payments.

Reporting in the statement of financial position

Specification of defined benefit pension obligations, etc.	Dec. 31, 2022	Dec. 31, 2021
Present value of funded defined benefit obligations	33	37
Fair value of plan assets for defined benefit obligations	-22	-23
<i>Net value of funded plans</i>	<i>11</i>	<i>14</i>
Present value of unfunded defined benefit obligations	181	228
Net debt in the statement of financial position for defined benefit obligations	192	242
Allocated to pensions, defined contribution obligations	25	28
Pension liability as per the statement of financial position	217	270
Fair value of plan assets for defined contribution obligations	-25	-28
Financial investments as per the statement of financial position	-25	-28

For funded defined benefit plans, the net pension obligation after deductions for plan assets, is reported in the statement of financial position. Funded plans with net assets, i.e. where the assets exceed the obligations, are reported as financial investments. Funded defined contribution plans are reported gross in the statement of financial position, the assets as Financial investments, and the obligations as Provisions for pensions and similar obligations.

Of the total pension provisions of SEK 217 m (270) in the statement of financial position, SEK 18 m (24) comprises pension obligations relating to former CEOs. The obligations are invested in endowment insurance funds. The value of these amounts to SEK 18 m (24).

Costs recognised in the statement of profit or loss as per the table below include expenses for service during the current year, expenses for past service, net interest expenses and gains and losses on settlements. Net interest is recognised under financial items.

Change in plan assets and defined benefit pension obligations during the year

Note	2022		2021	
	Assets	Obligations	Assets	Obligations
Opening balance	-23	265	-35	284
Pension expenses recognised in the statement of profit or loss				
-Expenses for service in current year ¹⁾	-	29	-	14
-Interest expenses/income ¹⁾	0	4	0	3
<i>Total</i>	<i>-23</i>	<i>298</i>	<i>-35</i>	<i>301</i>
Revaluations recognised in other comprehensive income				
-Return on plan assets, excluding amounts included in interest expenses/income	2	-	-1	-
-Gain/loss arising from changes in demographic assumptions	-	-1	-	-1
-Gain/loss arising from changes in financial assumptions	-	-94	0	-6
-Experience-based gains/losses	-	13	-	3
<i>Total</i>	<i>2</i>	<i>-82</i>	<i>-1</i>	<i>-4</i>
Translation differences	-3	8	-2	3
Items related to acquisitions/divestments of subsidiaries	5	2	-	-
Items related to discontinued operations	5	-	14	-25
Contribution by the employer	-	3	-4	1
Benefits paid	6	-15	5	-11
Closing balance	-22	214	-23	265

1) Of recognised expenses for service in 2021, SEK 2 m related to discontinued operations. Both interest expenses and interest income amounted to SEK 0 m for the discontinued operations. No discontinued operations are recognised for 2022.

The weighted average duration for the defined benefit pension obligation amounts to 17.6 years (20.2).

Most important actuarial assumptions

	Dec. 31, 2022		Dec. 31, 2021	
	Sweden	Other	Sweden	Other
Discount rate, %	3.7	1.9-7.6	2.0	0.3-0.9
Future salary increases, %	3.0	2.0-5.5	3.2	1.0-2.0
Future pension increases, %	2.0	0.0-2.5	2.2	0.0-1.5
Life expectancy assumption	DUS21	-	DUS14	-

Other mainly include pension plans in Italy, France and Switzerland.

The choice of discount rate in Sweden has been based on the market interest rate applicable to housing bonds with a duration corresponding to the average remaining term of the obligation.

The breakdown of the pension liability as of the balance sheet date shows that SEK 150 m (198) of the total defined benefit obligation related to Sweden, while SEK 42 m (44) related to other countries.

Note 27, cont.

Sensitivity of the defined benefit obligation to changes in main assumptions

		Effect on the defined benefit plans			
		Dec. 31, 2022		Dec. 31, 2021	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	+/- 0.5%	-17	19	-24	27
Changes in future salary increases	+/- 0.5%	8	-7	13	-10
Changes in future pension increases	+/- 0.5%	12	-11	17	-15

The sensitivity analysis has been based on a change in one assumption while keeping the other assumptions constant. The projected unit credit (PUC) method

is used for calculating the pension liability as well as for calculating the sensitivity of the defined benefit obligations for significant actuarial assumptions.

Composition of plan assets

	Dec. 31, 2022		Dec. 31, 2021	
	SEK m	Percent	SEK m	Percent
Shares	7	31	8	35
Bonds	5	23	6	26
Properties	5	23	4	17
Other	5	23	5	22
Total	22	100	23	100

Maturity analysis of expected future contributions to defined benefit plans

	Dec. 31, 2022	Dec. 31, 2021
Within 12 months	12	8
Between 2 and 5 years	34	31
Between 5 and 10 years	53	43
Total	99	82

Parent Company

The company's pension obligation for former CEOs is classified as a contribution-based plan. See also Note 6.

Note 28 Other provisions

	Group			
	Restructuring reserve	Warranty provision	Other	Total
2022				
Opening balance	9	5	9	23
Increase during the year	4	0	7	11
Exercised during the year	-10	0	-8	-18
Items related to acquisitions/divestments of subsidiaries	-	-	1	1
Translation differences	0	1	0	1
Closing balance	3	6	9	18
Distribution in the statement of financial position				
Other non-current provisions	-	4	3	7
Other current provisions	3	2	6	11
Total	3	6	9	18
2021				
Opening balance	22	21	8	51
Increase during the year	7	14	11	32
Exercised during the year	-7	-16	-7	-30
Items related to discontinued operations	-14	-14	-3	-31
Translation differences	1	0	0	1
Closing balance	9	5	9	23
Distribution in the statement of financial position				
Other non-current provisions	-	3	2	5
Other current provisions	9	2	7	18
Total	9	5	9	23

The restructuring reserve consists of provisions for cost reduction initiatives.

Other provisions mainly relates to personnel-related provisions and statutory provisions.

The warranty provisions include estimated future expenses for defects in delivered items or work carried out, as well as provisions for actual claims.

Note 29 Consolidated borrowing and financial instruments

	Group		Parent Company	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Non-current borrowing				
Bank loans	2,349	1,110	-	-
Leases	930	643	-	-
Current borrowing				
Liabilities to credit institutions	12	4	-	-
Overdraft facilities	0	0	-	-
Leases	282	233	-	-
Total borrowing	3,573	1,990	-	-

Total borrowings include pledged liabilities (bank loans secured with collateral) of SEK 47 m (44) and relate to the financing of properties in Switzerland. The collateral consists of mortgage deeds in properties and the interest on these loans is fixed.

According to the Group's Treasury Policy, the fixed interest period may not exceed 12 months. On December 31, 2022 it was 4 months (3). The majority of consolidated borrowing currently has a variable interest rate.

Unutilised credit facilities in the Group, including cash and cash equivalents, amounted to SEK 1,737 m (1,948). The Parent Company has no unutilised credit facilities.

Consolidated borrowing presented by currencies

<i>Amounts in SEK m</i>	Group		Parent Company	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
SEK	1,763	433	-	-
EUR	1,359	1,056	-	-
GBP	128	139	-	-
CHF	124	157	-	-
NOK	80	80	-	-
DKK	51	28	-	-
CZK	46	53	-	-
PLN	10	32	-	-
RON	9	8	-	-
RUB	-	2	-	-
HUF	3	2	-	-
	3,573	1,990	-	-

Change in liabilities, financing activities

	Group						Parent Company	
	Non-current financial liabilities	Current financial liabilities	Lease liabilities	Overdraft facilities	Derivatives	Total financial liabilities incl. derivatives	Non-current financial liabilities	Total financial liabilities incl. derivatives
Dec. 31, 2021	1,110	4	876	0	0	1,990	-	-
Cash flow	1,145	7	-259	0	290	1,183	-	-
Acquisitions/divestments	28	1	335	-	-	364	-	-
New and amended right-of-use agreements	-	-	231	-	-	231	-	-
Terminated right-of-use agreements	-	-	-17	-	-	-17	-	-
Translation differences	66	0	51	-	82	199	-	-
Fair value measurement	-	-	-	-	-	-	-	-
Other	-	-	-5	-	-372	-377	-	-
Dec. 31, 2022	2,349	12	1,212	0	0	3,573	-	-
Dec. 31, 2020	976	5	977	0	0	1,958	-	-
Cash flow	109	-2	-233	0	54	-72	-	-
Acquisitions/divestments	2	1	-103	-	-	-100	-	-
New and amended right-of-use agreements	-	-	261	-	-	261	-	-
Terminated right-of-use agreements	-	-	-52	-	-	-52	-	-
Translation differences	23	0	31	-	3	57	-	-
Fair value measurement	-	-	-	-	-	-	-	-
Other	-	-	-5	-	-57	-62	-	-
Dec. 31, 2021	1,110	4	876	0	0	1,990	-	-

Note 29, cont.

Disclosures of carrying amounts and fair value by category

	Fair value through statement of profit or loss		Amortised cost		Total carrying amount		Fair value	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Financial assets								
Other non-current securities holdings	0	1	-	-	0	1	-	-
Other non-current receivables	-	-	6	4	6	4	-	-
Derivative assets	2	2	-	-	2	2	2	2
Accounts receivable	-	-	1,951	1,602	1,951	1,602	-	-
Other receivables	-	-	37	16	37	16	-	-
Accrued income	-	-	41	44	41	44	-	-
Cash and cash equivalents	-	-	481	542	481	542	-	-
Total financial assets	2	3	2,516	2,208	2,518	2,211	2	2
Financial liabilities								
Overdraft facilities	-	-	0	0	0	0	-	-
Liabilities to credit institutions	-	-	-2,361	-1,114	-2,361	-1,114	-2,361	-1,114
Derivative liabilities	-21	-10	-	-	-21	-10	-21	-10
Accounts payable	-	-	-974	-1,062	-974	-1,062	-	-
Other liabilities	-	-	-47	-5	-47	-5	-	-
Accrued expenses	-	-	-402	-385	-402	-385	-	-
Total financial liabilities	-21	-10	-3,784	-2,566	-3,805	-2,576	-2,382	-1,124

Financial assets valued at amortised cost

Accounts receivable

Accounts receivable arise in the context of the Group's operating activities and are the result of Lindab providing customers with agreed goods and services. Contractual payment terms exist within this underlying agreement which dictate the times of future payment streams. Lindab holds all accounts receivable in order to collect these contractual and operations-related cash flows based on contractual terms and conditions.

Accounts receivable are classified on the basis of their nature as current assets and are valued initially at the transaction price. Considering the short-term maturity period for accounts receivable, these are also reported on subsequent reporting dates at the nominal amount without discounting. The reported gross value of accounts receivable of SEK 2,018 m (1,671) is, however, reduced by impairments of SEK -67 m (-69) to reflect the amount expected to be settled by the counterparties. For details of the Group's accounting policies for impairment and calculation of provisions for expected bad debt losses, see Note 25.

Other receivables and accrued income

Other receivables and accrued income usually also arise as a consequence of transactions conducted as part of the Group's ordinary activities. Usually the timing of future cash flows related to assets can be identified and, on settlement, the cash flows match the capital amount and any interest on the outstanding capital amount. The Group holds financial instruments in these categories to collect the underlying cash flows attributable to the assets on maturity and these are not intended for trading on an active market. No material credit reserve exists for other receivables and accrued income based on experience and future expectations.

Cash and cash equivalents

Cash and cash equivalents amounted to SEK 481 m (542) on the balance sheet date. These relate to bank and credit balances. In 2021, there were also current investments of SEK 0 m with a maximum maturity of 14 days. The carrying amount for cash and cash equivalents includes escrow funds of SEK 0 m (0). Based on historical experience and forward-looking expectations in combination with the counterparty requirements set out in the Group's Treasury Policy, there are no credit reserves in cash and cash equivalents.

Financial assets measured at fair value through the statement of profit or loss

Assets which do not meet the criteria for recognition at amortised cost or fair value through other comprehensive income are measured at fair value through the statement of profit or loss. For Lindab, it is mainly derivative assets not used in hedge accounting that fall into this category. The category financial assets

measured at fair value through statement of profit or loss also includes certain assets in the form of securities. The underlying factor for the classification is that these equity instruments are not strategic, and the first recognition opportunity was not taken or a decision was made to recognise these irreversibly at fair value through other comprehensive income. This affected the consolidated statement of profit or loss in the amount of SEK 0 m (0) during the year, which related to gains/losses from financial assets and liabilities valued at fair value through the statement of profit or loss.

Description of fair value

Other non-current securities holdings

No fair value data is provided regarding shares and participations. Lindab does not consider it possible to calculate fair value reliably, and the market for these holdings to be limited.

Interest-bearing liabilities

The fair value of interest-bearing liabilities is provided for the purpose of disclosure and is calculated by discounting the future cash flows of principal and interest payments, discounted at current market interest rates.

Derivatives

Forward exchange contracts are measured at fair value by discounting the difference between the contracted forward rate and the forward rate that can be subscribed for on the balance sheet date for the remaining contract term.

Other financial assets and liabilities

For cash and cash equivalents, accounts receivable, other receivables, accrued income, accounts payable, overdraft facilities, other liabilities and accrued expenses with a remaining maturity of less than six months, the carrying amount is considered to reflect the fair value.

