



# Studsvik

*ANNUAL REPORT 2021*

# **INFORMATION TO SHAREHOLDERS**

## **ANNUAL GENERAL MEETING OF SHAREHOLDERS, APRIL 26, 2022**

The Annual General Meeting will be held in Stockholm at the World Trade Center, Klarabergsviadukten 70/Kungsbron 1, on Tuesday April 26, 2022 at kl 16:00 (CET).

### **Notification**

Shareholders wishing to participate must be registered in the share register kept by Euroclear Sweden AB by Tuesday, April 14, 2022, and must give notice of attendance by Tuesday, April 14, 2022 at the latest.

- via Studsvik's website, [www.studsvik.se](http://www.studsvik.se).
- by telephone, + 46 155 22 16 42,
- by mail to Studsvik AB, SE-611 82 Nyköping, Sweden
- by email to [studsvik@studsvik.com](mailto:studsvik@studsvik.com), or
- by fax, +46 155 26 30 70

The shareholder's notification should state

- name
- personal/corporate identity number
- address and telephone number
- number of shares

For entitlement to vote at the Annual General Meeting, shareholders with nominee-registered shares must apply to the bank or broker managing their shares for temporary re-registration a couple of banking days before Tuesday, April 14, 2022.

## **FORTHCOMING FINANCIAL INFORMATION 2021**

- |   |                  |
|---|------------------|
| • Interim Report January-March 2022     | April 26, 2022   |
| • Interim Report January-June 2022      | July 21, 2022    |
| • Interim Report January-September 2022 | October 20, 2022 |
| • Interim Report January-December 2022  | February 2023    |
| • Annual report 2022                    | April 2023       |

The reports will be available at [www.studsvik.com](http://www.studsvik.com) on the publication dates.

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SALES

798.3

MILLION KRONOR

OPERATING MARGIN

10.7

PER CENT

OPERATING PROFIT

85.8

MILLION KRONOR

### INNOVATING NUCLEAR SUSTAINABILITY

*Studsвик is a unique, independent partner developing safety & efficiency for the global nuclear industry. Through our expertise we support a sustainable future.*



*Studsвик stands for safe and effective solutions*

*We offer specialized services in material testing, software and waste management methods to companies, mainly in nuclear technology but are also engaged as experts in other radiological areas.*



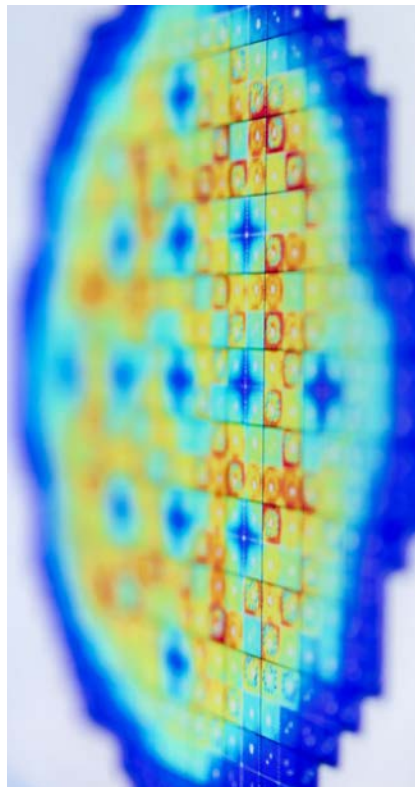
FREE CASH FLOW

71.3

MILLION KRONOR



*Nuclear power is a type of energy that reduces greenhouse gases. We contribute with our 70-years' experience to even safer solutions and higher efficiency in the nuclear power industry and to the production of medical isotopes for health care.*



EQUITY-ASSETS RATIO

41.4

PER CENT

NUMBER OF EMPLOYEES

517

IN SEVEN COUNTRIES





## STRATEGIES

Studsvik's growth is based on being innovative, reliable and delivering quality in all services we provide. By contributing to safe and efficient solutions in nuclear technology, Studsvik can also work for a more sustainable and safe nuclear power industry.

Studsvik's key initiatives: to support/to be part of	Business area
Fuel testing and qualification - expanding markets	
New types of fuel (ATF) and reactors such as Small Modular reactors (SMR)	
Efficient and safe services within decommissioning	
Efficient and safe waste solutions preparing for final disposal	
Competence centre through international programs and networking	
Safe and efficient fuel design and monitoring	
Life extension programs	

■ Fuel and Materials Technology 
 ■ Scandpower 
 ■ Waste Management Technology 
 ■ Decommissioning and Radiation Protection Services

## MARKET

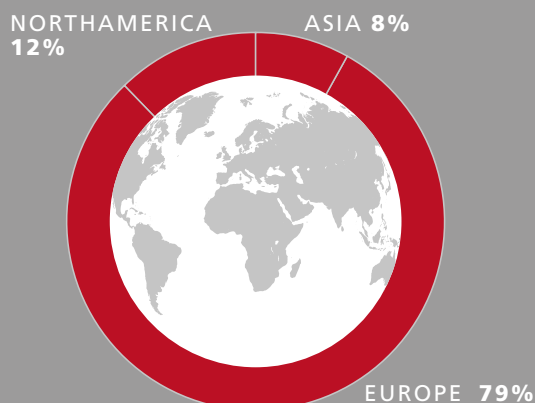
A lot is happening within the nuclear world today. New nuclear power plants are being built and new techniques are being developed, such as Small Modular Reactors. Nuclear energy will play an important role in the world supply of electricity for a long period of time. Sweden has made a decision on final disposal, an area where Sweden is ahead of many countries, highlighting the importance of safe and efficient waste management. Studsvik is an international player on this changing market, giving opportunities for expansion and growth.

