



# Corporate governance report 2019

Bygghemma Group First AB (publ)  
Nasdaq Stockholm: BHG

The Corporate governance report is part of the Annual Report for 2019



## CORPORATE GOVERNANCE REPORT

Bygghemma Group First AB (publ) ("Bygghemma") 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 Rulebook for Issuers and good practice in the securities market. Since its listing, BHG applies the Swedish Corporate Governance Code (the "Code"). The governance of Bygghemma 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.

BHG does not deviate from the Code in any regard.

More information about the Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se). Bygghemma's Articles of Association and Code of Conduct are available at [www.bygghemmagroup.com](http://www.bygghemmagroup.com).

### Shares and shareholders

By the end of 2019, Bygghemmas share capital consisted of 107,368,421 ordinary shares with one vote each, distributed between approximately 1,500 shareholders. The two largest shareholders were FSN Capital which represented 29.03 % and EQT which represented 19.96 % of the shares. There were no limitations on how many votes each shareholder could cast at the Annual General Meeting.

Further information regarding ownership structure and share development, can be found on the pages 23.

### The General Meeting of Shareholders

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

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

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

Shareholders who wish to have a matter addressed at the General Meeting must submit a written request to the Board.

Normally, the request must have reached the Board no later than seven weeks prior to the General Meeting.

The General Meeting may be held in Malmö or Stockholm.

### General Meetings 2019

In 2019, the Annual General Meeting and an Extraordinary General Meeting were held.

At the Annual General Meeting on 15 May 2019:

- the income statement and balance sheet as well as the consolidated income statement and balance sheet were adopted and it was resolved that the result would be treated in accordance with the proposal of the Board in the Annual Report, and that the Board and CEO should be discharged from liability;
- it was resolved that the Board is to consist of seven Board members and no deputy Board members;
- it was resolved that remuneration is to be paid to the Board members as follows: SEK 400,000 to the Chairman, SEK 200,000 to the other Board members, SEK 100,000 to the Chairman of the Audit Committee and SEK 50,000 to the Chairman of the Remuneration Committee;
- Henrik Theilbjørn, Peter Möller, Ingrid Jonasson Blank and Bert Larsson were re-elected as Board members and Johan Giléus, Christophe Le Houédec and Tom Tang were elected as new Board members. Henrik Theilbjørn was re-elected as Chairman;
- Öhrlings PricewaterhouseCoopers AB was re-elected as auditor up until the end of the 2020 Annual General Meeting;
- the Board's proposal of principles for establishment of a Nomination Committee was adopted;
- the Board's proposal for guidelines for remuneration to senior executives was adopted;
- an incentive programme through issuance of warrants to senior executives, employees and other key persons in the Group (LTIP 2019/2022) was implemented; and
- the Board was authorized to acquire up to 10 % of the shares.

At the Extraordinary General Meeting on 19 December 2019, it was resolved:

- that the Board is to consist of eight Board members and no deputy Board members; and
- that Niklas Ringby would be elected as a new Board member.

### Nomination Committee

The purpose of the Nomination Committee is to submit proposals in respect of the Chairman of General Meetings, Board members, including who should be Chairman, remuneration to each Board member as well as remuneration for committee work, election of and remuneration to the external auditors, and changes to the principles for establishment of a Nomination Committee.

At the Annual General Meeting on 15 May 2019m it was resolved that the Nomination Committee prior to the 2020 Annual General Meeting is to comprise four members, one of whom should be the Chairman of the Board.

Members are to be appointed by the three largest shareholders – based on the share register maintained by Euroclear as of 30 September 2019 – with the shareholders offered the possibility to appoint one member each. The Chairman of the Nomination Committee is to 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 Bygghemma'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 Bygghemma's three largest shareholders, makes a request to the Chairman of the Nomination Committee to appoint a member of the Nomination Committee, the committee is to 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 Bygghemma with reasonable expenses for recruitment consultants or other consultants required for the committee to fully execute its assignment.

Shareholders are entitled to submit proposals to the Nomination Committee regarding nominations to the Board.

Ahead of the 2020 Annual General Meeting, the names of the members of the Nomination Committee are:

- Fredrik Åtting (Chairman), appointed by EQT,
- Johan Steen appointed by FSN Capital,
- Kristian Ford, appointed by Mikael Olander, and
- Henrik Theilbjørn, in his capacity of Chairman of the Board.