Fair value hierarchy

The following table shows financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Other observable input data for the asset or liability than listed prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations) (level 2).
- Input data for the asset or liability not based on observable market data (i.e. non-observable input data) (level 3).

Note 29, cont.

	Dec. 31, 2022				Dec. 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets measured at fair value through statement of profit or loss								
Derivative assets	-	2	-	2	-	2	-	2
Total assets	-	2	-	2	-	2	-	2
Liabilities								
Financial liabilities measured at fair value through the statement of profit or loss								
Derivative liabilities	-	-21	-	-21	-	-10	-	-10
Measured at fair value for disclosure purposes								
Overdraft facilities	-	-	-	-	-	-	-	-
Liabilities to credit institutions	-	-2,361	-	-2,361	-	-1,119	-	-1,119
Total liabilities	-	-2,382	-	-2,382	-	-1,129	-	-1,129

There were no transfers between the different levels during the year. The company has not offset any financial instruments in the statement of financial position.

At the end of 2022 and 2021, there was no obligation to acquire treasury shares.

Note 30 Accrued expenses and deferred income

	Group		Parent Company	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Salaries and holiday pay	242	240	-	-
Share of profits	13	8	-	-
Payroll overheads	123	127	2	2
Bonuses to customers	280	231	-	-
Accrued exchange loss, forward exchange agreements	21	10	-	-
Other expenses	168	210	0	0
Total	847	826	2	2

Note 31 Leases

The basis for IFRS 16 Leases is that all rental and leasing agreements are to be recognised in the lessee's statement of financial position, with the option to not include short-term leases or leases for which the underlying right-of-use is of low value. Lindab has chosen to apply relief rules and, based on this, the accounting effect on the Group's financial position is as follows:

	Note	Dec. 31, 2022	Dec. 31, 2021
Right-of-use assets			
Buildings and land	20	1,037	765
Other right-of-use assets	20	119	104
Total		1,156	869
Lease liabilities			
Non-current lease liabilities	29	930	643
Current lease liabilities	29	282	233
Total		1,212	876

The right-of-use assets reported above related to approximately 1,000 rental and lease contracts.

Buildings and land

Right-of-use assets recognised for rental and lease agreements for properties were valued at SEK 1,037 m (765) on the balance sheet date. This amount relates to leases for production facilities, as well as for warehouses, branches and/or offices. The underlying rental and lease agreements include various terms, which are assessed and evaluated on an individual basis in combination with the expected useful life of the underlying assets within the framework of the relevant existing agreement. As part of this process, leases/properties have also been categorised to ensure an assessment and evaluation process that reflects strategic aspects and the point at which the Group should take a judgement on individual extension options or the equivalent. The estimated individual lease terms vary within the range of 1-21 years, but there are only a few leases with a maturity of more than 10 years. Although a number of leases contain specific extension options, most are designed to be extended on an ongoing basis if neither party takes action. These options entail judgements that have been taken into account in the recognition of lease liabilities. Lindab has included options in lease agreements where it is deemed reasonably certain that the options will be exercised.

Other right-of-use assets

Other right-of-use assets are recognised at an accumulated value of SEK 119 m (104). SEK 76 m (65) of this value relates to vehicles and the rest relates mainly to machinery and equipment as well as IT and other technical equipment. These agreements are generally relatively time-limited and for vehicles, the lease terms are usually 3 to 4 years.

Note 31, cont.**Statement of profit or loss and cash flow**

In accordance with IFRS 16 *Leases*, the main expenses for capitalised right-of-use assets are recognised as linear depreciation and interest expenses, respectively. The following table shows a presentation of rental and lease expenses in the consolidated statement of profit or loss for 2022 and 2021:

	Note	2022	2021
Other lease-related expenses		-13	-8
Depreciation	9, 20	-259	-233
Interest expenses	15	-24	-24
Total		-296	-265¹⁾

1) For information regarding depreciation and interest expenses for discontinued operations related to Building Systems, see Notes 9 and 15, respectively. Other lease-related expenses related mainly to continuing operations.

Other lease-related expenses relate to short-term leases and leases where the underlying right-of-use asset is of low value, as well as variable lease expenses not included in the valuation of recognised lease liabilities. Recognised variable lease expenses relate primarily to property tax.

For the year, the recognised interest expenses regarding lease-related liabilities for the Group's total operations amounted to SEK 24 m (24), of which SEK 24 m (21) related to the continuing operations. This balance does not include interest expenses relating to rental and leasing agreements with an expected useful life of less than 12 months, interest expenses on agreements where the underlying right-of-use asset is of low value, or interest expenses deemed to be of low value.

Total cash flow attributable to rental and leasing agreements recognised in the statement of financial position amounted to SEK 283 m (257), of which SEK 24 m (24) relates to interest expenses recognised in cash flow from operating activities. The remaining cash flow is included in the Group's cash flow from financing activities. For estimated expected cash flow attributable to recognised lease liabilities on the balance sheet date, see the Liquidity risk section in Note 3. The liquidity risk attributable to lease liabilities is monitored on an ongoing basis and incorporated into the Group's other financial liabilities by Lindab's Treasury function.

At the end of the year, no significant rental or leasing agreements had been entered into that will come into effect in 2023.

Note 32 Pledged assets and contingent assets/liabilities

	Group		Parent Company	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Pledged assets				
Property mortgages	87	87	-	-
Floating charges	-	9	-	-
Total	87	96	-	-

All pledged assets related to collateral for liabilities to credit institutions.

	Group		Parent Company	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Contingent liabilities				
Guarantee commitment for entered credit agreements	-	-	2,286	1,066
Other guarantees and sureties	22	19	-	-
Pension obligations	2	2	-	-
Total	24	21	2,286	1,066

The existing credit agreements of SEK 1,300 m with Nordea and Raiffeisen Bank International and EUR 70 m with Raiffeisen Bank International were extended during the year and are valid until the second quarter of 2025. During the year, Lindab also entered into a new credit agreement for SEK 1,000 m with Nordea, which is valid until the second quarter of 2024. All agreements contain a covenant which is monitored quarterly. Lindab fulfilled the conditions as of December 31, 2022.

In connection with the divestment of Building Systems, at the end of December 2021, Lindab continued to be responsible for certain operational guarantee commitments amounting to EUR 30 m in favor of Building Systems. At the time of divestment, Lindab received a Parent Company guarantee from the buyer of Building Systems corresponding to the value of the aforementioned guarantee commitments. In the first quarter of 2022, all significant outstanding operational guarantee commitments were transferred from Lindab to the buyer of Building Systems. On December 31, 2022, no operational guarantee commitments remained in favor of Building Systems.

In the leases for the properties in Sweden and in Switzerland, Group companies have signed a guarantee for the payment of all rental costs until the expiry of the contract.

As part of the Group's ordinary business activities and according to standard professional practice, the Group has signed guarantees for the fulfillment of various contractual obligations in relation to large suppliers. There was no indication at the end of the year that these contractual guarantees will result in any payment being required.

Note 33 Related party transactions

Transactions with related parties can affect a company's financial results and position. Information must therefore be disclosed regarding those who may be considered as related parties of the Lindab Group.

Related parties

The Parent Company has direct and indirect controlling influence over its subsidiaries, see Note 35. The Parent Company's transactions and interactions with its subsidiaries comprise the transactions shown below, as well as those arising as a consequence of agreements with management, see Note 6.

Other related party transactions are specified below

Parent Company	Group	
	2022	2021
Net sales to Group companies	6	5
Received Group contributions	55	25
Received dividends from subsidiaries	7	-
Interest expenses to Group companies	-15	-5
Current liabilities to Group companies	886	615
Current receivables from Group companies	55	26

Other related party transactions

The 2022 Annual General Meeting resolved to establish a share option program for senior executives. The program has the same purpose and principal design as the share option programs resolved by the 2019, 2020 and 2021 Annual General Meetings. As a result of the resolution by the 2022 Annual General Meeting, a private placement was implemented of at most 275,000 share options, resulting in 238,050 share options being acquired by senior executives within Lindab. The share options were acquired in accordance with a market-based valuation based on established agreements and the options do not constitute share-based remuneration for any related parties. In 2022, all 175,000 owned options in the 2019 share option program were also exercised to acquire shares under the terms of the program. This resulted in 175,000 treasury shares in Lindab International AB being divested upon exercise of options.

The 2021 Annual General Meeting resolved to establish a share option program for senior executives. As a result of the resolution by the 2021 Annual General Meeting, a private placement was implemented of at most 275,000 share options, resulting in 183,950 share options being acquired by senior executives within Lindab. The share options were acquired in accordance with a market-based valuation based on established agreements and the options do not constitute share-based remuneration for any related parties. During 2021, all 110,000 held options from the 2018 warrant program were exercised to subscribe for shares under the terms of the program. This led to the issue of 110,000 shares in Lindab International AB, see also Note 26. After the exercise of the 2018 warrant program,

Current and former Board members, as well as members of Executive Management, with their respective spheres of related parties are/has been considered to be related parties of the Group. The remunerations, benefits, and pension rights, etc. to the Board of Directors, the CEO and other senior executives, etc., as well as in connection with dismissal, are presented in Notes 6 and 27.

Since 2020, Lindab owns 36.6 percent of the shares and votes in Leapcraft ApS. The scope of transactions with this associated company is considered negligible, which is why such transactions are not specified below.

there are no further warrant programs outstanding in Lindab International AB, only share option programs. For further information on all of Lindab's outstanding share option programs, see Note 6. Note 6 also contains information regarding incentive programs aimed at participants in various senior positions within the Group.

In the third quarter of 2022, Lindab divested of its Russian subsidiary Lindab LLC to the company's local management. The divestment was made at an estimated market value, taking into account the prevailing conditions in relation to Russia's war against Ukraine and the implications the situation has brought with it. See also Note 5.

None of Lindab's Board members, deputy Board members, senior executives or shareholders have or have had, beyond what is shown in this note, any participation in any business transaction with the company, that is or was unusual in nature or terms, or that was of significance for the company's total operations and that occurred during the financial year at hand or during the past two financial years. This also applies to transactions during previous financial years and that remain in any way unsettled or incomplete. Lindab has no loans outstanding to any of these persons, nor has it provided any guarantees or sureties benefiting any of them.

In general, transactions with related parties have occurred on terms equivalent to those applicable to transactions on a commercial basis.

Note 34 Events after the reporting period

In March, Lars Ynner was appointed as new CFO at Lindab. He will take office April 11, 2023.

During the first quarter, Lindab acquired the ventilation companies Raab Lüftungstechnik GmbH (Germany) and Irish Ventilation & Filtration Ltd (Ireland). Raab Lüftungstechnik GmbH is a manufacturer of high-quality rectangular ventilation ducts in southern Germany. Irish Ventilation & Filtration Ltd is a distributor of ventilation products to maintenance and repair departments of large international companies as well as mechanical contractors. The two companies has an accumulated annual turnover of approximately SEK 260 m and 114 employees.

No other significant events have occurred following the end of the reporting period.

Note	35	Group companies and associated companies
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The Group operates in a number of markets and has, for that reason, subsidiaries in many parts of the world. A Parent Company has a controlling influence over a subsidiary when it is exposed to, or has the right to, a variable return from its involvement in the subsidiary and can influence that return by means of its

controlling influence over the subsidiary. In principle, all subsidiaries are wholly owned directly, or indirectly, by the Parent Company, Lindab International AB.