### LARGEST CUSTOMER GROUPS

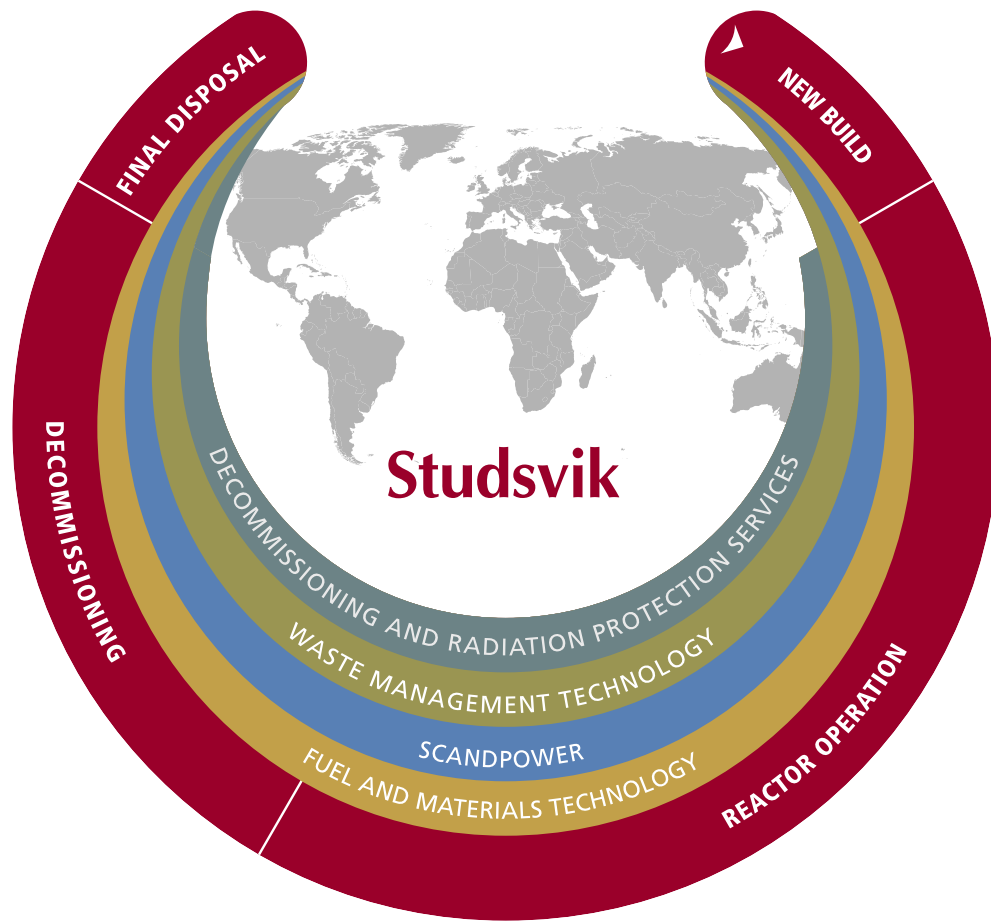
- Nuclear power plants
- Fuel vendors
- Research centers and other nuclear facilities
- Authorities

### TOP 10

- |                   |                |
|-------------------|----------------|
| 1. Germany        | 6. Russia      |
| 2. Sweden         | 7. Switzerland |
| 3. North America  | 8. France      |
| 4. Asia           | 9. Norway      |
| 5. United Kingdom | 10. Belgium    |







## SERVICES

Studsvik offers a range of advanced technical services to the global nuclear power industry. Studsvik's focus areas are fuel and materials technology, reactor analysis software and fuel optimization, decommissioning and radiation protection services, as well as technical solutions for handling, conditioning and volume reduction of radioactive waste. The company has more than 70 years' experience of nuclear technology and radiological services. Studsvik has 517 employees in 7 countries and is a global supplier.

**Studsvik's strengths as a commercial and innovative service provider:**

- Vendor independence
- Nuclear facilities
- Versatile business model

### STUDSVIK'S SERVICES SUPPORT SAFE AND EFFICIENT SOLUTIONS

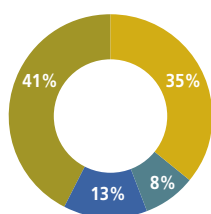
Business area	Fuel and Materials Technology	Scandpower	Waste Management Technology	Decommissioning and Radiation Protection Services
<b>Part of lifecycle</b>				
New build	Qualification, testing and analysis	Fuel and core design & verification	Waste plans	Not applicable
Reactor operation	Qualification, testing and analysis	Fuel core optimization and monitoring	Volume reduction	Services within radiation protection, decontamination and engineering
Decommissioning	Handling of spent fuel	Spent fuel planning, analysis, and optimization	Waste advisory role	Services in dismantling and waste treatment
Final disposal	R&D for final disposal	Spent fuel characterization	Waste stabilization	Waste documentation



## 2021 IN REVIEW

Studsvik's two largest business areas, Fuel and Materials Technology and Decommissioning and Radiation Protection Services, have reported sound and stable growth. Both sales and earnings have improved in total for the Group. We see continued great interest in our services and have invested in measures to improve capacity and efficiency.

Sales by area of operation

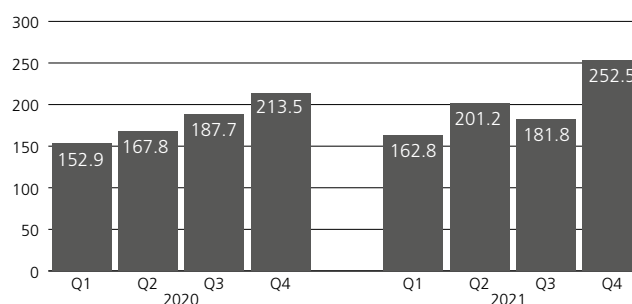


- Decommissioning and Radiation Protection Services
- Fuel and Materials Technology
- Scandpower
- Waste Management Technology

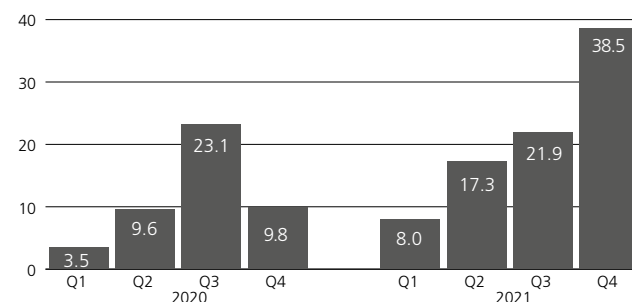
Key figures

	2021	2020
Net sales, SEK million	798.3	721.9
Operating profit, SEK million	85.8	46.0
Profit after net financial items, SEK million	77.6	41.3
Earnings per share, SEK	7.69	4.28
Operating margin, %	10.7	6.4
Free cash flow, SEK million	71.3	64.9
Net debt-equity ratio, %	-11.6	7.9
Equity-assets ratio	41.4	41.2
Equity per share, SEK	47.12	38.13
Average number of employees	517	516

Sales in SEK million



Operating profit in SEK million







## ***SOME EVENTS IN 2021***

### **STRATEGIC AGREEMENT IN GERMANY**

In June a strategic agreement was signed within decommissioning. The order value is SEK 135 million. The work will continue over a three-year period.