In its work, the Nomination Committee applies, rule 4.1 of the Code as its equality policy. Additional information is available in the Nomination Committee's reasoned opinion regarding the Nomination Committee's proposal to the 2020 Annual General Meeting.

### Board of Directors

The Board is the second highest decision-making body after the General Meeting. The Board is responsible for the management and organization of Bygghemma, 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 Bygghemma'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.

Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to Bygghemma's Articles

of Association, the Board, insofar as it is elected by the General Meeting, 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 and has a special responsibility for managing the Board's work and ensuring that the Board's work is well organized 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, the CEO and the established committees. In connection with the statutory Board meeting, the Board also establishes work instruction for CEO, including instructions for financial reporting.

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

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 21 January 2020.

During the year, the Board held 15 meetings.

The Board members' independence and attendance are shown in the table on page 42.

Remuneration paid to the Board members is presented in Note 7.

The Board is presented in more detail on pages 29-31.

### Audit Committee

The Audit Committee comprises three members: Johan Giléus (Chairman), Henrik Theilbjørn and Bert Larsson. 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 to, without prejudice to the general duties and responsibilities of the Board:

- monitor Bygghemma's financial reporting,
- monitor the efficiency of Bygghemma's internal control and risk management with regard to 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 Bygghemma 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, and
- assure the quality of the year-end report and interim reports prior to Board decisions.

During the year, the Audit Committee held six meetings.

### Remuneration Committee

The Remuneration Committee comprises three members: Henrik Theilbjørn (Chairman), Ingrid Jonasson Blank and Christophe Le Houédec. 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, remuneration and other terms of employment for senior executives,
- monitor and evaluate programmed for variable remuneration to company's senior executives, both ongoing and those concluded during the year,
- monitor and assess the application of the guidelines for remuneration of senior executives approved by the Annual General Meeting and the applicable remuneration structures and levels in the company.

During the year, the Remuneration Committee held two meetings.

### Board members independence and attendance 1 January 2019 – 31 December 2019

Name	Position	Member since	Independent in relation to		Precedence		
			The company and its management	Larger shareholders	Board meetings	Audit Committee	Remuneration Committee
Henrik Theilbjørn	Chairman	2017	Yes	Yes	15/15	6/6	2/2
Peter Möller	Member	2016	Yes	No	15/15	3/3	-
Bert Larsson	Member	2016	Yes	Yes	15/15	3/3	1/1
Ingrid Jonasson Blank	Member	2017	Yes	Yes	15/15	-	1/1
Johan Giléus	Member	2019 (May)	Yes	Yes	9/10	3/3	-
Christophe Le Houédec	Member	2019 (May)	Yes	Yes	8/10	-	1/1
Tom Tang	Member	2019 (May)	Yes	Yes	10/10	-	-
Niklas Ringby	Member	2019 (Dec)	Yes	No	-	-	-

### CEO and senior executives

The CEO answers to the Board and is responsible for the continuous management of Bygghemma and the 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 work instruction for the CEO. The CEO is also responsible for preparing reports and compiling information from senior executives 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 Bygghemma and, accordingly, is to ensure that the Board receives adequate information to enable the Board to continuously evaluate Bygghemma's financial position.

The CEO and other senior executives are presented on page 32.

### Auditors

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 Articles of Association, Bygghemma is to have one auditor or registered audit firm. Bygghemma's auditor is Öhrlings PricewaterhouseCoopers

AB, with authorised public accountant Eva Carlsvi as auditor in charge.

Appointment of the auditors for services other than auditing is carried out in accordance with the audit services policy established by the Audit Committee. According to Bygghemma's assessment, the advisory services provided by Öhrlings PricewaterhouseCoopers AB during the year did not compromise the firm's independence.

The auditor has participated in all of the Audit Committee's meetings and in one Board meeting. In connection with the Board meeting on 21 January 2019, the auditor met with the Board without the attendance of any employees (including senior executives).

Information on full remuneration to the auditors is stated in note 6.

### Remuneration to Board members

Fees and other remuneration to Board members, including the Chairman, are decided at the Annual General Meeting. The Annual General Meeting on 15 May 2019 resolved that the following remuneration is to be paid for the period until the next Annual General Meeting: SEK 400,000 to the Chairman of the Board, SEK 200,000 to the other Board members, SEK 100,000 to the Chairman of the Audit Committee and SEK 50,000 to the Chairman of the Remuneration Committee.