	Currency code	Corp. ID No.	Domicile	Participation in %	Book value
Lindab AB ¹⁾	SEK	556068-2022	Båstad, Sweden	100	3,467*
Lindab Sverige AB ^{2) 3)}	SEK	556247-2273	Båstad, Sweden	100	
Crenna Plåt AB ^{2) 3)}	SEK	556457-3854	Enköping, Sweden	100	
Borgmästarjorden AB ⁵⁾	SEK	556662-1206	Enköping, Sweden	100	
Giroventilation AB ^{2) 3)}	SEK	556369-8686	Stockholm, Sweden	100	
Ekorent AB ^{2) 3)}	SEK	556173-4640	Vellinge, Sweden	100	
Fastighetsaktiebolaget EKO ^{1) 5)}	SEK	556994-3375	Vellinge, Sweden	100	
Fastighetsaktiebolaget EKO ^{2) 5)}	SEK	556994-3383	Vellinge, Sweden	100	
Alig Ventilation AB ^{2) 3)}	SEK	556489-8707	Mariestad, Sweden	100	
Ventilationsbutiken i Mariestad AB ⁶⁾	SEK	556266-5454	Mariestad, Sweden	100	
Lindab Steel AB ^{3) 4)}	SEK	556237-8660	Båstad, Sweden	100	
Lindab Ventilation AB ³⁾	SEK	556026-1587	Båstad, Sweden	100	
Leapcraft ApS ⁵⁾	DKK	35 47 27 62	Copenhagen, Denmark	37	
Lindab Ryssland AB ⁶⁾	SEK	556960-0322	Båstad, Sweden	0	
Lindab Profil AB ^{2) 3)}	SEK	556071-4320	Båstad, Sweden	100	
KAMI, Kalix Mekaniska Industrier AB ^{2) 3)}	SEK	556193-7086	Kalix, Sweden	100	
Profilplåt i Sverige AB ^{2) 3)}	SEK	556818-4385	Sundsvall, Sweden	100	
Lindab s.r.o. ²⁾	CZK	496 13 332	Prague, Czech Republic	15	
Lindab Sales s.r.o. ³⁾	CZK	096 74 063	Prague, Czech Republic	15	
Lindab SRL ^{2) 3)}	RON	J23/1168/2002	Ilfov, Romania	0	
U-nite Fasteners Technology AB ^{3) 3) 4)}	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab Fastigheter AB ⁵⁾	SEK	556629-2271	Båstad, Sweden	100	
Luleå LDS Fastighet AB ⁵⁾	SEK	559398-1060	Båstad, Sweden	100	
Lindab Ryssland AB ⁶⁾	SEK	556960-0322	Båstad, Sweden	100	
Lindab SIA ²⁾	EUR	40003602009	Riga, Latvia	100	
Lindab d.o.o. ⁶⁾	HRK	80182671	Zaprešić, Croatia	100	
Lindab AS ^{2) 3)}	EUR	10424824	Harju Maakond, Estonia	100	
Oy Lindab Ab ^{2) 3)}	EUR	0920791-3	Espoo, Finland	100	
Lindab s.r.o. ²⁾	CZK	496 13 332	Prague, Czech Republic	85	
Lindab Sales s.r.o. ³⁾	CZK	096 74 063	Prague, Czech Republic	85	
Spiro International S.A. ^{2) 3)}	CHF	CH-217.0.135.550-1	Bösingen, Switzerland	100	
Spiro Sweden AB ⁶⁾	SEK	559300-5019	Båstad, Sweden	100	
Spiral Helix Inc. ^{2) 3)}	USD	36-4381930	Chicago IL, USA	100	
Lindab SRL ^{2) 3)}	RON	J23/1168/2002	Ilfov, Romania	100	
Lindab Kft. ^{2) 3)}	HUF	13-09-065422	Biatorbagy, Hungary	100	
Lindab AS ^{2) 3)}	NOK	929 805 925	Oslo, Norway	100	
Aer Faber AS ^{2) 3)}	NOK	994 273 728	Spydeberg, Norway	100	
H.A. Helgesen & Sønner AS ^{2) 3)}	NOK	926 931 237	Eidsnes, Norway	100	
Lindab Sp. z o.o. ^{2) 3)}	PLN	KRS 0000043661	Wieruchow, Poland	100	
Lindab S.r.l. ^{2) 3)}	EUR	12002580152	Milan, Italy	100	
MP3 S.r.l. ^{2) 3)}	EUR	3345850964	Milan, Italy	100	
Lindab N.V. ^{2) 3)}	EUR	BE 464.910.211	Ghent, Belgium	100	
Lindab A/S ^{2) 3)}	DKK	33 12 42 28	Haderslev, Denmark	100	
Klimatek Ventilationsmateriel A/S ^{2) 3)}	DKK	10 20 80 09	Skive, Denmark	100	
Munchholm A/S ^{2) 3)}	DKK	20 10 61 74	Hadsten, Denmark	100	
Lindab GmbH ^{2) 3)}	EUR	HRB 2276 AH	Bargteheide, Germany	100	
Felderer GmbH ²⁾	EUR	HRB 216017	Feldkirchen, Germany	100	
Lindab N.V. ^{2) 3)}	EUR	BE 464.910.211	Ghent, Belgium	0	
Lindab AG ^{2) 3)}	CHF	CH-170.3.023.237-3	Otelfingen, Switzerland	100	
Tecnovent SA ^{2) 3)}	CHF	CH-514.3.014.243-4	Bioggio, Switzerland	100	
Lindab Ltd ^{2) 3)}	GBP	1641399	Northampton, UK	100	
Ductmann Ltd ^{2) 3)}	GBP	2887867	Dudley, UK	100	
Disys Technologies Ltd ^{2) 8)}	GBP	4226796	Llanelli, UK	100	
Lindab France SAS ^{2) 3)}	EUR	312 285 133	Montluel, France	100	
Liftasud SAS ^{2) 3)}	EUR	327 879 300	Torcy, France	100	
Lindab (IRL) Ltd ²⁾	EUR	44222	Dublin, Ireland	100	
A.C. Manufacturing Ltd ^{2) 3)}	EUR	311282	Dublin, Ireland	100	
Smofir Trading Ltd ²⁾	EUR	668864	Dublin, Ireland	100	
Lindab a.s. ^{2) 3)}	EUR	36 214 604	Jamnik, Slovakia	100	
R-Vent Netherlands B.V. ^{2) 3)}	EUR	24107770	Bergschenhoek, Netherlands	100	

* The number of shares held amounts to 23,582,857 in Lindab AB.

1) Group functions

2) Sales company

3) Production company

4) Purchasing company

5) Property company

6) Dormant company

7) Holding company

8) Development company

The Board of Directors and the President and CEO hereby affirm that the consolidated accounts and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting standards, and give a true and fair view of the Group's and the Parent Company's

financial position and results of operations, and that the Directors' Report gives a true and fair view of the Group's and Parent Company's business, financial position and results of operation, and describe material risks and uncertainties that the Parent Company and the companies included in the Group are facing.

Båstad, March 26, 2023

Peter Nilsson
Chairman

Per Bertland
Board member

Sonat Burman-Olsson
Board member

Viveka Ekberg
Board member

Anette Frumerie
Board member

Marcus Hedblom
Board member

Staffan Pehrson
Board member

Pontus Andersson
Employee representative

Ulf Jönsson
Employee representative

Ola Ringdahl
President and CEO

Our Audit Report was submitted on March 26, 2023.

Deloitte AB

Harald Jagner
Authorised Public Accountant

Auditors' Report

To the Annual General Meeting of Lindab International AB (publ) corporate identification number 556606-5446

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Report on the annual accounts and consolidated accounts Opinions

We have audited the annual accounts and consolidated accounts of Lindab International AB (publ) for the financial year 2022-01-01 - 2022-12-31. The annual accounts and consolidated accounts of the company are included on pages 64-69 and 75-137 in this document.

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

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

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.

Valuation of goodwill

Description of risk

In the consolidated balance sheet goodwill amounts to SEK 3 967 m as of 31 December 2022. This goodwill arose from former acquisitions. The value of the goodwill is dependent on future income and profitability in the cash-generating units to which the goodwill refers and is assessed for impairment at least once a year.

Management bases its impairment test on several judgments and estimates, such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances. Incorrect judgments and estimates may have a significant impact on the group's result and financial position.

For further information, see note 2 - Accounting principles for the consolidated accounts, note 4 – Important judgments and estimates and note 18 – Intangible assets.

Our audit procedures

Our audit procedures included, but were not limited to:

- Review and assessment of Lindabs procedures for impairment tests of goodwill and evaluation of the reasonability of judgments and estimates made, that the procedures are consistently applied and that there is integrity in computations;
- Verification of input data in calculations including information from budgets and business plans for the forecast period;
- Test of headroom for each cash generating unit by performing sensitivity analyses; and
- Review of the completeness and correctness in relevant disclosures to the financial reports.

Our valuation specialists have been involved during selected parts of our audit procedures.

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 1-51, 70-74 and 141-164. The other information also constitutes of the remuneration report which we obtained before the date of this audit report. 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 Directors and the Managing Director

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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 the consolidated accounts can be found on the Swedish Inspectorate of Auditors website: <https://www.revisorsinspektionen.se/revisornsansvar>. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lindab International AB (publ) for the financial year 2022-01-01 - 2022-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the annual accounts and the consolidated accounts can be found on the Swedish Inspectorate of Auditors homepage: <https://www.revisorsinspektionen.se/revisornsansvar>. This description forms part of this auditor's report.

Auditor's examination regarding the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Lindab International AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Lindab International AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

Deloitte AB was appointed auditor of Lindab International AB (publ) by the general meeting of shareholders on May 12, 2022 and has been the company's auditor since April 29, 2014.

Gothenburg, March 26, 2023

Deloitte AB

Harald Jagner

Authorised Public Accountant

Reconciliations of key performance indicators not defined in accordance with IFRS

The company presents a number of financial measures in the Annual Report which are not defined in accordance with IFRS. These alternative key performance indicators include return on shareholders' equity, return on capital employed, adjusted operating profit, adjusted operating margin, net debt/equity ratio, net debt/EBITDA, interest coverage ratio and EBITDA margin. The company considers these measures to provide valuable, in-depth supplementary information for investors and the company's management. The alternative key performance indicators are used by company management to assess the development of the operations and to appraise strategically important trends. They also provide shareholders, analysts and other stakeholders with valuable supplementary information regarding the company's development.

The financial key performance indicators presented should be seen as a complement to, rather than as a replacement for, measures defined in accordance with IFRS. Lindab's definitions of these key performance indicators may differ from other companies' definitions of the same concepts. Presented below are specifications and reconciliations of key performance indicators not defined in accordance with IFRS and not mentioned elsewhere in the Annual Report. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always tally 100 percent.

Amounts in SEK m unless otherwise indicated

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018 ¹⁾
Return on shareholders' equity, total operations					
Profit for the year	974	547	596	678	394
Average equity	6,180	5,410	5,125	4,758	4,312
Return on shareholders' equity, %	15.8	9.9	11.6	14.3	9.1
Return on capital employed, total operations					
Total assets ¹⁾	12,957	10,305	9,405	9,438	7,802
Deferred tax liabilities	150	107	92	112	91
Other provisions	7	5	24	23	23
Other non-current liabilities	41	7	8	9	14
Total non-current liabilities	198	119	124	144	128
Advance payments from customers	64	63	182	292	230
Accounts payable	974	1,062	712	763	788
Current tax liability	110	158	88	43	17
Other provisions	11	18	27	26	36
Other current liabilities	212	149	163	129	134
Accrued expenses and deferred income	817	816	690	658	621
Total current liabilities	2,188	2,266	1,862	1,911	1,826
Capital employed	10,571	7,920	7,419	7,383	5,848
Earnings before tax	1,238	802	811	881	531
Financial expenses	85	42	49	55	33
Total	1,323	844	860	936	564
Average capital employed	9,428	7,741	7,522	6,780	5,998
Return on capital employed, %	14.1	11.0	11.5	13.6	9.4
Gross investments in fixed assets, excluding business combinations and disposals, total operations					
	2022	2021	2020	2019	2018
Investments in intangible assets	40	20	27	14	16
Investments in tangible fixed assets	319	375	398	264	104
Gross investments in fixed assets, excluding business combinations and disposals	359	395	425	278	120
One-off items and restructuring costs²⁾, continuing operations					
	2022	2021	2020	2019	2018 ¹⁾
Operating profit	1,325	1,266	790	830	563
Ventilation Systems	-22	-	-70	-	-
Profile Systems	-	-	-	-	-
Products & Solutions ³⁾	-	-	-	-	-17
Other ⁴⁾	-	-	-	-	-45
Adjusted operating profit	1,347	1,266	860	830	625
One-off items and restructuring costs²⁾, total operations					
	2022	2021	2020	2019	2018 ¹⁾
Operating profit	1,325	841	846	915	547
One-off items and restructuring costs	-22	-456	-70	-	-87
Adjusted operating profit	1,347	1,297	916	915	634
Adjusted operating margin and operating margin, continuing operations					
	2022	2021	2020	2019	2018
Adjusted operating profit	1,347	1,266	860	830	625
Operating profit	1,325	1,266	790	830	563
Net sales	12,366	9,648	8,220	8,512	8,260
Adjusted operating margin	10.9	13.1	10.5	9.8	7.6
Operating margin	10.7	13.1	9.6	9.8	6.9
Adjusted operating margin and operating margin, total operations					
	2022	2021	2020	2019	2018
Adjusted operating profit	1,347	1,297	916	915	634
Operating profit	1,325	841	846	915	547
Net sales	12,366	10,619	9,166	9,872	9,326
Adjusted operating margin	10.9	12.2	10.0	9.3	6.8
Operating margin	10.7	7.9	9.2	9.3	5.9