### **RENEGOTIATED AGREEMENT**

In mid-December a license agreement was renegotiated, impacting earnings by about SEK 20 million and cash flow by about SEK 30 million.

### **UNIQUE TRANSPORTATION**

Transportation of radioactive material from both China and South Korea to the Studsvik site has taken place during the year in the Fuel and Materials Technology business area. These shipments were the first of their kind from these countries and show Studsvik's expertise in the area of radioactive transportation.

### **CHANGES IN THE EXECUTIVE GROUP MANAGEMENT**

Rob Whittle was appointed as new Business Area President of Scandpower and Niklas Karlsson was appointed as new CFO.





## A STRONG YEAR

During the year we have seen continued positive effects of our action and growth program. We are seeing great interest in our services globally and Studsvik's position as an independent, innovative supplier of services to the nuclear power industry has been further strengthened. The two largest business areas, Fuel and Materials Technology and Decommissioning and Radiation Protection Services, have had sound and stable growth and in Scandpower activities are ongoing to restore profitability. Total sales for the Group have increased by 11 per cent and operating profit improved from SEK 46.0 to 85.8 million.

Nuclear power has an important role to play in an environmentally sustainable future. In several countries investments are being made in nuclear power and new technologies, such as small modular reactors, more tolerant fuels and new, advanced reactor designs. International development initiatives are also in progress to make it possible to extend the life of reactors in operation in a safe and resource-efficient way. Studsvik has long experience of contributing innovative solutions. By combining our experience with new technologies, we solve advanced customer questions.

We can also note that nuclear power has again become an important part of discussions on how we are to achieve climate goals and manage future energy supply. Studsvik is willing and able to support sustainable development in the nuclear power industry. For example, we offer several technical solutions for treatment of radioactive waste ahead of final disposal, an area we consider will be more in focus going forward.

I am looking forward with optimism to 2022, where Studsvik can continue to deliver on a strong order book, but also utilize new opportunities in a changing, international nuclear power market. In the past year we strengthened our organization in strategic areas and invested in improved efficiency. We continue to invest globally in all parts of the nuclear cycle, both through development of new services and through expansion to new markets.

We start the new year with a new vision, "Develop nuclear sustainability". Studsvik is a unique and independent partner that delivers innovative, customized services. We support nuclear power throughout its entire life cycle with safe and effective solutions from new construction to operation, decommissioning and final disposal.

**CAMILLA HOFLUND**  
PRESIDENT AND CEO OF STUDSVIK



# ADMINISTRATION REPORT

The Board of Directors and the President of Studsvik AB (publ), corporate identity number 556501-0997, hereby submit the annual accounts and consolidated accounts for the 2021 financial year. This document also includes the sustainability report of Studsvik AB, corporate identity number 556501-0997, in accordance with the Annual Accounts Act, Chapter 6, Sections 10–14.

The report covers the company and underlying subsidiaries in the same Group.

## BUSINESS ACTIVITIES OF THE GROUP

Studsvik delivers specialist services to the international nuclear power industry. Its customers are mainly nuclear power plants and suppliers to the nuclear industry. Studsvik's operations are conducted at its own facilities in Sweden and at customer sites. The services cover the entire life cycle of the nuclear power plants as regards waste management, engineering services and fuel optimization and issues related to fuel and construction materials.

The company's share is listed on NASDAQ Stockholm.

## MARKET

Demand in Europe is driven by focus on improving efficiency by reducing operating costs for existing plants. Some customers in Sweden and Germany are focused on preparation and initial steps for decommissioning of their nuclear plants. The American market is also focused on improving efficiencies of the existing fleet.

In Asia the market development continues to be positive, mainly driven by large investments in China and South Korea. Global demand for electricity is expected to grow in the next 25 years, mainly in non-OECD countries where demand from Asia, and mainly China, makes up a considerable part.

An additional positive development is environmental sustainability. Nuclear has been recognized as a viable alternative towards "net-zero" by replacing carbon producing electrical generating alternative and an attractive alternative to replace non-desirable fossil fuels plants. This trend will lead to extending lifespan of existing nuclear units as well as new reactor builds worldwide.

All in all, this means that demand for services for example in fuel cycle optimization (efficiency) of existing and new build plants, management of spent nuclear fuel and waste management related to decommissioning is expected to increase.

## STUDSVIK'S MARKET POSITION

Studsvik offers specialized services to the global nuclear power industry in new construction, reactor operation, decommissioning and final disposal.

## STUDSVIK'S AREAS OF OPERATION

### Decommissioning and Radiation Protection Services

Decommissioning and Radiation Protection Services operates in radiation protection, decommissioning, dismantling and decontamination. Its customers are nuclear power plants, research centers and other nuclear facilities in Germany, Switzerland, Belgium and the Netherlands. The services also include practical solutions for working with radiation and radiation protection training adapted to customer needs.

### Fuel and Materials Technology

Fuel and Materials Technology offers solutions by combining expertise, unique facilities and external networks. Our customers come to us for our customized solutions that are highly flexible, thus meeting their needs.

### Scandpower

Scandpower offers software and engineering services to support nuclear power plants, fuel manufacturers, authorities as well as researchers in next generation reactor developers and research establishments.

### Waste Management Technology

The Waste Management Technology offer focuses on advanced engineering services, technologies and services that optimize our customers' radiological programs and management of waste.



## SALES AND EARNINGS

Sales increased in local currencies by 13 per cent to SEK 798.3(721.9) million. Operating profit was SEK 85.8 (46.0) million. In the results is a sale of land included with a result effect of SEK 11.5 million.