**Remuneration to CEO and other senior executives**

The Annual General Meeting on 15 May 2019 adopted guidelines for remuneration to Senior Executives. The guidelines stipulate that the remuneration is to be based on conditions that are market competitive and well balanced. In addition, the remuneration should contribute to sound ethics and a good corporate culture and be aligned with the shareholders' interests. Remuneration to the 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 shall create well-balanced remuneration reflecting the individual's competence, responsibility and performance, in both the short and long term, and Bygghemma's overall performance.

The senior executives' fixed salary is to be competitive and based on the individual senior executive's competences, responsibilities and performance. Fixed salary may also be lower than what may be regarded as marketable for comparable companies. In order for the salary to be regarded as marketable and motivate senior executives, motivate senior executives are to be given the opportunity to receive variable salary and participate in long-term incentive programmes. The contracted variable remuneration may not exceed a maximum of 200 % of the fixed annual salary for the CEO and 200 % of the fixed annual salary for the other senior executives. The 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 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, a housing allowance may be granted where appropriate. Senior executives are entitled to pension contributions based on the customary 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 the guidelines. In such a case, the Board must explain the reason for the deviation at the following Annual General Meeting.

**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, work instruction for the CEO, instructions for financial reporting and instructions for the committees established by the Board. The Board has also adopted attestation instructions and a Finance Policy. Bygghemma 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 financial reporting, and the effectiveness of the internal control and risk management as well as to review and monitor the auditor's impartiality and independence.

The responsibility for the day-to-day work of maintaining the control environment rests primarily with the 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 BHG is organized with its own Board and, as applicable, 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 CEO and CFO. In addition to internal monitoring and reporting, the 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 subsidiaries. Risk assessment is carried out regularly and in accordance with established guidelines focusing on individual projects. The Board is responsible for the internal control and for monitoring management. This is carried out through both internal and external control activities as well as through examination and monitoring of the policies and steering documents. Within the Board, the Audit Committee is primarily responsible for continuously assessing the risk situation, after which the Board performs an annual review of the risk situation.

Bygghemma actively performs different control activities in order to identify, address and rectify risks in all parts of the organization, and to ensure and improve internal control in operations. As part of the work related to internal control risk, the 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. This work primarily concerns strategical and operational risks, but financial and legal risks as well as other key risks are also processed. Uniform accounting and reporting instructions apply to all entities within BHG. The guidelines for internal control are followed up in all entities during the financial year. The local entities' financial development is continuously monitored through monthly reporting, which focuses mainly on revenues, earnings and order book. This reporting 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**

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

Bygghemma's financial reporting complies with Swedish laws and regulations and the local laws in each country where operations are conducted. Bygghemma'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 are constantly monitored. The CEO ensures that the Board continuously receives reports on the development of the

activities, including the development of the 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 examines the annual report and interim reports and conducts 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 has found that these are, in all material respects, properly applied in the Group and determined that an internal control function, considering the format of the risk assessment and control activities, is the most effective method for monitoring the internal control. 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 2019 except for the corporate governance statement and the statutory sustainability report on pages 40-44 and 35-39 respectively. The annual accounts and consolidated accounts of the company are included on pages 24-94 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 2019 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 2019 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 40-44 and 35-39 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.

**Particularity important area****Valuation of intangible assets**

*With reference to Note 13.*

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.

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).

It is presented that no impairment requirement has been identified based on the assumptions undertaken.

**Recognition of acquisitions**

*With reference to Note 5.*

In the financial year 2019, Bygghemma made five 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 346,6 million, of which SEK 62,3 million refers to identified fair value adjustments in the acquisition analyses for trademarks and customer relationships and SEK 300,1 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.

**How our audit considered the particularly im-portant area**

In our audit, we have evaluated the calculation model applied by management and conducted that the model is compatible with acceptable valuation techniques.

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.

We have tested the sensitivity analysis for key assumptions in order to assess the risk of need for impairment.

We have not noted any need for impairment based on procedures performed.

We have also assessed the correctness of the disclosures included in the financial statements.

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 2-23 and 100-105. 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](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Bygghemma Group First AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

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

### **Basis for Opinions**

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

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

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

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

equity, consolidation requirements, liquidity and position in general.

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

### **Auditor's responsibility**

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://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 40–44 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.

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

Malmö den 29 March 2020

Öhrlings PricewaterhouseCoopers AB

**The auditor's opinion regarding the statutory sustainability report**

The Board of Directors is responsible for the statutory sustainability report on pages 35-39, 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.

Eva Carlsvi  
Authorized Public Accountant