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018 ¹⁾
Net debt, total operations					
Non-current interest bearing provisions for pensions and similar obligations	217	270	279	283	234
Non-current interest bearing liabilities to credit institutions	2,349	1,110	976	1,001	1,085
Non-current interest bearing lease liabilities	930	643	745	798	-
Current interest bearing liabilities to credit institutions	12	4	5	3	5
Current interest bearing lease liabilities	282	233	232	241	-
Current interest bearing bank overdraft facilities	0	0	0	25	55
Current interest bearing accrued expenses and deferred income	30	10	4	5	5
Total interest bearing provisions and liabilities	3,820	2,270	2,241	2,356	1,384
Interest bearing financial investment	25	28	30	34	38
Interest bearing prepaid expenses and accrued income	4	4	30	15	5
Cash and cash equivalents	481	542	541	536	289
Total interest bearing assets	510	574	601	585	332
Net debt	3,310	1,696	1,640	1,771	1,052
Net debt/equity ratio, total operations					
Net debt	3,310	1,696	1,640	1,771	1,052
Shareholders' equity including non-controlling interests	6,751	5,650	5,178	5,027	4,464
Net debt/equity ratio	0.5	0.3	0.3	0.4	0.2
Net debt/EBITDA, total operations					
Average net debt	2,851	1,787	1,824	2,052	1,318
Adjusted operating profit	1,347	1,297	916	915	634
Amortisation/depreciation and impairment, excluding one-off items and restructuring costs	481	424	398	400	168
EBITDA	1,828	1,721	1,314	1,315	802
Net debt / EBITDA	1.6	1.0	1.4	1.6	1.6
Growth, continuing operations	2022	2021	2020	2019	2018¹⁾
Change, net sales	2,718	1,428	-292	252	900
- of which organic	1,045	1,432	-188	44	520
- of which acquisitions/divestments	1,303	179	35	19	57
- of which currency effect	370	-183	-139	189	323
Growth, total operations	2022	2021	2020	2019	2018¹⁾
Change, net sales	1,747	1,453	-706	546	1,084
- of which organic	1,044	1,513	-550	291	680
- of which acquisitions/divestments	333	179	35	19	57
- of which currency effect	370	-239	-191	236	347
Interest coverage ratio, total operations	2022	2021	2020	2019	2018¹⁾
Earnings before tax	1,238	802	811	881	531
Interest expenses	82	42	45	50	26
Total	1,320	844	856	931	557
Interest expenses	82	42	45	50	26
Interest coverage ratio	16.2	20.0	19.0	18.8	21.4
Operating profit before amortisation/depreciation and impairment losses, EBITDA, continuing operations	2022	2021	2020	2019	2018¹⁾
Operating profit	1,347	1,266	790	830	563
Amortisation/depreciation and impairment losses	483	394	395	353	147
<i>of which one-off items and restructuring costs</i>	2	-	40	-	-
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,808	1,660	1,185	1,183	710
Net sales	12,366	9,648	8,220	8,512	8,260
EBITDA margin, %	14.6	17.2	14.4	13.9	8.5
Operating profit before amortisation/depreciation and impairment losses, EBITDA, total operations	2022	2021	2020	2019	2018¹⁾
Operating profit	1,325	841	846	915	547
Amortisation/depreciation and impairment losses	483	804	438	400	168
<i>of which one-off items and restructuring costs</i>	2	380	40	-	-
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,808	1,645	1,284	1,315	715
Net sales	12,366	10,619	9,166	9,872	9,326
EBITDA margin, %	14.6	15.5	14.0	13.3	7.7

1) In 2019, Lindab implemented IFRS 16 Leases. By applying relief rules, comparative figures from previous periods have not been restated, i.e. there is no full comparability to reported figures for 2018.

2) For a specification of one-off items and restructuring costs, see footnote 2 on page 93.

3) From January 1, 2019, the former Products & Solutions segment was divided into two new business areas/segments: Ventilation Systems and Profile Systems.

4) Costs of Group functions and activities.

Financial definitions

Key performance indicators defined according to IFRS

Earnings per share, SEK

Profit for the year attributable to Parent Company shareholders in relation to the average number of shares outstanding.

Key performance indicators not defined according to IFRS

Number of shares after dilution

Weighted average number of shares outstanding at the end of the period and potential additional shares in accordance with IAS 33 *Earnings per Share*.

Return on shareholders' equity

The return on shareholders' equity comprises the profit for the year attributable to the Parent Company's shareholders, expressed as a percentage of average shareholders' equity attributable to the Parent Company's shareholders.

Return on capital employed

The return on capital employed comprises consolidated profit before tax, after reversing financial expenses, expressed as a percentage of average capital employed.

Discontinued operations

Business Area Building Systems.

EBITDA margin

The EBITDA margin has been calculated as profit before depreciation according to plan, before amortisation of consolidated surplus values in intangible assets and impairment, expressed as a percentage of net sales.

Shareholders' equity per share, SEK

Shareholders' equity attributable to Parent Company shareholders to number of shares outstanding at the end of the period.

One-off items and restructuring costs

Items not included in the ordinary business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key performance indicators, are classified as one-off items and restructuring costs.

Investments in intangible assets and tangible fixed assets

Investments excluding acquisitions and divestments of companies.

Adjusted operating margin

Adjusted operating profit expressed as a percentage of net sales.

Adjusted operating profit

Operating profit adjusted for one-off items and restructuring costs when the amount is significant in size.

Cash flow from operating activities per share, SEK

Cash flow from operating activities to number of shares outstanding.

Continuing operations

Lindab Group excluding discontinued operations.

Net debt

Interest-bearing provisions and liabilities less interest-bearing assets and cash and cash equivalents.

Net debt/equity ratio

Net debt to shareholders' equity including non-controlling interests.

Net debt/EBITDA

Average net debt in relation to EBITDA, excluding one-off items and restructuring costs, based on a rolling twelve-month calculation.

Foreign sales

The sales reported by each country when a product or service have been delivered, expressed as a percentage of the net sales for the year.

Operating cash flow

Cash flow from operating activities excluding one-off items, restructuring costs and tax paid, but including net investments in intangible assets and tangible fixed assets.

Organic growth

Change in sales adjusted for currency effects as well as acquisitions and divestments compared with the same period of the previous year.

P/E ratio

The share price at the end of the year divided by earnings per share.

Interest coverage ratio

Earnings before tax plus interest expense in relation to interest expense.

Working capital

Working capital comprises stocks, operating receivables and operating liabilities and is obtained from the statement of financial position, but adjusted where applicable for non-cash items. Operating receivables comprise accounts receivable, other receivables and non-interest bearing prepaid expenses and accrued income. Operating liabilities include other non-interest-bearing non-current liabilities, advances from customers, accounts payable, other current liabilities and non-interest bearing accrued expenses and deferred income.

Operating margin

Operating profit expressed as a percentage of net sales.

Operating profit

Profit before financial items and tax.

Operating profit before amortisation/depreciation and impairment losses, EBITDA

Profit before planned amortisation/depreciation and impairment losses.

Equity/asset ratio

Shareholders' equity including non-controlling interests, expressed as a percentage of total assets.

Capital employed

Total assets less non-interest-bearing provisions and liabilities.

Total operations

Continuing operations and discontinued operations.

Profit margin

Earnings before tax expressed as a percentage of net sales.

CONTENTS

Sustainability Report

Materiality analysis	145
Stakeholder dialogue	146
External initiatives	147
Governance	147
About the Sustainability Report	148
GRI index	149
Climate and environment	153
Sustainable sourcing	158
Attractive employer	159
Anti-corruption and antitrust	161
Community involvement	161
Safe products	161
Customer data management	161
Auditor statement	162



Materiality analysis

Lindab has a long-term perspective in its operations, and sustainability is integrated into the company and its business model. The sustainability plan presents the most important issues and is developed based on stakeholder dialogues, environmental analysis, market trends and strategic priorities of the company and management. Lindab consider the whole picture to understand the impact of its operations, but also the impact on the company's results. In 2024, Lindab will conduct a double materiality analysis according to the requirements of the Corporate Sustainability Reporting Directive, CSRD.

The methodology for defining our most material topics for 2022 follows the GRI guidelines and involves understanding our context, identifying actual and potential impacts, assessing their significance and finally prioritising. The evaluation has resulted in 32 topics on which Lindab has chosen to focus further. Substantial material topics do not change annually given the nature of the business.

Create healthy buildings	Reduce the environmental impact from customers	Drive a sustainable business
Focus area	Material issues	
1. Increase awareness of healthy indoor air	Healthy indoor air	Ethics Economic performance Anticorruption Tax Human rights Compliance Transparency
2. Drive standardisation and legislation	Healthy indoor air Energy-efficiency	
3. Sustainable and energy-efficient solutions	Environmental impact of products Energy-efficiency Innovation	
4. Digital tools and technologies to optimise usage	Digitalisation Customer data Energy-efficiency	
5. Circular economy with a high degree of reuse.	Sustainable materials Circular design Biodiversity	
6. Sustainable sourcing	Risk management Evaluation	
7. Sustainable production	Use of resources Emissions Scrap Waste Biodiversity	
8. Sustainable transport	Renewable fuels Electrification	
9. Attractive employer	Health and safety Diversity and equal opportunities Education and development Staff turnover Non-discrimination Employee engagement	
10. Community involvement	Community involvement	

Stakeholder dialogue

Lindab has a transparent, ongoing and long-term dialogue with stakeholders, as it is crucial for how we successfully and proactively identify problems, trends and expectations. Our dialogue with stakeholders is both structured and ad hoc, using surveys, web meetings, social media,

face-to-face meetings and spontaneous discussions. Expectations and requests from, e.g., suppliers, customers, employees, investors and society at large contribute to the sustainability agenda.

Suppliers	Lindab receives feedback from suppliers through our responsible sourcing program. We enter long-term partnerships on key strategic issues, and a close daily dialogue is conducted through our local sourcing offices. On-site audits provide feedback on suppliers' quality and sustainability performance and a deeper understanding of common issues.
Customers	Lindab receives feedback from its customers through activities carried out by the sales and marketing organisation, ranging from discussions with key account managers to daily conversations between customers and local account managers. Lindab organises and participates in various network meetings. We also gather data from customer surveys and customer analyses.
Property owners	Closer dialogue has been initiated with property owners to jointly pilot new technologies and innovations. Lindab wishes to develop direct dialogue with property owners in the future, to directly understand the requirements of our products and systems.
Employees	Lindab maintains an ongoing dialogue with representatives from different parts of the company on matters such as the work environment. Lindab's Board of Directors includes employee representatives among its members. We conduct employee surveys and annual employee performance and development talks to drive continuous improvement and develop our sustainability work.
Investors and owners	We communicate the Group's strategy and earnings to existing and potential investors, analysts and the media. Dialogue takes place through various channels such as presentations of quarterly reports, meetings with investors, seminars, Capital Markets Day, the website, analysis reports and press releases.
Community	In the cities where Lindab has its operations, there are important stakeholders which feedback impact our local activities. Interaction involves various activities and initiatives, from business-related activities to volunteer initiatives, charity work and sponsorship. Lindab also works closely with several universities and colleges.
Future generations	Stakeholders who cannot make their voices heard are also taken into account by studying research and analysis of the future, as a way to give future generations a better and safer place to live.
Non-governmental organisations	Lindab is active in several trade associations and collaboration forums, including the UN Global Compact. Locally and internationally on the EU level, we are active in promoting sustainable construction issues. It also gives us early insight into upcoming trends and legislative changes.

External initiatives

Lindab supports the ten principles of the UN Global Compact and has participated since 2009. Reporting is done annually according to the guidelines. In 2023, Lindab will, like other companies, report according to the new more comprehensive format. Lindab's commitment is shown on the UN Global Compact website.

Lindab supports the Paris Agreement and Agenda 2030, the UN's 17 global goals for a sustainable and equitable world. The products and solutions Lindab develop and sell, and the way Lindab work, contribute primarily to twelve of these goals.



In January 2023, Lindab committed to Science Based Targets with the aim of taking the next step in sustainability work. This means that Lindab will set science-based climate targets in line with the Paris Agreement, as well as a long-term net-zero target that is verified and monitored by a third party. Science Based Targets Initiative (SBTi) is a collaboration between CDP, the World Resources Institute, WWF and the UN Global Compact.

Lindab's ambition is to report according to the TCFD, Task-force on Climate Related Financial Disclosure. This year, scenario analyses have been carried out, but more detailed reporting is needed for the financial

impact and for the new risks and opportunities to become part of the other risk work. The TCFD was created by the Financial Stability Board, an international body that seeks to strengthen and protect global financial markets from systemic risks such as climate change. The TCFD recommendations provide guidance on reporting on the economic impacts of climate-related risks and opportunities.

Lindab actively participates in various trade associations and forums on both European and local level with the aim of accelerating and improving sustainable construction with healthy indoor climate requirements. In 2022, Lindab was involved in 56 trade associations and forums in a total of 15 markets. Lindab is a member of the following:

- Eurovent
- Svensk Ventilation and other local ventilation trade associations
- Swedish Institute for Standards – technical committees for ventilation and fasteners
- Tightvent
- The Swedish Institute of Steel Construction and other local steel trade associations
- Solar Energy Research Center (SOLVE) in Sweden
- Passivhaus Trust in the UK
- LFM 30, Gothenburg's Climate Platform and other local initiatives linked to sustainable construction

Governance

Lindab's sustainability work is integrated into the business operations. Sustainability work contributes to increased competitiveness, reduced risks and costs, and it motivates employees, while attracting new talent and investors.

All employees play an important role in helping Lindab achieve its sustainability goals. Governance and monitoring of sustainability work is adapted to the decentralised organisation and follows the same structure as other reporting. For more details, see the Corporate Governance Report on page 52. Lindab's President and CEO has overall responsibility for Lindab's sustainability work. The Board is the decision-making body for strategies, policies and targets. At Group level, sustainability work is led by a Global Sustainability Manager in close cooperation with other departments such as HR, Logistics, Communications and Finance. Lindab has set up a sustainability network that includes regional sustainability specialists. The network is led by the Global Sustainability Manager to coordinate the development, management, governance and monitoring of sustainability efforts. Responsibility for

the implementation of the sustainability plan and targets is delegated to the subsidiaries, which develop adopted local sustainability plans with specific targets.

The result is followed-up on company level and then aggregated on Group level. The companies carry out a self-check, and regional sustainability specialists an additional quality check. The Group's achievement of the targets is monitored by the Global Sustainability Manager. The Audit Committee maintains an ongoing dialogue, with requirements for reporting. Work is underway to include the sustainability report in the internal control process.

Lindab's Code of Conduct, together with other policies for quality and the environment, anticorruption, health and safety and equal treatment, form the basis of our sustainability work. Risks related to the sustainability area are included in Lindab's overall risk management, which is presented on pages 64–71.