Sales for Decommissioning and Radiation Protection Services increased in local currencies by 16 per cent to SEK 329.5 (293.2) million and the operating profit improved to SEK 26.2 (17.4) million.

Fuel and Materials Technology sales increased by 25 per cent in local currencies, to SEK 280.8 (224.3) million and the operating profit was SEK 46.3 (34.0) million.

Sales for Scandpower in local currencies decreased by 14 per cent to SEK 103.4 (125.6) million, and the operating profit to SEK 4.1 (17.2) million.

Waste Management Technology has almost unchanged sales in local currencies amounting to SEK 64.3 (65.3) million, but the operating profit improved to SEK 17.7 (–1.5) million.

The business areas' operations and performance are described in more detail on pages 12-19.

## PROFITABILITY

The operating margin for the Group was 10.7 (6.4) per cent. Return on capital employed was 19.5 (11.3) per cent.

## CASH FLOW

Cash flow from operating activities was SEK 117.3 (83.6) million and the free cash flow was SEK 71.3 (64.9) million.

## FINANCING

Studsvik has financing with Danske Bank totaling SEK 145 million. Of this, SEK 45 million is a corporate loan and the remaining SEK 100 million is an overdraft facility. More information on the Group's borrowing can be found in note 2.1 and note 29.

## FINANCIAL TARGETS

The Board of Directors has adopted new financial targets:

- Average annual organic growth of 6 per cent
- An operating margin of 12 per cent
- An equity/assets ratio of at least 40 per cent

During the year sales in local currencies increased by 13 per cent. The operating margin was 10.7 (6.4) per cent. The equity-assets ratio has increased to 41.4 (41.2) per cent.

## INVESTMENTS

The Group's capital expenditure investments amounted to SEK 58.5 (23.0) million.

The investments are mainly related to the Fuel and Materials Technology business area.

## RESEARCH AND DEVELOPMENT

Development projects are initiated and implemented both in partnership with customers in the form of consultancy contracts and within the framework of Studsvik's own product development. Research expenditure is expensed as it is incurred. Identifiable expenditure for the development of new processes and products is capitalized to the extent it is expected to bring economic benefits.

In 2021 total costs of company-funded research and development amounted to SEK 9.0 (8.3) million. The greatest resources were allocated to Studsvik's in-core fuel management codes and reactor operation. Within software development the expenditure is a combination of further development of existing software and new development.

## EFFECTS OF THE CORONA PANDEMIC

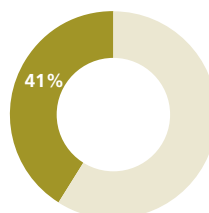
In 2021 the business was not significantly affected by the corona pandemic.

## DECOMMISSIONING AND RADIATION PROTECTION SERVICES



Decommissioning and Radiation Protection Services (formerly Germany) offers services in radiation protection, decommissioning, dismantling, decontamination and engineering. Our customers are nuclear power plants, research centers and other nuclear facilities in Germany, Switzerland, Belgium and the Netherlands. Studsvik's decommissioning services cover the entire process from feasibility studies, planning and project management to practical work with radiological assessment, dismantling, radiological clearance of material and waste documentation.

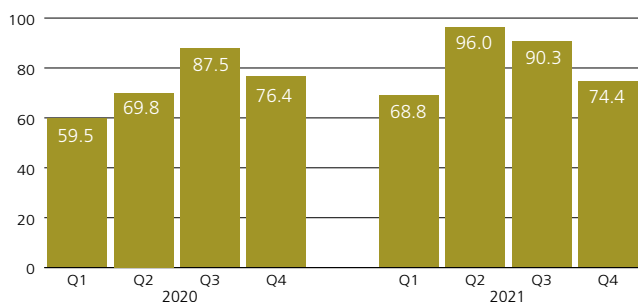
### Share of Group sales



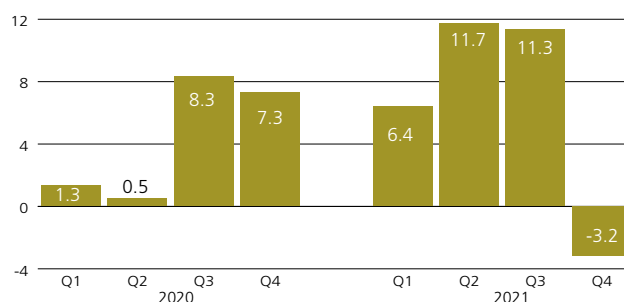
### Key figures

Amounts in SEK million	2021	2020
Sales	329.5	293.2
Operating profit	26.2	17.4
Operating margin, %	8.0	5.9
Investments	3.7	1.8
Average number of employees	326	329

### Sales in SEK million



### Operating profit in SEK million



## INCREASED SALES

Sales in local currencies increased by 16 per cent to SEK 329.5 (293.2) million, and the operating profit improved to SEK 26.2 (17.4) million. The operating margin increased to 8.0 (5.9) per cent.

In 2021 demand continued to grow in all areas, both in Germany and in neighboring countries. Studsvik intensified its efforts in recruitment, particularly in radiation protection, decommissioning and engineering services. In addition, specific training programs will be further improved and expanded in order to retain and develop a skilled staff.

Two major long-term contracts were concluded, one in the decontamination area and one for decommissioning activities which ensure good capacity utilization for the coming years.

These contracts both secure current business and lay a foundation for additional business.

During 2021 Studsvik performed a great deal of work in connection with a maintenance and refueling outage in Switzerland which contributed to good sales and earnings.

*"Studsvik's many years of experience reduces risks, and in many cases saves significant cost for the customer"*

**FLORIAN BUEHLER**  
BUSINESS AREA PRESIDENT



## COMBINING ALL DIFFERENT AREAS OF EXPERTISE FOR SAFE, EFFICIENT AND SUSTAINABLE DECOMMISSIONING

The business area contributes to a successful post-operational and dismantling phase by combining our areas of expertise and can thus offer models that are individually tailored to the customer. To support the projects in the best way, radiation protection, decommissioning, decontamination and engineering work hand in hand. To handle the worsening shortage of skilled people with expertise on the market we pay attention to the training of new staff and the transfer of know-how within the organization.

