



CORPORATE GOVERNANCE REPORT

2018

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Bygghemma Group First AB (publ) is a Swedish public limited liability company listed on Nasdaq Stockholm since 27 March 2018. Bygghemma's corporate governance is based on Swedish legislation, Nasdaq Stockholm's Rule Book for Issuers and good practices in the securities market. Since the listing, Bygghemma applies the Swedish Corporate Governance Code (the "Code"). The company's governance is also based on internal regulations, such as the Board's rules of procedures, CEO instructions, policy documents and the Group's Code of Conduct.

Bygghemma does not in any regard deviate from the Code.

More information on the Code is available at www.bolagsstyrning.se. Bygghemma's Articles of Association and Code of Conduct are available at www.bygghemmagroup.se.

Shares and shareholders

By the end of 2018, Bygghemma's share capital consisted of 107,368,421 ordinary shares with one vote each, distributed across approximately 1,100 shareholders. The company's largest shareholder is FSN Capital, which represents 54 percent of the votes in the company. There are no limitations on how many votes each shareholder can cast at the Annual General Meeting.

Further information on the ownership structure and share development, etc. can be found on page 18.

Annual General Meeting

The general meeting of shareholders is the company's highest decision-making body. At a general meeting, the shareholders exercise their voting rights on issues, such as the adoption of income statements and balance sheets, allocation of the company's profit, discharge from liability of Board members and the CEO, election of Board members and auditors, and remuneration to the Board and auditors. The general meeting of shareholders also resolves on guidelines for remuneration to senior executives and any amendments to the Articles of Association.

An Annual General Meeting of shareholders is to be held within six months after the end of each financial year. Besides the Annual General Meeting, the company may convene extraordinary general meetings. According to the Articles of Association, general meetings of shareholders are to be convened through an announcement in the *Swedish Official Gazette* (Sw. *Post- och Inrikes Tidningar*) and by publishing the notice on the company's website. An announcement that the notice has been issued is also to be published in *Svenska Dagbladet*.

To participate in the Annual General Meeting, shareholders must be registered in the share register maintained by Euroclear Sweden AB not later than five weekdays prior to the meeting and notify the company of their intention to participate in the meeting (including any assistants) not later than on the date set forth in the notice of the meeting. Shareholders may attend general meetings in person or by proxy and may also be accompanied by a maximum of two assistants. Shareholders can normally register for general meetings in several different ways, as stated in the notice of the meeting.

Shareholders who wish to have a matter addressed at a general meeting must submit a written request to the Board of Directors. Normally, the request must have reached the Board of Directors no later than seven weeks prior to the general meeting of shareholders.

The general meeting of shareholders may be held in Malmö or Stockholm.

General meetings 2018

In 2018, an Annual General Meeting and two extraordinary general meetings were held.

At the Annual General Meeting on 6 March 2018:

- the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet were adopted and it was resolved that the profit in the company would be appropriated in accordance with the proposal of the Board in the annual report and that the Board and CEO would be discharged from liability;
- it was resolved that the Board is to consist of six directors and no deputy directors;
- it was resolved that remuneration is to be paid to the Board members as follows: SEK 150,000 to the Chairman, SEK 75,000 to other Board members, except Peter Möller who declined remuneration, and no separate remuneration for committee work;
- Ingrid Jonasson Blank, Bert Larsson, Peter Möller, Lars Nilsson, Florian Seubert and Henrik Theilbjørn were re-elected as Board members and Henrik Theilbjørn was re-elected as Chairman;
- Öhrlings PricewaterhouseCoopers AB was re-elected as auditor up until the end of the 2019 Annual General Meeting;
- the Board's proposal concerning principles for the establishment of a Nomination Committee was adopted;
- the Board's proposal concerning guidelines for remuneration to senior executives was adopted;
- the Board was authorised to issue no more than 8,000,000 ordinary shares in the company on one or more occasions, with or without preferential rights for the shareholders, within the limits stated in the Articles of Association, to be paid in cash, by way of set-off or by property, primarily in order to broaden the shareholder base in the company before and in connection with the listing of the company's shares; and
- the Board was authorised to issue a maximum number of ordinary shares, warrants and/or convertibles with the right to subscribe for or convert to ordinary shares in the company, corresponding to no more than 20 percent of the company's share capital after dilution immediately after the offer to subscribe for shares in connection with listing, on one or more occasions, with or without preferential rights for the shareholders, within the limits stated in the Articles of Association, to be paid in cash, by way of set-off or by property, primarily for the purpose of acquiring new capital to increase the company's flexibility or in connection with acquisitions.