About the Sustainability Report

Lindab reports its sustainability work as part of the company's annual report and in accordance with the Swedish Accounting Act based on the Non-Financial Reporting Directive (NFRD). The Sustainability Report has been prepared in a report separate from the Directors' Report to meet the requirements for a statutory Sustainability Report in accordance with the Annual Accounts Act (AAC), Chapter 6, Section 11. The auditor's opinion regarding the statutory Sustainability Report can be found on page 162.

For calendar year 2024, Lindab will report according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Sustainability reporting requirements are now undergoing a major change. As part of the preparations, Lindab this year carried out scenario analysis according to TCFD (Task Force on Climate-Related Financial Disclosures) and reported in accordance with the new GRI standard (Global Reporting Initiatives). Since 2009, Lindab has applied the GRI's guidelines for reporting sustainability information.

Lindab's consolidated performance data reported for the sustainability area includes the parent company Lindab International AB and all subsidiaries. The subsidiaries are included in the accounts for their first full year of activity as part of the Group. The table below shows the companies included in the reporting for 2022.

The emissions and energy reporting is in accordance with the Greenhouse Gas Protocol and Lindab applies the method operational control. This method means that emissions attributed to the reporting organisation are based on its influence of the respective business activity. If exceptions are made, they are described and explained in accordance with the principle of completeness. Acquisitions, divestments and closed units are handled according to the guidelines, which means that figures for historical performance are recalculated. Acquired companies' emissions data are added to the base year, while divested companies are subtracted from the base year. Any closed units are a continuing part of the targets and the base year, according to internationally accepted rules.

This year's sustainability report, which refers to the calendar year 2022, has been prepared in accordance with GRI Standards 2021. The references in the attached GRI index refer to pages in the annual report and for certain material issues, clarifying comments are provided. The report has not been reviewed by a third party.

Company	Domicile	Company	Domicile
Lindab AB ¹⁾	Båstad, Sweden	Spiral Helix Inc. ^{2) 3)}	Chicago, IL, USA
Lindab Sverige AB ^{2) 3)}	Båstad, Sweden	Lindab SRL ^{2) 3)}	Ilföv, Romania
Crenna Plåt AB ^{2) 3)}	Enköping, Sweden	Lindab Kft. ^{2) 3)}	Biatorbagy, Hungary
Borgmästarjorden AB ⁵⁾	Enköping, Sweden	Lindab AS ^{2) 3)}	Oslo, Norway
Ekorent AB ^{2) 3)}	Vellinge, Sweden	Aer Faber AS ^{2) 3)}	Spydeberg, Norway
Fastighetsbolaget EKO1 AB ⁵⁾	Vellinge, Sweden	H.A. Helgesen & Sønner AS ^{2) 3)}	Eidsnes, Norway
Fastighetsbolaget EKO2 AB ⁵⁾	Vellinge, Sweden	Lindab Sp. z o.o. ^{2) 3)}	Wieruchow, Poland
Alig Ventilation AB ^{2) 3)}	Mariestad, Sweden	Lindab S.r.l. ^{2) 3)}	Milan, Italy
Ventilationsbutiken i Mariestad AB ⁶⁾	Mariestad, Sweden	MP3 S.r.l. ^{2) 3)}	Milan, Italy
Lindab Steel AB ^{3) 4)}	Båstad, Sweden	Lindab N.V. ^{2) 3)}	Ghent, Belgium
Lindab Ventilation AB ³⁾	Båstad, Sweden	Lindab A/S ^{2) 3)}	Haderslev, Denmark
Lindab Profil AB ³⁾	Båstad, Sweden	Klimatek Ventilationsmateriel AS ^{2) 3)}	Skive, Denmark
KAMI, Kalix Mekaniska Industrier AB ^{2) 3)}	Kalix, Sweden	Lindab GmbH ^{2) 3)}	Bargteheide, Germany
Profilplåt i Sverige AB ^{2) 3)}	Sundsvall, Sweden	Lindab N.V. ^{2) 3)}	Ghent, Belgium
Lindab s.r.o. ²⁾	Prague, Czech Republic	Lindab AG ^{2) 3)}	Otelfingen, Switzerland
Lindab Sales s.r.o. ³⁾	Prague, Czech Republic	Tecnovent SA ^{2) 3)}	Bioggio, Switzerland
Lindab SRL ^{2) 3)}	Ilföv, Romania	Lindab Ltd ^{2) 3)}	Northampton, UK
U-nite Fasteners Technology AB ^{2) 3) 4)}	Uddevalla, Sweden	Ductmann Ltd ^{2) 3)}	Dudley, UK
Lindab Fastigheter AB ⁵⁾	Båstad, Sweden	Lindab France S.A.S. ^{2) 3)}	Montluel, France
Lindab SIA ²⁾	Rīga, Latvia	Lindab (IRL) Ltd ²⁾	Dublin, Ireland
Lindab AS ^{2) 3)}	Harju Maakond, Estonia	A.C. Manufacturing Ltd ^{2) 3)}	Dublin, Ireland
Oy Lindab Ab ^{2) 3)}	Espoo, Finland	Smofir Trading Ltd. (Thor Duct) ²⁾	Dublin, Ireland
Lindab s.r.o. ²⁾	Prague, Czech Republic	Lindab a.s. ^{2) 3)}	Jamnik, Slovakia
Lindab Sales s.r.o. ³⁾	Prague, Czech Republic		
Spiro International S.A. ^{2) 3)}	Bösingen, Switzerland		
Spiro Sweden AB ⁷⁾	Båstad, Sweden		

- 1) Group functions
- 2) Sales company
- 3) Production company
- 4) Sourcing company
- 5) Property company
- 6) Dormant company
- 7) Development company

GRI content index

Contact: Lindab's Group Sustainability Manager

Statement of use	Lindab has reported in accordance with the GRI Standards for the period 1st of January 2022 to 31st of December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI standard/other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	32-33, 50-51, 76, not 35, 136			
	2-2 Entities included in the organisation's sustainability reporting	148			
	2-3 Reporting period, frequency and contact point	6, 148			
	2-4 Restatements of information	148			
	2-5 External assurance	162			
	2-6 Activities, value chain and other business relationships	4-5, 22-29, 36-37			
	2-7 Employees	112	Lindab reports the average number of employees (FTE) per country as well as changes in the number of employees adjusted for acquisitions and disposals. Other data points are missing.	Information unavailable/incomplete.	Lindab needs to implement methods for measurement.
	2-8 Workers who are not employees	—	All points.	Information unavailable/incomplete.	Lindab needs to implement methods for measurement.
	2-9 Governance structure and composition	52-63	"Competencies that are relevant to the organisation's impact. Representation of stakeholders."	Information unavailable/incomplete.	Lindab will review the possibilities of reporting this data.
	2-10 Nomination and selection of the highest governance body	53-55			
	2-11 Chair of the highest governance body	58-59			
	2-12 Role of the highest governance body in overseeing the management of impacts	54-56, 147			
	2-13 Delegation of responsibility for managing impacts	147			
	2-14 Role of the highest governance body in sustainability reporting	54-56, 147			
	2-15 Conflicts of interest	53-55, 58-59			
	2-16 Communication of critical concerns	62, 64-71			
	2-17 Collective knowledge of the highest governance body	53-55			
	2-18 Evaluation of the performance of the highest governance body	53-55			
	2-19 Remuneration policies	55, 57			
	2-20 Process to determine remuneration	55, 57			
	2-21 Annual total compensation ratio	112	CEO information is reported at the annual general meeting. Information on Group level linked to other people's salaries is missing.	Information unavailable/incomplete.	Lindab will review the possibilities of reporting this data.
	2-22 Statement on sustainable development strategy	55, 147			
	2-23 Policy commitments	56-57, 147, 158-159			
	2-24 Embedding policy commitments	56			
	2-25 Processes to remediate negative impacts	62-63, 64-67, 158, 159-160			

GRI standard/other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-26 Mechanisms for seeking advice and raising concerns	56, 62, 159–160			
	2-27 Compliance with laws and regulations	56			
	2-28 Membership associations	147			
	2-29 Approach to stakeholder engagement	145–146			
	2-30 Collective bargaining agreements	159			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	145–146			
	3-2 List of material topics	145			
Human rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	16-17, 42–44, 46–49, 57, 64–71, 146, 148, 158–159			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	42–44, 158–159			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	42–44, 158–159			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	42–44, 158–159			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	42–44, 158–159			
Ethics and compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	56, 64–71, 146, 148, 158, 161			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	161			
	205-2 Communication and training about anti-corruption policies and procedures	56, 161	Documented training.	Information unavailable/incomplete.	Education in Lindab's policies will become part of the digital education platform Lindab Academy.
	205-3 Confirmed incidents of corruption and actions taken	161			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	161			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	12–13, 53–56, 64–71, 146			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	12–17, 76			
	201-2 Financial implications and other risks and opportunities due to climate change	64–71, 80	"The financial implications of risks and opportunities before action is taken; The costs of actions taken to manage the risk or opportunity."	Information unavailable/incomplete.	Lindab has expanded its risk analysis and included scenarios according to TCFD. Next year, further financial effects will be reported.
GRI 207: Tax 2019	207-1 Approach to tax	68			
	207-2 Tax governance, control, and risk management	68			
	207-4 Country-by-country reporting	68	The reporting is not official but is shared with relevant tax authorities.	Confidentiality constraints.	Lindab will evaluate the possibilities of reporting the information as part of the annual report.

GRI standard/other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Focus area 1: Increase awareness of healthy indoor air					
GRI 3: Material Topics 2021	3-3 Management of material topics	16-17, 18-20, 64-71, 146			
Lindab	Increase awareness of healthy indoor air	16-17, 18-20			
Focus area 2: Drive standardisation and legislation					
GRI 3: Material Topics 2021	3-3 Management of material topics	16-17, 20, 64-71, 146-148			
Lindab	Presence in associations and forums	20, 147			
Focus area 3: Sustainable and energy-efficient solutions					
GRI 3: Material Topics 2021	3-3 Management of material topics	16-19, 22-27, 30-31, 64-71, 146			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	22-27, 30-31, 36-37			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	161			
Lindab	Environmental Product Declarations	20, 30-31			
Focus area 4: Digital tools and technologies to optimise energy usage					
GRI 3: Material Topics 2021	3-3 Management of material topics	56, 64-71, 68, 146, 161			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	161			
Lindab	Digitalise sustainability information for products	16-17, 30-31			
Focus area 5: Circular economy with a high degree of reuse					
GRI 3: Material Topics 2021	3-3 Management of material topics	16-17, 30-31, 64-71, 146, 156-157			
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	—	Target for circularity.	Information unavailable/incomplete.	Lindab will define a circularity target I in 2023.
Focus area 6: Sustainable sourcing					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 16-17, 42-44, 56, 64-71, 146, 148, 158			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	136, 158			
Lindab	Share of suppliers that have been evaluated and reviewed based on environmental and social criteria	44, 158			
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	44, 158			
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	44, 158			
Focus area 7: Sustainable production					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 16-17, 42-44, 56, 64-71, 146, 148, 154-157			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	156-157			
	301-2 Recycled input materials used	156-157	Lindab currently measures the recycled amount for metals, but not for other types of material.	Information unavailable/incomplete.	Metals are the most common material in production. Lindab will review the possibility of measure recycled material for other types of materials in the future.

GRI standard/other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	44, 154–155			
	302-2 Energy consumption outside of the organisation	44, 154–155			
	302-3 Energy intensity	44, 154–155			
	302-4 Reduction of energy consumption	44, 154–155			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	67, 148, 157			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	44, 154–155			
	305-2 Energy indirect (Scope 2) GHG emissions	44, 154–155			
	305-3 Other indirect (Scope 3) GHG emissions	44, 154–155			
	305-4 GHG emissions intensity	44, 154–155			
	305-5 Reduction of GHG emissions	44, 154–155			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	43, 156			
	306-2 Management of significant waste-related impacts	156	Target for circularity.	Information unavailable/incomplete.	Lindab will define a circularity target I in 2023.
	306-3 Waste generated	148, 156			
	306-4 Waste diverted from disposal	156			
	306-5 Waste directed to disposal	156			
Lindab	Significant spills	156			
Focus area 8: Sustainable transportation					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 16–17, 42–44, 56, 64–71, 146, 148, 157			
Lindab	Forklifts	157			
Lindab	Company cars	157			
Lindab	Environmental requirements for transport	—	All points.	Information unavailable/incomplete.	Environmental requirements will be published in 2023. Some of the companies have local requirements today.
Lindab	Own transports	157			
Lindab	External transports	157			
Focus area 9: Attractive employer					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 16–17, 46–49, 56, 64–71, 146, 148, 159–161			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	48–49, 148, 159	Lindab reports staff turnover per gender. Staff turnover per age group is missing.	Information unavailable/incomplete.	Lindab needs to define methods to measure staff turnover per age group.
	401-3 Parental leave	46–49, 56	All points.	Information unavailable/incomplete.	Measured today as part of temporary absence. Lindab needs to define methods to separate out data for parental leave.
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	159			

GRI standard/other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	160–161			
	403-2 Hazard identification, risk assessment, and incident investigation	160–161			
	403-3 Occupational health services	160–161			
	403-4 Worker participation, consultation, and communication on occupational health and safety	160–161	The work of formal committees.	Information unavailable/incomplete.	The work is documented at the local level. Lindab needs to implement methods for measurement.
	403-5 Worker training on occupational health and safety	48, 160–161	Employee training is not measured at Group level.	Information unavailable/incomplete.	Education is documented at the local level. Lindab needs to implement methods for measurement.
	403-6 Promotion of worker health	160–161			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	160–161			
	403-9 Work-related injuries	49, 160–161	Split result between employed and hired staff.	Information unavailable/incomplete.	Lindab will review the possibilities of reporting a more detailed result.
	GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	46–48, 159		
Lindab	Competence development	46–48, 159			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	49, 112, 159			
	405-2 Ratio of basic salary and remuneration of women to men	—	All points.	Information unavailable/incomplete.	Lindab needs to implement methods for measurement.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	159			
Lindab	Motivated employees	49, 159			
Focus area 10: Community involvement					
GRI 3: Material issues for 2021	3-3 Handling of material issues	16–17, 46–49, 56, 64–71, 146, 148			
Lindab	Community involvement	161			

Climate and environment

Lindab works actively to minimise the environmental impact from the Group's operations and products. As part of this effort, Lindab's major production units are certified according to the ISO 9001 quality management system and the ISO 14001 environmental management system. Twenty companies are certified according to the ISO 9001 Quality management system, which represents 65.1 percent of sales. Twelve companies are certified under the ISO 14001 Environmental management system, representing 53.4 percent of sales.