### What is the value for the customer?

By combining all areas of our expertise in decommissioning and radiation protection services, Studsvik provides competence and reliability. Studsvik's many years of experience reduces risks, and in many cases saves significant cost for the customer.

### Which are the applicable markets or customer groups?

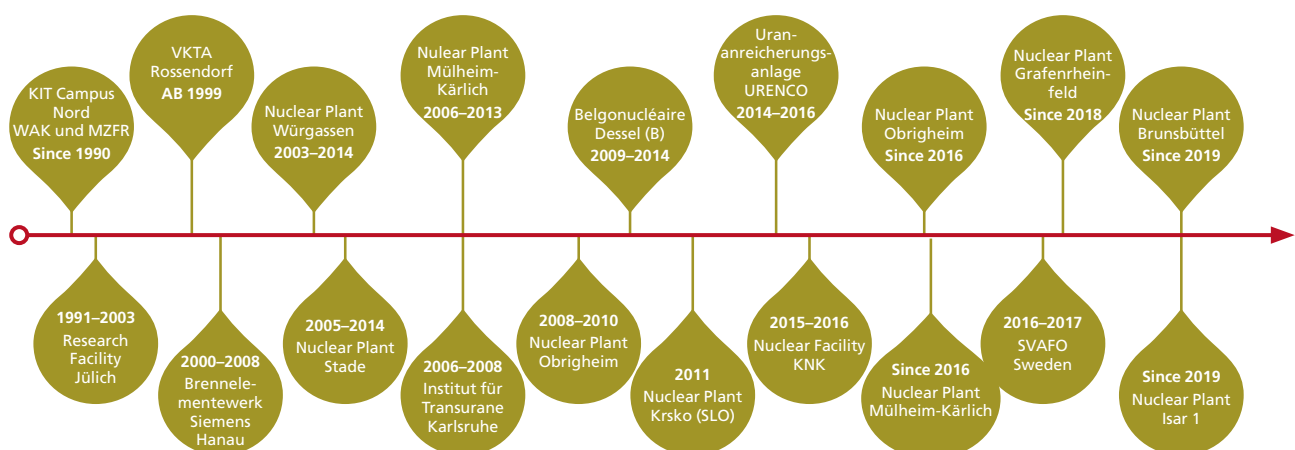
Besides Germany, which is our main market, we see a future emerging market in the area of decommissioning in the neighboring countries. Our customers are nuclear power plant operators, research institutes and private companies. In Germany, according to current plans, decommissioning will be a business at

least until the mid-2030s. Already today, a quarter of the entire business takes place abroad, mostly in Switzerland but also in Belgium, Holland and Sweden.

The timeline below shows examples of decommissioning projects, completed or ongoing.

### In which phase of the nuclear power lifecycle is this relevant?

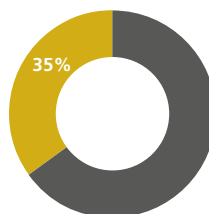
Traditionally we support the operational phase with recurring inspections and perform technical supervision, especially during outages. The decommissioning area has now become our core business, but we also support interim storage and provide support in the area of waste declaration.



## FUEL AND MATERIALS TECHNOLOGY

The business area offers services in fuel and materials technology for nuclear power plants, reactor and fuel manufacturers, government agencies and actors that use radioactive substances. The offer includes nuclear fuel qualification, analysis of material, research on final disposal, packaging of medical isotopes and advanced consultancy services. Testing and analysis operations are conducted at Studsvik's facility in Sweden and sometimes in collaboration with other international partners. The operations contribute to improved operating economy and increased security in the nuclear power industry.

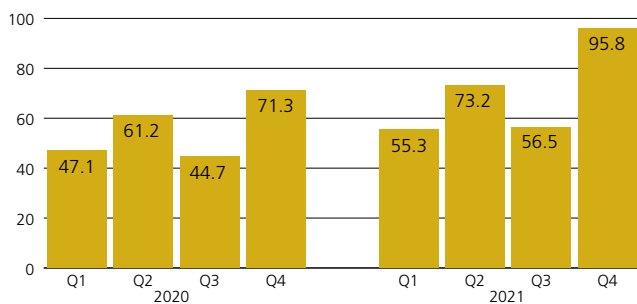
### Share of Group sales



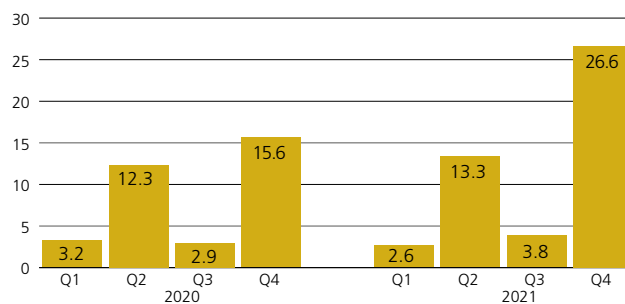
### Key figures

Amounts in SEK million	2021	2020
Sales	280.8	224.3
Operating profit	46.3	34.0
Operating margin, %	16.5	15.2
Investments	66.2	15.4
Average number of employees	123	111

### Sales in SEK million



### Operating profit in SEK million



## HIGH DEMAND

Sales increased to SEK 280.8 (224.3) million and operating profit to SEK 46.3 (34.0) million. Sales in local currency increased by 25 per cent. The operating margin increased to 16.5 (15.2) per cent.

The increased sales and improved earnings are due to the major orders from orders outside Europe received in recent years now being at the delivery stage. Among other things, in the second half of the year the first shipment ever of irradiated nuclear fuel from South Korea and two shipments of irradiated material from China were made. The material was delivered to the Studsvik hot cell facility for examination.

Advances have also been made in the two major OECD-NEA projects SCIP IV and SMILE, which gather most of the international nuclear power industry around fuel and materials questions.

As regards the new product, with production of sealed radiation sources for medical use for Elekta, two deliveries were made in 2021. A large delivery of irradiated cobalt was received at the end of 2021, which lays the foundation for increased production in 2022.





***"Being an independent organization with a well-established global network, Studsvik is equipped to develop programs meeting prioritized needs ..."***

**JOAKIM LUNDSTRÖM**  
BUSINESS AREA PRESIDENT

## **CENTER OF EXCELLENCE FOR INTERNATIONAL RESEARCH PROGRAMS**

For more than 70 years Studsvik has served the nuclear community with research aiming to continuously improve safety and operational performance. The research is often performed in joint programs where several customers come together to analyze a common topic.