The Extraordinary General Meeting on 9 February 2018 resolved on:

- an amendment of the Articles of Association and adoption of new Articles of Association;
- a share split;
- a reduction of share capital; and
- a conversion of preference shares to ordinary shares.

The Extraordinary General Meeting on 26 March 2018 resolved on:

- an amendment of the Articles of Association and adoption of new Articles of Association;
- a conversion of preference shares to ordinary shares;
- a reduction of share capital;
- a bonus issue of shares;
- a new emission of shares; and
- an emission of warrants.

Nomination Committee

The purpose of the nomination committee is to submit proposals in respect of: the Chairman at general meetings; Board members, including the Chairman; remuneration to each Board member as well as remuneration for committee work; election of and remuneration to the external auditors; and a proposal regarding changes to the instructions for the duties of the Nomination Committee.

It was resolved at the Annual General Meeting on 6 March 2018 that the Nomination Committee prior to the 2019 Annual General Meeting is to comprise four members, one of whom is to be the Chairman of the Board. Members are to be appointed by the three largest shareholders in the company – based on the share register maintained by Euroclear as of 30 September 2018 – with these shareholders being offered the possibility to appoint one member each. The Chairman of the Nomination Committee shall be the committee member representing the largest shareholder in terms of votes, unless the members agree to appoint another Chairman.

A shareholder who has appointed a member of the Nomination Committee always has the right to dismiss the member and appoint a replacement. If a member leaves the Nomination Committee prior to completion of the committee's work, the shareholder who appointed the departing member has the right to appoint a new member of the Nomination Committee. If a significant change in the company's ownership structure occurs more than two months before the Annual General Meeting and a shareholder, who after such a material change in ownership becomes one of the company's three largest shareholders, makes a request to the Chairman of the Nomination Committee to appoint a member of the Nomination Committee, the committee shall invite the shareholder to appoint a member of the Nomination Committee. This member shall replace the member appointed by the shareholder who, after the ownership change, is no longer one of the three largest shareholders.

No fees are paid to the members of the Nomination Committee. However, the Nomination Committee is entitled to charge the company with reasonable expenses for recruitment consultants or other consultants required for the committee to fully execute its assignment.

The shareholders are entitled to submit proposals to the Nomination Committee regarding nominations to the Board of Directors.

Ahead of the 2019 Annual General Meeting, the names of the members of the Nomination Committee are:

- Marcus Egelstig (Chairman), appointed by FSN Capital,
- Kristian Ford, appointed by Mikael Olander,
- Jonas Rennmark, appointed by ATP, and
- Henrik Theilbjørn, in his capacity as Chairman of the Board.

In its work, the Nomination Committee applies Rule 4.1 of the Code as equality policy. Additional information is available in the Nomination Committee's reasoned opinion regarding its proposal to the 2019 Annual General Meeting.

Board of Directors

The Board is the company's second-highest decision-making body after the general meeting of shareholders. The Board is responsible for the management and organisation of the company, which means that the Board is responsible for, among other tasks, establishing targets and strategies, ensuring that procedures and systems are in place for the evaluation of set targets, continuously evaluating the company's earnings and financial position, and evaluating executive management. The Board is also responsible for ensuring that annual reports and interim reports are prepared on time. The Board also appoints the CEO as well as the president.

Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the company's Articles of Association, the Board, insofar as it is elected by the general meeting of shareholders, is to consist of at least three members and at most ten members with no deputy members.

In accordance with the Code, the Chairman of the Board is elected by the general meeting of shareholders and has a special responsibility for managing the Board's work and ensuring that the Board's work is well organised and effectively implemented. The Board follows written rules of procedure, which are revised annually and adopted by the statutory Board meeting every year, or otherwise as required. Among other matters, the rules of procedure govern Board practice, functions and the division of work between the Board members and the CEO and the established committees. In connection with the statutory Board meeting, the Board also establishes terms of reference for the CEO, including instructions for financial reporting.

The Board of Directors meets according to an established annual schedule. In addition to these meetings, additional meetings can be convened to address issues which cannot be postponed until the next scheduled Board meeting. In addition to the Board meetings, the Chairman of the Board and the CEO continuously discuss the management of the company.

The Board's work is evaluated annually through established procedures whereby all Board members answer questions about the results of the work of the Board and the committees. The Chairman of the Board is responsible for the evaluation and ensures that the results are presented and discussed in the Board and the Nomination Committee. The evaluation of the Board's work during the year was presented and discussed at the Board meeting on 4 December 2018.

During the year, the Board held 27 meetings.