Lindab reports emissions and energy consumption in accordance with the Greenhouse Gas Protocol. Scope 3 accounts for more than 98 percent of Lindab's total emissions, which means that Lindab has the greatest impact on the surrounding world via its business relationships. Purchased goods are the category that accounts for the largest share of emissions, with steel contributing the most. Read more about Lindab's cooperation with steel suppliers on page 42. Also category 3.11 Use of sold products accounts for a large part of the emissions. The venti-

lation industry, like many other industries, has started a digital journey with smarter and connected products to improve energy-efficiency and the indoor climate. These products also require energy to function; however it is a very small amount in relation to the savings, read more about how Lindab's products contribute to energy-efficiency on pages 22–27. Fans, units and air conditioning that Lindab purchase and resells account for the largest share of emissions in category 3.11. The Greenhouse Gas Protocol only includes the emissions from the products, and it is therefore not possible for Lindab to report energy savings as part of scope 3. Lindab's current emission target cover scope 1 and 2, with the base year 2019. When the targets were adopted in 2021, 2020 was chosen as the base year for due to the pandemic. The base year will be adjusted and include also scope 3 when Lindab adopts verified targets according to SBTi. The table on the next page shows a first result of Lindab's scope 3 emissions, calculations will be reviewed by third parties and improved in the coming years to be more detailed and specific.

Cont. Climate and environment

Lindab reports according to operational control, which means that some emissions and energy previously included in calculations are now excluded. A recalculation of Scope 2 emissions has been made based on new information on origin-certified electricity, resulting in higher emissions for historical years. In addition, some inputs have been adjusted due to inaccuracies in previous reporting. Emissions data and resource consumption of newly acquired companies have also been added for previous years, and divested companies have been removed. More

information on acquisitions and divestments can be found on page 40–41. Emission factors used in the calculations have been taken from external and recognised sources such as GaBi, Ecoinvent, Association of Issuing Bodies, Swedish Environmental Protection Agency, DEFRA, Energiföretagen, and Network for Transport Measures (NTM). In some cases, supplier-specific data has been used from certificates or Environmental Product Declarations (EPDs).

Greenhouse gas emissions and energy consumption

(GRI 305-1, 305-2, 305-3, 305-4, 305-5, 302-1, 302-3, 302-4)

Scope 1, 2 and 3. Absolute emissions are given in tons of CO ₂ e and intensity in tons CO ₂ e per million krona in sales	2022		2021		2020		2019	
	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity
Scope 1 Includes energy combustion, refrigerants, fuel for company cars and other vehicles owned or controlled								
Direct emissions*	7,792	0.7	8,167	0.9	8,208	0.9	10,063	1.0
Biogenic emissions	643	0.1	653	0.1	343	0.04	347	0.04
Scope 2 Includes electricity and district heating								
Market-based method	8,402	0.8	8,772	0.9	8,915	1.0	9,283	0.9
Location-based method	5,638	0.5	5,917	0.6	6,532	0.7	6,844	0.7
Scope 1+2 (market-based)	16,195	1.5	16,939	1.8	17,123	1.9	19,346	2.0
Scope 1+2 (location-based)	13,431	1.2	14,084	1.5	14,740	1.6	16,907	1.7
Scope 3 Includes all other indirect emissions								
1. Purchased goods and services	666,855	62						
2. Capital goods	2,125	0.2						
3. Fuel and energy-related activities	17,401	2						
4. Upstream transportation and distribution	3,302	0.3						
5. Waste generated from own operations	1,870	0.2						
6. Business travel	3,652	0.3						
7. Employee commuting	2,420	0.2						
8. Upstream leased assets	Not relevant							
9. Downstream transportation and distribution	4,661	0.4						
10. Processing of sold product	41,159	4						
11. Use of sold product	361,418	34						
12. End of life treatment of sold products	3,497	34						
13. Leased assets	Not relevant							
14. Franchise	Not relevant							
15. Investments	Not relevant							
Scope 3	1,108,361	103						
Scope 1+2+3 (market-based)	1,124,556	105						
Scope 1+2+3 (location-based)	1,121,792	104						

* Emissions from owned or fully controlled trucks for 2019 and 2020 are assumed to be the same as for 2021 due to the lack of data. Direct emissions for 2022 under the old calculation method, which excluded other owned or controlled vehicles, total 0,496 kg CO₂e/SEK million compared to 0,825 kg CO₂e/SEK million.

Scope 1 and 2 change, %	2022		2021		2020	
	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity
Scope 1						
Compared to 2019	-23	-29	-19	-15	-18	-11
Compared to previous year	-5	-16	-1	-5	-18	-11
Scope 2 (market-based)						
Compared to 2019	-9	-17	-6	-1	-4	4
Compared to previous year	-4	-16	-2	-6	-4	4
Scope 1+2 (market-based)						
Compared to 2019	-16	-23	-12	-9	-11	-4
Compared to previous year	-4	-16	-1	-5	-11	-4

Scope 1: direct emissions that occur in the own operations.

Scope 2: indirect emissions from the production of purchased electricity, steam, heat and cooling consumed by the company.

Scope 3: all other indirect emissions that occur in a company's value chain but which the company does not own or control.

Cont. Climate and environment

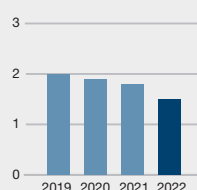
Direct and indirect energy. Absolute values are given in MWh, and intensity, in MWh per million krona in sales. Includes energy consumption at Lindab's sites. Operational control is not applied.

	2022		2021		2020		2019	
	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity
Direct energy								
Natural gas	15,322	1.4	17,804	1,9	17,863	2.0	19,164	1.9
Diesel ¹⁾	2,136	0.2	2,939	0,3	2,939	0.3	2,939	0.3
Gasoline ¹⁾	10	0.001	498	0,1	498	0.1	498	0.1
LPG	229	0.02	414	0,04	562	0.1	1,790	0.2
Fuel oil	271	0.03	542	0,1	414	0.05	1,237	0.1
Biogas	2,991	0.3	3,197	0,3	1,724	0.2	1,744	0.2
Biodiesel	20	0.002	20	0,002	0	0	0	0
Renewable	3,011	0.3	3,217	0,3	1,724	0.2	1,744	0.2
Non-renewable	17,967	1.7	22,198	2,3	22,278	2.5	25,629	2.6
Total direct energy	20,978	1.9	25,415	2,7	24,002	2.6	27,373	2.8
Indirect energy								
Electricity renewable	20,421	1.9	20,226	2.1	18,001	2.0	17,156	1.7
Electricity non-renewable	21,942	2.0	22,349	2.4	23,464	2.6	2,4055	2.4
District heating renewable	6,279	0.6	5,041	0.5	4,516	0.5	4,213	0.4
District heating non-renewable	3,746	0.3	2,748	0.3	2,868	0.3	2,836	0.3
Renewable	26,700	2.5	25,267	2.7	22,517	2.5	21,368	2.2
Non-renewable	25,688	2.4	25,097	2.7	26,332	2.9	26,891	2.7
Total indirect energy	52,387	4.9	50,364	5.3	48,850	5.4	48,259	4.9
Total energy consumption (direct + indirect)	73,365	6.8	75,780	8.0	72,852	8.0	75,632	7.7

1) Figures for diesel and gasoline in 2020 and 2019 also include consumption by company cars. As the data cannot be separated, the same values have been assumed as for 2021.

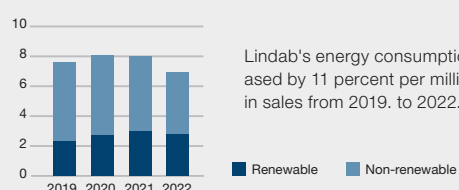
	2022		2021		2020	
	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity
Direct and indirect energy change, %						
Direct energy						
Direct energy: renewable						
Compared to 2019	73	58	84	93	-1	8
Compared to previous year	-6 ²⁾	-18 ²⁾	87	79	-1	8
Direct energy: Non-renewable						
Compared to 2019	-30	-36	-13	-10	-13	-5
Compared to previous year	-19	-29	0	-4	-13	-5
Direct energy						
Compared to 2019	-23	-30	-7	-3	-12	-5
Compared to previous year	-17	-27	6	2	-12	-5
Indirect energy						
Indirect energy: Renewable						
Compared to 2019	25	15	18	23	5	15
Compared to previous year	6	-7	12	8	5	15
Indirect energy: Non-renewable						
Compared to 2019	-4	-12	-7	-3	-2	7
Compared to previous year	2	-10	-5	-9	-2	7
Indirect energy						
Compared to 2019	9	0	9	9	1	10
Compared to previous year	4	-9	3	-1	1	10
Total energy consumption (direct + indirect)						
Compared to 2019	-3	-11	0	5	-4	5
Compared to previous year	-3	-15	4	0	-4	5

2) The units using renewable energy were the ones that made the greatest energy savings in 2022, hence a reduction compared to 2021.

CO₂e emissions

Lindab's CO₂e emissions decreased by 23 percent to 1.5 tonnes per million krona in sales from 2019 to 2022.

Energy consumption



Lindab's energy consumption decreased by 11 percent per million krona in sales from 2019 to 2022.

Scrap and waste

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Lindab works actively to reduce all types of waste, with a special focus on scrap, hazardous waste and landfill. Waste must be seen as a valuable resource in terms of natural resources and biodiversity. In Lindab's operations, most scrap and waste is generated during the processing of steel in the production.

The majority of Lindab's products generate little or no waste during the installation phase. Part of Lindab's supplier evaluation concerns waste management to ensure that resources are used in the best possible

way throughout the value chain. Read more about Lindab's work for a more circular value chain on page 36-37.

Lindab measure and calculate emissions for waste according to the Greenhouse Gas Protocol and the Waste-Type-Specific method in the following categories: reuse, recycling, incineration with energy recovery, landfill, hazardous waste and composting. The data is shared by the suppliers that manage and dispose Lindab's waste, which also ensures that the waste is handled correctly. Lindab works closely with waste suppliers to reduce waste and improve sorting and management.

	2022		2021		2020		2019	
	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity
<i>Metal scrap. Absolute values are given in tons, and intensity, in tons per million krona in sales</i>								
Scrap from own operations	15,223	1.4	17,054	1.8	17,099	1.9	17,478	1.8

	2022		2021		2020	
	Absolute	Intensity	Absolute	Intensity	Absolute	Intensity
<i>Metal scrap change in scrap, %</i>						
Compared to 2019	-13	-20	-2	2	-2	6
Compared to previous year	-11	-22	-0.3	-4	-	-

<i>Waste. Absolute values in tons</i>	2022	2021	2020
Reuse	1,288	1,439	1,243
Recycling	1,675	1,687	1,550
Incineration (energy recovery)	1,544	1,597	1,617
Landfill	1,532	1,761	1,689
Hazardous waste	574	545	639
of which recycling	174		
of which electronics	10		
Composting	57	83	38
Waste from own operations	5,382	5,673	5,532

During the reporting period, there were no spills of hazardous substances that could harm people, land, water or biodiversity.

Lindab works in many different ways to reduce waste. Lindab's factories actively work with substitution, where substances and materials that generate hazardous waste are replaced with better alternatives. In 2022, Lindab in the UK, among others, switched to a biologically degradable cutting fluid. Lindab's sandwich panel factory in Luleå is currently evaluating a take-back system with the insulation supplier. Mineral wool shavings are sent back to the supplier to become new insulation; a first test delivery has been sent. KAMI and the paint supplier Beckers Sweden have jointly developed a circular system for residual paint. The residual paint is returned to Becker's lab, where the color and consistency are adjusted and preserved for the next batch that KAMI orders. A batch of 5,000 liters of paint contains approximately 1,000 liters of recycled residual paint.

Use of materials

(301-1, 302-1, 303-1)

The table lists Lindab's most common raw and packaging materials purchased from external suppliers and used to produce and deliver products. The values are based on both assumptions and direct measurements. Assumptions are based on averages from other direct mea-

asures or sales and sourcing statistics. In addition to the above, Lindab also source components that are included in the products, as well as finished products that are further distributed. For emissions related to purchased goods and services, see page 154.