The programs focus on studies of materials or reactor conditions relevant for the customers' specific application. It can for example include qualification of newly developed materials or designs and validation of materials' behavior after a number of years in the reactor. To enable such studies the selected material is transported from a reactor site to Studsvik's laboratory in Sweden using dedicated transport containers.

For new customers, becoming a member of one of Studsvik's programs is often the first contact with our company and acts as a stepping-stone towards developing the relationship and creating future business opportunities.

### **What is the value for the customer?**

Being an independent organization with a well-established global network, Studsvik is equipped to develop programs meeting prioritized needs for the data users with minimal lead times. Together with one or multiple partners a research idea is identified, the objective is defined, and the experimental techniques available in Studsvik Hot cells are tailored to maximize the research outcome.

### **Which are the applicable markets or customer groups?**

In several research areas there is a global common need for data to support lifetime extension of nuclear power plants, technology development and safety analyses for example. Such research typically requires extensive testing with multiple campaigns and large number of tests to verify new models and theories. Besides the opportunity to share the investment of the hot cell examinations, forming a joint multilateral program with representatives from different organizations allows development of international best practices, knowledge transfer and peer reviews by specialists from the entire nuclear community including fuel vendors, utilities, technical support organizations and regulators.

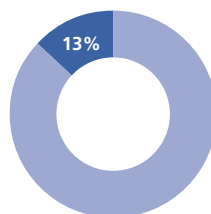
### **In which phase of the nuclear power lifecycle is this relevant?**

Today the ongoing programs mainly focus on operational and backend related research topics. However we constantly develop and adapt our capabilities to support the nuclear community's priorities and need for experimental data.



Scandpower is a world-leader in software for fuel optimization. The software is independent of fuel, transport containers and reactor suppliers. The software development is based in the USA and sales are through offices in Europe, the USA, Japan and China. Scandpower's software is used in half of the world's nuclear power plants. Development is in progress to adapt the software to advanced fuel and core constructions. Apart from license fees for software sales, Scandpower receives annual maintenance and support fees from those who have installed the software. Scandpower also receives revenue from related consultancy services.

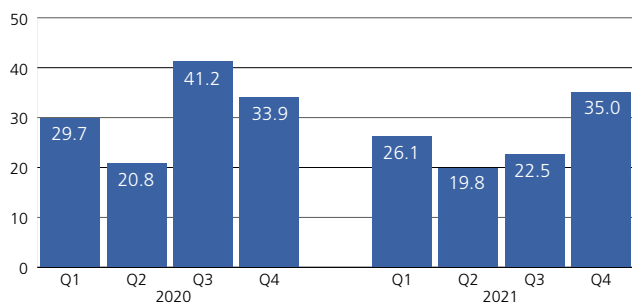
**Share of Group sales**



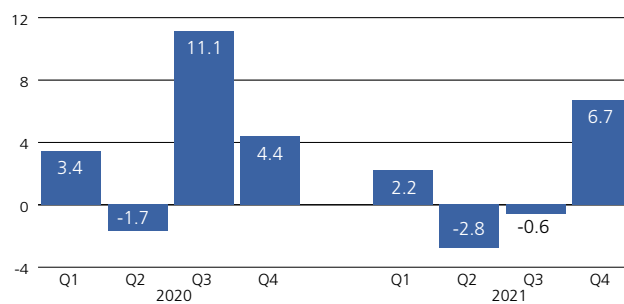
**Key figures**

Amounts in SEK million	2021	2020
Sales	103.4	125.6
Operating profit	4.1	17.2
Operating margin, %	4.0	13.7
Investments	1.3	0.7
Average number of employees	37	36

**Sales in SEK million**



**Operating profit in SEK million**



**INTEREST FOR AN INDEPENDENT FUEL SUPPLIER STILL HIGH**

Sales in local currencies in 2021 decreased by 14 per cent to SEK 103.4 (125.6) million, and the operating profit to SEK 4.1 (17.2) million. The operating margin was 4.0 (13.7) per cent. Sales mainly consist of software licenses, annual maintenance and support agreements, training and consultancy services related to the software. Software is sold both as one-time licenses and annual fee subscriptions.

The lower sales are mainly due to lower license sales. The interest for flexibility in fuel purchase and secure fuel supply continues to increase in the US.

During 2021 orders were received mainly in the USA and Europe, and Scandpower made its first license sales in the Middle East.



**ROB WHITTLE**  
BUSINESS AREA PRESIDENT

*" that helps them optimize and monitor every aspect of the fuel cycle, which reduces costs and increases safety. "*

## **DEVELOPMENT OF SOFTWARE**

Scandpower's software enables fuel optimization and thus improved safety and efficiency of nuclear power plants. This in turn increases customers' opportunities to maintain profitable operations and keep nuclear power plants in operation for longer.

Scandpower's software enables fuel optimization and thus improved safety and efficiency of nuclear power plants. This in turn increases customers' opportunities to maintain profitable operations and keep nuclear power plants in operation for longer. The work of developing new software, adapting and updating existing software and phasing out older versions is always ongoing.

Some of this work means being able to apply the software to new reactor types such as Small Modular Reactors (SMR). Another part is broadening the product portfolio to support monitoring of spent fuel. New functionality is developed in partnership with customers, where their wishes and Scandpower's recognized expertise create market-adapted solutions.

### **What is the value to the customer?**

The nuclear power plants receive software and a partner that helps them optimize and monitor every aspect of the fuel cycle, which reduces costs and increases safety.

### **Which are the applicable markets or customer groups?**

The product portfolio is directed at nuclear power plants, the main customer group.

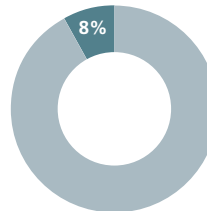
### **In what phase of the nuclear power lifecycle is this relevant?**

The software mainly targets the operating phase of a nuclear power plant's lifecycle.