The Board members' remuneration, independence and attendance are shown in the table on page 41.

The Board is presented in more detail on pages 26-27.

Audit Committee

The Board established an Audit Committee on 22 November 2017. The current Audit Committee comprises three members: Lars Nilsson (Chairman), Henrik Theilbjørn and Peter Möller. The Audit Committee is mainly a preparatory body and prepares proposals for the Board. The Audit Committee works according to rules of procedure adopted by the Board. Its main duties are, without prejudice to the general duties and responsibilities of the Board of Directors, to:

- monitor the company's financial reporting,
- monitor the efficiency of the company's internal control and risk management with regard to the financial reporting,
- remain informed about the audit of the annual report and consolidated accounts,
- inform the Board of the results of the audit and of the manner in which the audit contributed to the reliability of the financial reporting and the committee's specific functions,
- review and monitor the auditor's impartiality and independence and note, in particular, whether the auditor provides the company with services other than audit services,
- approve the auditor's advisory services and adopt a policy for the auditor's advisory services,
- assist in the preparation of proposals for the general meeting's decision regarding the election of an auditor,
- evaluate the need for an internal audit function each year,
- assure the quality of the year-end report and interim reports prior to Board decisions, and

- the Audit committee may engage external consultants.

During the year, the Audit Committee held seven meetings.

Remuneration Committee

The Board established a Remuneration Committee on 22 November 2017. The committee comprises three members: Henrik Theilbjørn (Chairman), Bert Larsson and Florian Seubert. The Remuneration Committee is mainly a preparatory body and prepares proposals for the Board. The Remuneration Committee works according to rules of procedure adopted by the Board. The main duties of the Remuneration Committee are to:

- prepare the Board's decisions on matters related to the principles for remuneration and other terms of employment for senior executives,
- monitor and evaluate programmes for variable remuneration to the company's senior executives, both ongoing and those concluded during the year,
- monitor and assess the application of the guidelines for remuneration to senior executives approved by the Annual General Meeting and the applicable remuneration structures and levels in the company, and
- the Audit committee may engage external consultants.

During the year, the Remuneration Committee held two meetings.

Board members' independence, attendance and remuneration 1 January 2018–31 December 2018

Name	Position	Member since	Independent in relation to		Attendance			Board fee (tSEK)
			The company and its management	Major shareholders	Board meetings	Audit Committee	Remuneration Committee	
Henrik Theilbjørn	Chairman	2017	Yes	Yes	27/27	7/7	2/2	150
Peter Möller	Member	2016	Yes	No	25/27	7/7	-	-
Bert Larsson	Member	2016	Yes	Yes	27/27	-	2/2	75
Ingrid Jonasson Blank	Member	2017	Yes	Yes	27/27	-	-	75
Florian Seubert	Member	2017	Yes	Yes	26/27	-	2/2	75
Lars Nilsson	Member	2017	Yes	Yes	27/27	7/7	-	75

CEO and senior executives

The CEO answers to the Board of Directors and is responsible for the continuous management of the company and day-to-day operations. The division of work between the Board and the CEO is set forth in the rules of procedure for the Board and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from executive management for the Board meetings and for presenting such materials at Board meetings. According to the instructions for financial reporting, the CEO is responsible for the financial reporting of the company and, accordingly, is to ensure that the Board of Directors receives adequate information to enable the Board of Directors to continuously evaluate company's financial position.

The CEO and other senior executives are presented on pages 28-29.

Auditor

The auditor is to review the company's annual report and accounting as well as the management of the Board and the CEO. Following each financial year, the auditor is to submit an audit report and a consolidated audit report to the Annual General Meeting.

In accordance with the company's Articles of Association, the company is to have an auditor or registered audit firm. The company's auditor is Öhrlings PricewaterhouseCoopers AB, with Authorised Public Accountant Eva Carlsvi as Auditor in Charge.

The auditors are appointed for services other than auditing in accordance with the audit services policy established by the Audit Committee. Bygghemma has deemed that procuring advisory services from Öhrlings PricewaterhouseCoopers AB has not compromised the auditor's independence.

The auditor participated in six of the Audit Committee's meetings and in one Board meeting. In connection to the Board meeting, the auditor met with the Board without the attendance of any employee of the Group (including senior executives).

Information on full remuneration to the auditors is presented in Note 6.

Remuneration of members of the Board of Directors

Fees and other remuneration to Board members, including the Chairman of the Board, are decided at the Annual General Meeting. The 2018 Annual General Meeting on 6 March 2018 resolved that remuneration of SEK 150,000 is to be paid to the Chairman of the Board and that remuneration of SEK 75,000 is to be paid to other Board members, except Peter Möller, who declined fees, for the period until the next Annual General Meeting. No remuneration is paid for work on Board committees.