<i>Raw material. Absolute values in tons</i>	2022	2021
Metal, tons	158,656	142,197
Insulation, ton	11,355	9,968
Rubber, tons	1,088	1,298
Plastic, tons	273	
Oils, tons	7	7
Paints, tons	86	81
Solvents, tons	14	14
Raw material consumption in own operations	171,479	153,565

<i>Packaging material. Absolute values in tons</i>	2022	2021
Cardboard, paper	3,048	3,434
Plastic	612	746
Wood	10,562	13,223
Metal	312	449
Consumption of packaging materials in own operations	14,534	17,852

The cardboard boxes that Lindab uses to package products are either reused or made of recycled material.

Lindab works to increase the proportion of recycled raw materials in different material types. Requirements per material type will be defined in Lindab's upcoming material guide. The average share of scrap per metal type is presented below. Scrap is a shortage on the market and is therefore only available in limited quantities. Studies show that steel consumption in 2050 will originate from 50 percent scrap and 50 percent virgin material. Lindab work with suppliers to increase the amount of scrap in purchased steel. From 2023, Lindab will offer products in decarbonised steel with approximately 70 percent lower climate impact

than traditionally manufactured steel. The material consists mostly of recycled steel, at least 75 percent, and is produced with 100 percent renewable energy.

Recycled material in steel, share, %	Market average	Purchased material mix
Steel: painted, galvanised, zinc-magnesium, etc.	20	98
Aluminum	60	2
Stainless	75	1
Copper	97	0.1

Biodiversity

(GRI 304-1)

Biodiversity plays a crucial role in the fundamentals of nature, such as pollination and purification of air and water. Lindab strives to limit the impact of its products throughout their life cycle. The phase in the value chain that affect the impact the most is the development and design phase. Lindab's forthcoming materials guide will set out more detailed and stringent requirements for all materials and components that Lindab works with.

Lindab has a relatively small impact on biodiversity in terms of direct operations. The majority of Lindab's production units do not normally fall under specific environmental regulations or permits. The companies report to the regulatory bodies in each country in accordance with local regulations. In Sweden, environmental permit is required for the production unit in Grevie. The permit relates to the facility where metalworking is performed mechanically and where the total tank volume for oils in the metalworking machines is greater than 20 m³. On the other hand, there are major biodiversity impacts in the value chain, with the mining industry being a contributing factor. Lindab therefore welcomes and supports initiatives such as Mining with Nature, a roadmap for biodiversity developed by LKAB, SweMin and Boliden, among others. Companies in the Swedish mining industry must make a net-positive contribution to biodiversity by 2030 in all areas where they operate.

Lindab identifies whether activities are carried out in the vicinity of protected areas. Lindab has operations in 20 countries and 170 locations, two of which are close to protected areas. The factory in Hungary is located near the Érd-Tétényi plateau. In Uppsala, one of the operations is located near the Gullmarsfjorden and Bredmossen. Both sites have manufacturing operations that are considered to have a low risk of adversely affecting the surroundings. Environmental impact assessments have been carried out, and the necessary measures have been taken to minimise the risk of impact. Lindab conducts operations where there are traces of soil contamination. There is most likely an area under the former production hall in Grevie that is contaminated, but the levels found do not require any measures with the current operations. The company follows a control program for monitoring the contamination.

Transportation

Lindab is working to convert both its own fleet and external upstream and downstream transportation. Upstream transportation refers to transport from the supplier to Lindab and between Lindab's different operations. Downstream transport refers to transport from Lindab to the customer.

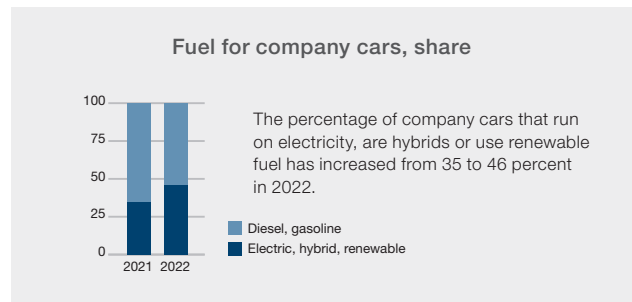
Company cars are to run on electricity or renewable fuel by 2030, and other transport in the value chain by 2040. Bulky products are being moved from central to regional units to be closer to the customer and reduce the need for transport.

Transportation is one of Lindab's largest sources of emissions. It is challenging to collect specific data on transports. In 2021 and 2022, data was collected for Lindab's own or fully controlled trucks and external upstream and downstream transportation. For 2022, more data has been collected from all companies, making it difficult to compare the results with the previous year.

Fuel consumption and emissions for 2022 are based on both assumptions and direct measurements. Assumptions are based on averages from other direct measures or sales and sourcing statistics. Where specific data are lacking, non-renewables are assumed on a precautionary basis. In 2022, 1 percent renewable fuel or electricity was used in Lindab's own or fully controlled trucks. For external upstream and downstream transport, the share of km transported by train, boat or truck using renewable fuel is 12 percent.

Part of Lindab's upcoming environmental requirements for carriers will both clarify how we will work together to reduce emissions and specify more clearly the type of data that needs to be reported. Many suppliers are already leaders in this field, while others have some way to go. An adapted self-assessment questionnaire for the supplier evaluation of carriers was developed during the year, to further enable cooperation.

Forklifts and company cars, share, %	2022	2021
Forklifts that run on electricity or renewable fuels	90	90
Company cars that run on electricity, are hybrids, or use renewable fuel	46	35



Sustainable sourcing

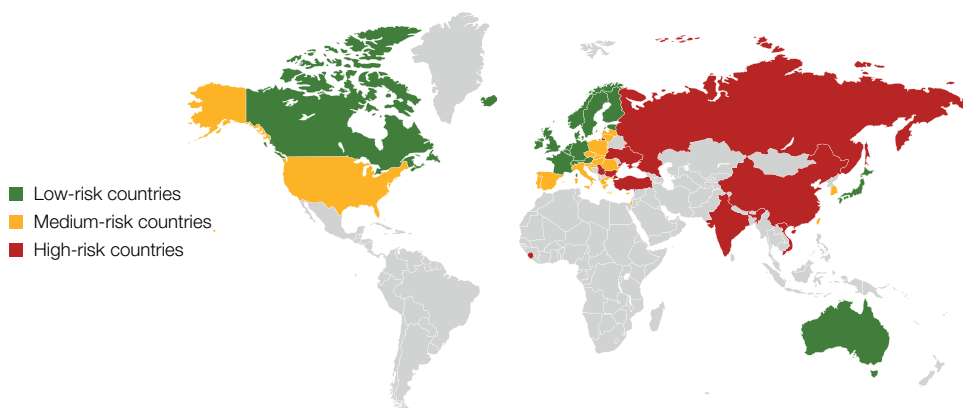
(GRI 204-1, 308-2, 403-7, 407-1, 408-1, 409-1, 411-1, 414-2)

Lindab’s supplier evaluation method follows the due diligence process and consists of three steps: 1. signing of the Lindab supplier principles, 2. self-assessment form and 3. on-site audit if the supplier is located in a high-risk country. The evaluation is adapted according to the risk classification of the supplier. Areas considered in the evaluation are quality, environment, safety and health, business ethics, anticorruption, human rights such as forced labor, freedom of association and child labor. For suppliers in high-risk countries, all suppliers with a minimum sourcing.

value of EUR 25,000 are reviewed, and for low and medium-risk countries, the minimum is EUR 100,000. In addition, strategic suppliers are reviewed even if they have a lower sourcing value.

Lindab uses The Corruption Perceptions Index (CPI) to determine risk. More aspects will be added to the risk classification in the future, such as more indexes but also type of industry. This is to determine where a deeper analysis than first tier suppliers is needed.

Risk assessment of the countries where Lindab has suppliers.



In order to be classified as certified, the supplier must have passed all steps of the evaluation. As part of the evaluation, Lindab shares a corrective action plan to assist suppliers with information on how to improve their quality and sustainability work. No certified supplier has major risks remaining.

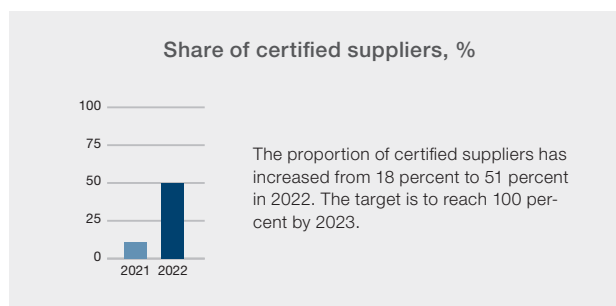
there have been no incidents that have offended indigenous people. Two findings have led to actions beyond the corrective action plan in 2022. A supplier in a high-risk country has not accepted an on-site audit by either Lindab or an independent third party. This means that Lindab cannot ensure that the supplier is compliant with the requirements of the Code of Conduct despite high scores in the first part of the evaluation. Lindab is now looking at how to replace the supplier as soon as possible. Another supplier is not willing to sign the Lindab Supplier Principles and cannot present its own Code of Conduct that meets Lindab’s requirements. Discussions are ongoing with the supplier to find a solution, as they received good results in the first part of the evaluation.

Share of local purchases in relation to total sourcing volume, %	2022
Local sourcing	88
Other sourcing	12
Total	100

Local sourcing refers to purchases from suppliers in countries where Lindab has operations.

Risk distribution for purchase volume, %	2022	2021
Low-risk countries	78	75
Medium-risk countries	19	22
High-risk countries	3	3
Total	100	100

Lindab works to reduce the risk of negative impacts. The biggest risk lies in the supply chain. When incidents are detected, they are communicated to an advisory group, which is responsible for deciding on direct action and remediation. No other findings have been found that have required Lindab to take any action other than submitting a corrective action plan, which has since been approved. To Lindab’s knowledge,



Certified suppliers as a percentage of purchasing volume, %	2022				2021			
	Low risk	Medium risk	High risk	Total	Low risk	Medium risk	High risk	Total
Suppliers who have adopted the Lindab Supplier Principles or with a code of conduct approved by Lindab	89	76	84	86	13	22	44	16
Certified suppliers	55	36	26	51	7	21	26	11

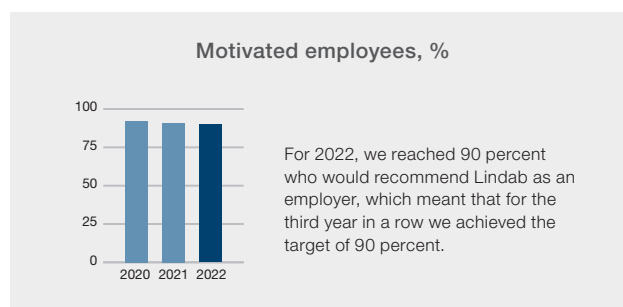
76 percent of total purchasing volume falls within the scope of the supplier evaluation.

Attractive employer

Lindab is dependent on being able to attract, develop and retain competent employees. Lindab strives to offer a modern and flexible workplace that also is fair, safe and inclusive. Read more about Lindab's efforts to be an attractive employer on page 48.

To measure how attractive Lindab is as an employer, regular pulse surveys are carried out. The survey increases the opportunities to make Lindab even better as an employer and as a business. Lindab's Pulse Survey was conducted twice in 2022. All subsidiaries carried out a measurement in the autumn and could also choose to carry out an additional measurement in the spring. The survey is voluntary and anonymous. The response rate was slightly lower in 2022 compared to 2021, but the number of employees who are very satisfied is higher than in previous years.

Motivated employees, share, %	2022	2021	2020
Response rate pulse measurement	47	55	41
Motivated employees	90	91	92



Human rights

(GRI 407-1, 408-1, 409-1, 411-1)

Lindab has no operations of its own in high-risk countries according to the risk assessment applied to suppliers; see page 158. Lindab operates in countries where collective agreements are not permitted, but by applying the OECD Guidelines for Multinational Enterprises and the UN's Ten Guiding Principles in all our operations, we work for the rights of all employees. In the coming years, Lindab will evaluate all of its own operations in accordance with the requirements of Corporate Sustainability Due Diligence, CSDD. During the year, zero human rights violations were reported in Lindab's own operations.

Competence development

(GRI 404-2, 404-3)

Lindab strives to offer every employee the opportunity to develop to their full potential. White-collars are offered annual employee reviews to discuss performance and job satisfaction, define areas for improvement and personal goals. For blue-collars, performance and development reviews are offered every two years. Training and career development is an important part of these reviews, where needs are identified based on the wishes of the individual and the company in order to meet future challenges in the best possible way. All new employees are offered introductory training and must have a personal introduction plan. Lindab offers summer jobs in offices and industrial plants, which provides a good and important base for Lindab's supply of skilled employees, while offering young people work experience.

Percentage of employees who have had a performance and development review, %

	2022	2021	2020
White-collar	86	92	51
Blue-collar	29	39	50

Staff turnover

(GRI 401-1, 401-2, 401-3, 402-1)

Staff turnover	2022	2021	2020
Number who left during the year:			
Retirement	17	51	64
Termination	98	244	220
Voluntary	296	170	305
Total	411	465	589
Staff turnover, %	9.3	14.4	12.1
Staff turnover, voluntary, %	6.7	6.8	6.2

About 50 percent of employees are covered by collective agreements. Conditions for employees not covered by collective agreement are determined by local legislation and formulated in the employment contract.