## WASTE MANAGEMENT TECHNOLOGY

The business area offers licensed technical solutions to stabilize and reduce the volume of radioactive waste from commercial and non-commercial activities before final disposal. The technical solutions are delivered with associated engineering services to customers in Europe, North America, and Asia, who build and operate their own facilities. In addition specialist services are offered to optimize customers' treatment of waste during operation and decommissioning. The service offer covers the life cycle from initial waste planning for facilities to management and final disposal of waste. In addition, safety analyses and services related to radioactive classified waste arising from decommissioning are offered.

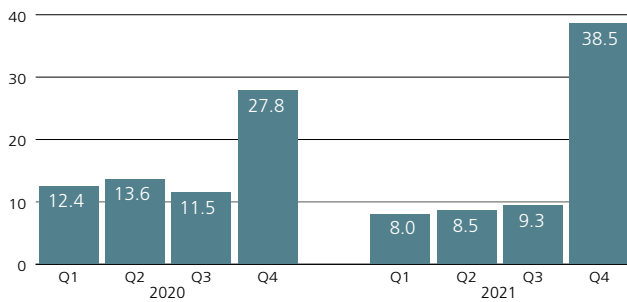
### Share of Group sales



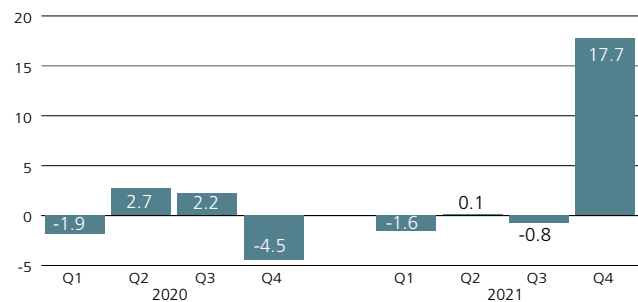
### Key figures

Amounts in SEK million	2021	2020
Sales	64.3	65.3
Operating profit/loss	15.4	-1.5
Operating margin, %	24.0	-2.3
Investments	0.8	3.6
Average number of employees	13	22

### Sales in SEK million



### Operating profit in SEK million



## IMPROVED PROFIT

Sales amounted to SEK 64.3 (65.3) million and the operating profit increased to SEK 15.4 (-1.5) million and the operating margin was 24.0 (-2.3) per cent. The profit includes SEK 20 million from a large license sale in the fourth quarter.

The business area focuses on license sales of own patented technologies for waste treatment, know-how and expert

consultation on waste treatment. Demand for expert consultation is high, while increased interest in our business model with technologies that are licensed out was noted during the year. The predominant markets are currently Europe and North America.





**MIKAEL KARLSSON**  
BUSINESS AREA PRESIDENT

*"...diminishing risks associated with transport and securing jobs for local workers while significantly reducing the volume of the waste."*

## STUDSVIK INDRUM – AN EFFICIENT AND SAFE WASTE TREATMENT SOLUTION

The Studsvik inDRUM is a patented thermal technology treatment process developed to stabilize nuclear waste (supporting final disposal) and provide significant volume reduction, supporting sustainable management of radioactive waste.

inDRUM has been demonstrated on simulant waste streams from civil nuclear plants and many types of legacy waste. inDRUM demonstrations on sodium and molten salt waste streams will soon be conducted. These wastes are important in the sustainability of nuclear power as a clean energy source, especially as applied to new efficient designs such as Advanced Modular Reactors (AMRs) and Small Modular Reactors (SMRs) which include sodium-cooled liquid metal fast reactors and Molten Salts Reactors (MSRs).

### What is the value for the customer?

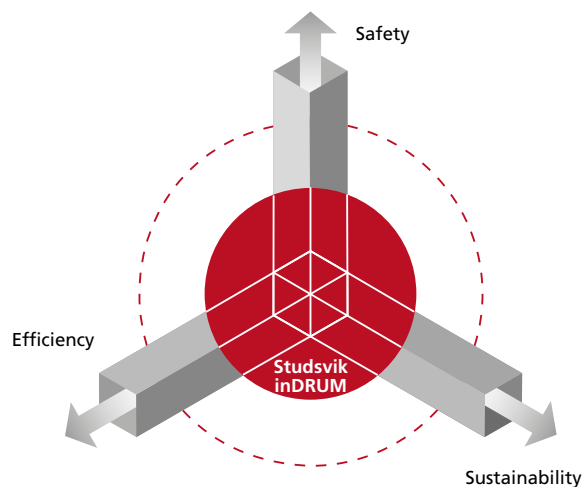
Studsvik's inDRUM technology offers environmentally and personally safe treatment of a variety of problematic waste streams. By rendering this waste into a compact and dry form it can be stored safely. The treatment is accomplished without any harmful release to the environment. In addition, the technology is applied locally on site, which reduces the risks associated with transport, while significantly reducing the volume of the waste.

### Which are the applicable markets or customer groups?

Existing nuclear facilities producing problematic radioactive waste (that typically has been stored since the facility began operations) or facilities shut down for decommissioning projects, as well as organizations responsible for legacy waste from historic activities. For new Advanced Modular Reactors (AMRs) and Small Modular Reactors (SMRs) to receive design approval a suitable, cost-effective method of treatment and disposal must be identified. inDRUM is applicable to meeting these design criteria.

### In which phase of the nuclear power lifecycle is this relevant?

inDRUM is applicable to all phases of the nuclear lifecycle for power reactors, as well as non-power nuclear facilities (research, non-civilian, etc.). As mentioned above, a waste treatment solution is now required for approval of new reactor designs. For existing nuclear facilities, whether they are operating or have been shut down, there are also significant amounts of problematic nuclear waste that inDRUM can be used to remediate.





## PARENT COMPANY

Operations in the parent company consist of coordination of the Group. Parent company sales increased to SEK 14.0 (11.1) million and the operating profit increased to SEK –12.7 (–21.2) million. Profit before tax was SEK 76.2 million (137.0). The result from 2020 includes dividend from group companies of SEK 0 (140.0). The year's net financial income includes exchange rate effects of intra-group loans of SEK 10.9 (–14.2) million. Cash and cash equivalents including current investments amounted to SEK 0.0 (0.0) million and interest-bearing liabilities to SEK 63.5 (100.0) million. Remuneration to senior management is presented in note 38 on page 64.