Remuneration to CEO and other senior executives

The 2018 Annual General Meeting on 6 March 2018 adopted guidelines for remuneration to senior executives. The guidelines state that remuneration is to be based on market terms and be well balanced. In addition, remuneration should contribute to good ethics and a healthy corporate culture while also being aligned with the shareholders' interests. Remuneration to senior executives is to consist of a fixed and variable salary as well as the possibility to participate in a long-term incentive programme, including share-based instruments such as synthetic options and employee stock options, and pension schemes. These components are to create well-balanced remuneration reflecting the individual's competence, responsibility and performance in the short and long term as well as the company's overall performance.

Fixed salaries for senior executives are to be competitive and based on the individual senior executive's competence, responsibilities and performance. Fixed salaries may also be lower than what may be regarded as market-based for comparable companies. In such cases, for salaries to be regarded as market-based and to motivate senior executives, they must be given the opportunity to receive variable salary and participate in long-term incentive programmes. The contracted variable remuneration for the CEO is not to exceed a maximum of 200 percent of the fixed annual salary, and the contract variable remuneration for other senior executives is not to exceed 150 percent of their respective fixed annual salaries. Variable remuneration is to be based on the performance of the senior executives in relation to predetermined and measurable goals and targets aimed at promoting the company's long-term value creation, which are to be established and documented annually.

Bygghemma provides other benefits to senior executives in accordance with local practice. Such other benefits may include a company car and company healthcare. Occasionally, for a limited period, housing allowances could be granted where appropriate. The senior executives are entitled to pension contributions based on current practice in the country in which they are employed.

No senior executive is entitled to severance pay in addition to salary and benefits during the notice period. The notice period may not exceed 12 months.

In special circumstances, the Board may deviate from these guidelines. In such cases, the Board must explain the reason for the deviation at the following Annual General Meeting.

During the year, no senior executives participated in incentive programmes or received variable remuneration.

Control environment

The Board has the overall responsibility for the internal control in relation to financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies, guidelines and steering documents governing financial reporting.

These documents primarily comprise the rules of procedure for the Board, instructions for the CEO, instructions for financial reporting and instructions for committees established by the Board. The Board has also adopted attestation instructions and a finance policy. The company also has a financial manual, which contains principles, guidelines and procedure descriptions for accounting and financial reporting.

In addition, the Board has adopted several IT-related policies where matters such as data recovery are addressed. Furthermore, the Board has established an Audit Committee whose main task is to monitor the company's financial reporting, the effectiveness of the company's internal control and risk management as well as to review and monitor the auditor's impartiality and independence.

Responsibility for the day-to-day work of maintaining the control environment rests primarily with the company's CEO, who on a regularly basis reports to the Board in accordance with established instructions. Bygghemma's finance department plays an important role in ensuring that the financial reporting provides reliable information. It is responsible for the financial information being complete, correct and published in a timely fashion.

Each local entity within the Group is organised with its own Board of Directors and, as applicable, a CEO, with responsibility for control of the local business according to guidelines and instructions from Group level. Each local entity has its own administration, which takes care of bookkeeping and financial reporting.

The local entities primarily report to the company's CEO and CFO. In addition to internal monitoring and reporting, the company's external auditors report to the CEO and the Board throughout the financial year.

Risk assessment and control activities

Risk assessment includes identifying and evaluating the risk of material errors in the accounting and reporting at Group level as well as in the Group companies. A risk assessment is made regularly and in accordance with established guidelines focusing on individual projects. The Board is responsible for the internal control and monitoring management. This is carried out through both internal and external control activities as well as through examination and monitoring of the company's policies and steering documents. Within the Board, the Audit Committee is primarily responsible for continuously assessing the company's risk situation, after which the Board performs an annual review of the risk situation.

The company actively performs different control activities in order to identify, address and rectify risks in all parts of the organisation, and to ensure and improve internal control in operations. As part of the work with internal control, the company's key risks are assessed, evaluated and compiled on a yearly basis. Each identified risk is assessed based on its probability and potential impact/effect on operations. The work mainly concerns strategic and operational risks, but financial and legal risks and other key risks are also processed.

Uniform accounting and reporting instructions apply to all entities within the Group. The Group's guidelines for internal control are followed up in all entities during the financial year. The financial development of the local entities is continuously monitored through monthly reporting, which mainly focuses on revenue, earnings and the order book. It also includes legal and operational follow-up, with a focus on individual projects. Other key components of

the internal control are the annual business planning process, and budget and forecast processes.