Information on significant organisational changes is usually communicated in good time to representatives or directly to the employee whose employment is significantly affected. Lindab complies with local legislation and/or collective agreements.

Diversity and equal opportunities

(GRI 405-1, 406-1)

Lindab strives to offer modern and flexible workplaces that are fair, safe and inclusive. Lindab aims to have the same percentage of women and men in senior management positions as in the company as a whole by 2030.

Gender distribution, %	2022		2021		2020	
	Women	Men	Women	Men	Women	Men
Group	22	78	21	79	24	76
Managerial responsibility	19	81	18	82	19	81
Local management groups	26	74	22	78	—	—
Group management team	13	87	11	89	20	80
Board of Directors, elected by the General Meeting	43	57	43	57	43	57
Board of Directors, employee representatives	0	100	0	100	0	100

Figures in the table above are based on Note 6. For the breakdown of women and men by country, see Note 6.

Lindab has zero tolerance for all forms of harassment and discrimination. The Code of Conduct and the Equal Treatment Policy set out how Lindab address these issues. Each company is responsible for preventing discrimination and harassment. They are also responsible for addressing the situations that arise. None of the cases reported to the whistleblowing system were tied to discrimination.

Whistleblower system

Lindab's long-term success is based on doing business fairly and ethically. This is described in our Code of Conduct and other Lindab policies. Lindab has a whistleblower system, WhistleB, in place to increase

Cont. Attractive employer

accessibility for all employees to be able to anonymously report issues/irregularities in the operations. The system allows anonymous messages and dialogues and can be accessed from any device. Each year, employees are reminded of the existence and availability of the whistleblower system, and all new employees are briefed on the system.

Only the persons in charge of the whistleblower system, i.e., the respective company's chairman of the board and an external lawyer, have access to messages received through the whistleblower channel. Their activities are logged and the handling is confidential. If necessary, people who bring expertise can be included in the investigation. These persons will have access to the relevant data and commit themselves to confidentiality. The guidelines and the system comply with applicable directives and local legislation.

Reports received:	12
Reports that meet the whistleblower guidelines:	2
Reports leading to disciplinary action:	1
Disciplinary measure:	mutual termination

Health and safety

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-9)

Lindab has a zero vision for occupational injuries and has a policy for health and safety. Involving employees creates a working environment that promotes safety, fosters positive cooperation and encourages job satisfaction. The work is led by the Group Health and Safety Manager together with the relevant managers from each subsidiary.

All operations have implemented reporting systems for health and safety that covers all employees. Incident and accident reporting is fundamental to Lindab's work and should be seen as part of daily operations. Two companies, Lindab Romania and AC Manufacturing in Ireland, have certified management systems. Several companies now have their own

management systems and are preparing for certification. Lindab has no certification requirement for companies, but sees good effects and results from the work being carried out today.

All companies work according to the principle: Plan-Do-Check-Act, identifying hazards and assessing health and safety risks in the workplace on an ongoing basis. Responsible persons in the companies have been trained in how risk assessments are carried out and how identified risks are to be dealt with according to the method Hierarchy of controls. Identified risks should be eliminated in the first place, if it is not possible other options such as reducing the risk, introducing controls and the use of protective equipment are possible. The severity of a risk is determined using a matrix developed to take into account probability and severity. All employees have the right to interrupt their work if they consider the situation to be too dangerous. In addition, it is each employee's responsibility to follow instructions and identify risks to minimise workplace accidents. All machinery in the company will be systematically risk assessed in 2023/2024. In 2022, 29 percent of all machines had been risk assessed.

Lindab uses an incident and accident reporting system. All employees have a responsibility to report when something is unsafe or when an accident occurs. By working proactively to identify and manage unsafe situations, accidents can be prevented. All companies have specific targets for incident reporting. Reported incidents are handled similar to risks according to the Hierarchy of controls. The risk management system can be used for safety inspections and risk assessments. Each manager is responsible for having up-to-date risk assessments and safety inspections in their department. Safety representatives or other relevant employees are involved in the work. The countries with the most work-related accidents in relation to the number of hours worked are the Netherlands and Hungary. Denmark and the Czech Republic have the highest number of work-related accidents.

Work accidents, employed and temporary staff

	2022		2021	
	Number	Frequency	Number	Frequency
Number of incidents reported	8,702	–	7,218	–
Work-related accidents resulting in death	0	0	0	0
High-consequence work-related accidents (excluding fatalities)	0	0	0	0
Recorded workplace accidents with medical treatment NLTA (No Lost Time Accident) + LTA (Lost Time Accident)	114	13.2	125	14.7
Work-related lost work time accidents: number = LTA (Lost Time Accident), frequency = LTIF (Lost Time Injury Frequency Rate)	58	6.7	62	7.3
Number of hours worked	8,665,559	–	8,527,623	–



Cut injuries are the most common accident for both employed and temporary staff. There were no accidents linked to transport coordinated by Lindab for employees during the year.

All companies in the Group have implemented incident and accident reporting systems. No accidents resulting in more than 6 months of absence were reported in 2021 and 2022.

Lindab has an ongoing investment program where several improvements have been made in production to increase safety. Old machines have been replaced and dangerous tasks, and repetitive work have been automated. Lindab works with continuous information campaigns to increase awareness and knowledge among employees. Read more about examples of investments on page 38. All new employees receive a general introduction and safety briefing, as well as additional training related to their specific tasks. When processes change, new training sessions are held with all those concerned. Training is documented to

enable follow-up. In 2023, safety training will be included in the Lindab Academy, that the subsidiaries can access.

Lindab works to strengthen the conditions for health from three perspectives: promote, prevent and remedy/rehabilitate. Health care is offered to employees to inspire them to maintain, change and/or improve their personal health, to show the importance of balance in life and to underscore the employee's own responsibility for their health. Each subsidiary is responsible for providing wellness services to its employees. In Sweden, where Lindab has the largest share of employees, Lindab is working with Falck. They offer services for sick leave and advice from trained medical personnel, and permanent employees are offered a health and fitness allowance. If harm has already occurred, a rehabilitation plan is drawn up and adapted to each case.

Anti-corruption and antitrust

GRI 205-1, 205-2, 205-3

Lindab has zero tolerance for corruption in any form and is strongly committed to fair competition. Lindab will not act in a way that may inappropriately affect our markets. Read more about how Lindab works with policies on page 56. The anti-corruption and antitrust policy has been communicated to all companies through an established routine. Local management teams are responsible for implementing the anti-corruption and antitrust policy in their organisations. Each company is responsible for how the policy is communicated to employees. All Lindab's operations and employees must comply with applicable competition law when dealing with customers and suppliers in the value chain, as well as with competitors. If Lindab has more than a 40 percent share in a specific market, our market position must also be taken into account. Suppliers are informed and trained in anti-corruption through Lindab's supplier program.

According to Lindab's risk assessment, the risk related to competition law violations is higher than corruption, due to our leading position in several markets. Lindab uses The Corruption Perceptions Index (CPI) to assess the risk of corruption in our various businesses. Lindab currently has operations in countries classified as low or medium risk. Newly acquired companies are reviewed during the due diligence process to ensure that there are no or have been no problems with corruption or competition. Lindab carries out annual internal audits where corruption and competition are two areas that are reviewed.

Lindab has not initiated or participated in any pending or concluded legal actions regarding anti-competitive behavior and violations of antitrust and monopoly laws. For each acquisition, due diligence, or a business review, of the company is carried out.

No incidents related to corruption have occurred during the year.

Community involvement

Lindab prioritises community involvement with a clear link to Lindab's values, strategic priorities, skills, operations and geographical presence. Sustainable development is supported mainly through initiatives aimed at children and young people. In Sweden, Lindab has for several years, been part of the "Grönvit Hållbarhet" initiative in partnership with the Rögle ice hockey club in Ängelholm, Sweden, with the aim of generating employment, physical activity and inclusion for children and adults in the region. In addition, local clubs in Båstad and Ängelholm municipalities are offered to apply for sponsorship money annually to further develop their activities. Lindab in Denmark and the UK offers employees a paid day off to engage in voluntary charity work. In Denmark, eight employees used this in 2022. During the year, Lindab collected both money and supplies for Ukraine. The Polish operation has been working closely with local aid organisations to get supplies to those who need them most. In Romania, roofing products have been donated to charity projects aimed at building homes for people living in extreme poverty or renovating schools. Employees have helped to install the products.

Safe products

(GRI 403-7, 417-1)

Lindab manufactures products that are easy to install leading to efficient construction but also safer workplaces. All products comply with relevant legislation. Lindab provides the necessary documentation to enable efficient and sustainable construction. The Building Product Declarations sets out the contents of the products and guidelines for dismantling and end-of-life management of the products. Lindab reports products containing substances of very high concern to the SCIP database. Other documentation available includes data sheets, operation and maintenance, declarations according to CE marking requirements, and Environmental Product Declarations.

The forthcoming update of the EU directive Ecodesign for Sustainable Product Regulation (ESPR) includes proposals for a digital product passport. This passport covers all stages of the value chain and will be continuously updated to follow the product throughout its life cycle. Relevant, accurate and transparent information is needed to meet both legal and market demands and to ensure the sustainable management of products.

Customer data management

(GRI 418-1)

Lindab handles private customer data in accordance with current legislation and GDPR. The IS/IT and data protection policy sets out how this will be handled. No incidents related to customer data occurred during the year.

Auditor's report on the statutory Sustainability Report

To the Annual General Meeting of Lindab International AB (publ), corporate identification number 556606-5446

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for 2022 and that it has been prepared in accordance with the Annual Accounts Act. The company have defined the statutory sustainability reports extent on page 162.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Gothenburg, 26 March 2023

Deloitte AB

Harald Jagner

Authorised Public Accountant

Page index for Lindab's Sustainability Report in accordance with the Annual Accounts Act (1995:1554)

Subject	Policy (incl. review procedures)	Policy result	Risks and risk management	Result indicators
Environmental issues	56, 153–157	44, 153–157	64–71	13, 44, 153–157
Employees	56, 159–161	46–49, 159–161	64–71	13, 44, 153–157
Social conditions	56, 158–161	158–161	64–71	158–161
Human rights	56, 147, 158–159	56, 147, 158–159	64–71	147, 158–159
Anti-corruption	56, 161	56, 67, 161	64–71	161

For a description of Lindab's business model, see page 36–37 and 76.

ANNUAL GENERAL MEETING

Annual General Meeting

Annual General Meeting 2023

The Annual General Meeting 2023 of Lindab International AB (publ) will be held on Thursday, 11 May, 2023 at 3 p.m. at the Experience Center in Grevie, Båstad Municipality.

Registration

Shareholders wishing to attend the Annual General Meeting must be registered in the register of shareholders maintained by Euroclear Sweden AB no later than Wednesday, 3 May 2023, and must notify Lindab International AB (publ) of their intention to attend the Meeting no later than Friday, 5 May 2023.

Shareholders can register in one of the following ways:

- via the website, www.lindabgroup.com
- by calling Lindab on +46 431-850 00, or
- by post to Lindab International AB (publ),
“Annual General Meeting”, SE-269 82 Båstad, Sweden

Shareholders wishing to participate in the Meeting by postal voting must (a) be entered in the share register maintained by Euroclear Sweden AB no later than Wednesday, 3 May 2023, and (b) have registered by casting their postal votes in the manner specified in the notice to attend Annual General Meeting.

In order to attend the Meeting and exercise their voting rights, shareholders with nominee-registered shares through a bank or other nominee must request temporary registration under their own name in the share register maintained by Euroclear Sweden AB. Such registration must be completed at Euroclear Sweden AB no later than Wednesday, 3 May 2023. Shareholders must notify their bank or other trustee well in advance of this date. Only voting rights registration requested by shareholders in sufficient

time for their nominee to have completed the registration by Friday, 5 May 2023, will be taken into account in the production of the share register.

Shareholders registering their postal votes through a proxy must issue a written, dated power of attorney for that proxy. A proxy form is available on the company's website, lindabgroup.com. A power of attorney issued by a legal entity must be accompanied by a copy of the certificate of registration for that legal entity.

Reports

Reports are available in digital format and can be downloaded from our website, lindabgroup.com.

Nomination Committee

The Nomination Committee proposes the election of Board members, auditors, a chairman for the Annual General Meeting, Board fees and the composition of the Nomination Committee ahead of the 2023 Annual General Meeting.

Ahead of the 2023 Annual General Meeting, the Nomination Committee consists of:

- Thomas Ehlin, Fourth AP fund, Chairman of the Nomination Committee
- Henrik Didner, Didner & Gerge Fonder
- Anna Sundberg, Handelsbanken Fonder
- Peter Nilsson, Chairman of the Board of Lindab International AB (publ)

Financial reports during the 2023 financial year

Interim Report January–March, Q1	3 May 2023
Interim Report January–June, Q2	21 July 2023
Interim Report January–September, Q3	26 October 2023
Full-year report January–December, Q4	February 2024
Annual Report 2023	March/April 2024



Most of us spend most of our time indoors. The indoor climate is crucial for how we feel, our energy levels and whether we stay healthy.

We at Lindab have therefore made it our top priority to contribute to an indoor climate that improves people's lives. We do this by developing energy-efficient ventilation solutions and sustainable building products. We also want to contribute to a better global climate by working in a way that is sustainable for both people and the environment.

[Lindab | For a better climate](#)