Information and communication

The company has information and communication channels to ensure the financial reporting is correct and to facilitate reporting and feedback from the operations to the Board of Directors and management – for example, by making corporate governance documents such as internal policies, guidelines and instruction regarding the financial reporting available and known to the employees concerned. Financial reporting is carried out in a shared Group system with pre-defined reporting templates.

The company's financial reporting complies with Swedish laws and regulations and the local laws in each country where operations are conducted. The company's information to shareholders and other stakeholders is provided through the annual report, interim reports and press releases.

Monitoring

The compliance and effectiveness of the internal control is constantly monitored. The CEO ensures that the Board of Directors continuously receives reports on the development of the company's activities, including the development of the company's results and financial position as well as information regarding important issues and events. The CEO also reports on these matters at every ordinary Board meeting.

The Board and the Audit Committee examine the annual report and interim reports and conduct financial evaluations in accordance with an established plan and model. The Audit Committee monitors the financial reporting and other related matters and regularly discusses these matters with the auditors.

During the monitoring of the compliance and effectiveness of the internal control activities, the Board found that they are properly applied in the Group in all material respects and determined that an internal control function is the most effective method for monitoring the Group's internal control, given the format of the company's risk assessment and control activities. The Board has therefore decided not to establish a separate internal audit function.

Auditor's report

To the general meeting of the shareholders of Bygghemma Group First AB (publ), corporate identity number 559077-0763

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Bygghemma Group First AB (publ) for the year 2018 except for the corporate governance statement and the statutory sustainability report on pages 37-44 and 33-36 respectively. The annual accounts and consolidated accounts of the company are included on pages 21-95 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 37-44 and 33-36 respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Our audit approach

Audit scope

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

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

Materiality

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

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

Key audit matters

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

Particularly important area	How our audit considered the particularly important area
<p>Valuation of intangible assets <i>With reference to Note 13.</i></p> <p>Goodwill and other intangible assets with an indefinite useful life represents a significant part of Bygghemma's assets. The Company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported.</p> <p>This impairment test is based on a high level of judgements and assumptions regarding future cash flows. Information is provided in Notes 13 as to how the Company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins, overheads, working capital requirements, investment requirements and discount factor (cost of capital).</p> <p>It is presented that no impairment requirement has been identified based on the assumptions undertaken.</p>	<p>In our audit, we have evaluated the calculation model applied by management and conducted that the model is compatible with acceptable valuation techniques.</p> <p>We have reconciled and critically tested essential assumptions against budget and strategic plan for the Company. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors.</p> <p>We have tested the sensitivity analysis for key assumptions in order to assess the risk of need for impairment.</p> <p>We have not noted any need for impairment based on procedures performed.</p> <p>We have also assessed the correctness of the disclosures included in the financial statements.</p>

Recognition of acquisitions

With reference to Note 5.

In the financial year 2018, Bygghemma made two business acquisitions across all business areas. Information on these acquisitions is presented in Note 5.

The total purchase price for the business acquisitions, net of acquired cash and cash equivalents, was SEK 26,8 million, of which SEK 51,9 million refers to identified fair value adjustments in the acquisition analyses for trademarks and customer relationships and SEK 133,5 million refers to goodwill.

The recognition of acquisitions involves a high degree of judgement by management. Significant estimates and judgements refer to the purchase price allocation of fair value in acquisition analyses for assets and liabilities, as well as referring to adjustments for adaptation to the group's accounting principles

Our audit of the acquisitions were partially based on assessment of the acquisition agreements as well as supporting documents for opening balances in the acquired companies. We have also evaluated the implemented adjustments for adaptation to the group's accounting principles.

Our audit has also included an assessment of significant estimates and judgements made in connection with the purchase price allocation of fair value in the acquisition analyses. We have also assessed the basis for the judgements and comparing those judgements with similar acquisitions in the group in previous years.

We have also assessed the correctness of the disclosures of acquisitions included in the financial statements and assessed supporting documentation for the accounting of the acquisitions.

No deviations were noted in our audit.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-20 and 102-106. The Board of Directors and the Managing Director are responsible for this other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is

materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

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

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

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

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 consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Bygghemma Group First AB (publ) for the year 2018 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Re-

sponsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

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

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

Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 37-44 has been prepared in accordance with the Annual Accounts Act.

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

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

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 33-36, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is 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 opinion.

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB has been the company's auditor since 2016.

Malmö 29 March 2019

Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi

Authorized Public Accountant