## EMPLOYEES

The average number of employees in the Group in 2021 was 517 (516). During the year the company's organization was streamlined, at the same time as resources mainly in the Fuel and Materials Technology business area were increased to manage volume growth and strengthen competencies in expanding service areas.

## DECOMMISSIONING OF STUDSVIK'S NUCLEAR FACILITIES

The operations at Studsvik's nuclear facilities in Sweden are conducted under license pursuant to the Swedish Act on Nuclear Activities and it is therefore Studsvik's responsibility to decommission the facilities. Under the Act the holder of the license has both the technical and the financial responsibility for decommissioning.

Previously, a large proportion of decommissioning costs was financed through payments from the nuclear power industry in accordance with the Studsvik Act (1988:1597). This Act was, however, abolished in 2018 and the funds transferred to the Nuclear Waste Fund, which is administered by the National Debt Office.

Studsvik's commitments are financially guaranteed through an annual fee to the Nuclear Waste Fund and through pledged collateral concerning performance. Cost estimates are made to determine the extent of Studsvik's commitment. These then form the basis for determining the fee to be paid by Studsvik to the Nuclear Waste Fund.

In 2021 the fee to the Nuclear Waste Fund was SEK 8,557,000 (8,557,000). The fee is revised by the National Debt Office every third year and is also affected by the expenditure development at the supervisory authorities. Studsvik estimates that the annual fee 2022 will be at a slightly higher level than in previous years. The balance in the Nuclear Waste Fund is recorded as an asset in the accounts. The discounted value of the commitment is recognized as a provision.



# SUSTAINABILITY REPORT

REDUCED NUMBER OF  
WORKPLACE ACCIDENTS

# 71%

OVER 5 YEARS

THE GROUP HAS A HIGH SAFETY CULTURE, WHICH RESTS ON A LONG TRADITION OF CLEAR PROCEDURES FOR QUALITY ASSURANCE AND FOLLOW-UP IN THE CONTEXT OF OUR QUALITY CERTIFICATION PROCESSES.

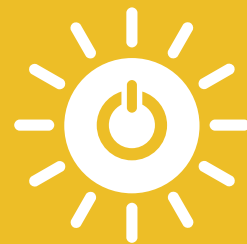
*We want to prevent accidents and operational disruptions by having competent and motivated staff and high requirements of the facilities.*



**Good health  
and well-being**



*Develop sustainable solutions for the nuclear industry*



**Affordable and  
clean energy**





Decent work and economic growth



-50%

CO<sub>2</sub>-RELEASE G/KM OVER 5 YEARS

in

Be an attractive employer

Emissions in 2020 were 0.000031 mSv, to the most exposed year group which can be compared with a normal Swede's average annual radiation dose of 3.0 mSv.



Industry, innovation and infrastructure



RATIO OF FEMALE MANAGERS

23%



Take responsible economic decisions



The purpose of this report is to provide Studsvik's stakeholders with a deeper understanding of how we as a company create value for our customers, shareholders, employees and the communities where we operate. We therefore wish to be transparent on the social, economic and environmental risks and opportunities that characterize our operations and how they are managed within the company.

**BUSINESS MODEL**

We act to make all radiological and nuclear activities safer, and to make all projects we undertake create value for both our customers, employees, shareholders and society as a whole. With a competence-based business model we can provide innovative technical solutions that reduce both risks and costs throughout the lifecycle of nuclear facilities and radioactive material.

With the help of our over 500 employees in seven countries, we can offer services in our four business areas: Fuel and Materials Technology, Scandpower, Waste Management Technology and Decommissioning and Radiation Protection Services. In all we do, our strategic focus is to develop sustainable solutions for the nuclear industry, be an attractive employer for our potential and existing employees and take responsible economic decisions that benefit our owners. This is to be able to contribute to a more sustainable and safe nuclear industry, nuclear innovation, satisfied and healthy employees and economic return, and in that way contribute to four of the seventeen UN global goals for sustainable development. By taking responsibility for and focusing on the goals that are most significant for our business we can make the greatest difference.

**OUR STAKEHOLDERS**

As a large and global actor in a market that is critical to society, there are high expectations from our stakeholders that we take

responsibility for our business and are transparent with what we do. Issues concerning nuclear technology are of public interest and may be subject to expressions of opinion and debate. Consequently, we work consistently to maintain a high level of public confidence by conducting activities in line with our stakeholders' expectations. Its approach to the rest of the world is characterized by dialogue and open communication with regions, municipalities, authorities and other stakeholders. We also aim to support the local community through cooperation with organizations and municipal administrations on matters that are strategically important for us. By means of a structured stakeholder dialog we want to maintain transparency that challenges and develops us, and ensure that we make the right priorities in our strategic sustainability work. In 2021, we conducted a stakeholder dialogue to identify key sustainability issues for our stakeholders and their expectations of Studsvik. In-depth interviews were conducted with employees and management from Studsvik and four of our customers. The interviews had a semi-structured nature, where the questions covered, among other things, business ethics, personnel issues, supply chain and environment, but also provided an opportunity for open discussion. The answers were analyzed and ranked in a materiality analysis, and based on the results we have reviewed and updated our materiality matrix to reflect the most important sustainability issues for our stakeholders.



Studsvik's ambition	Main areas	Focus areas	Risks
Develop sustainable solutions for the nuclear industry	Product development	Innovation, research projects, digitalization, excellence	Competition, patent protection, dependence on partners
	Quality and safety	Customer satisfaction, efficiency, integrated risk management, enhanced protection against data breaches	License violations, theft, sabotage, burglary, data breaches
	Climate impact	Energy efficiency, reduction of fuel consumption, climate adaptation	License violations, high emissions of carbon dioxide, reputational risk
	Waste and water management	World-leading processes for responsible radioactive waste management, efficient water management	License violations, high emissions to air and water, ionizing radiation
Be an attractive employer	Work environment	Health and well-being, job satisfaction, efficiency, motivation, mental and physical work environment when working remotely	Work-related accidents, sickness absence, psychosocial ill health, remote work
	Attracting, retaining & developing skills	Leadership, professional development, participation, community, corporate culture, diversity, attracting new skills	High staff turnover, dependence on key personnel, reduced interest in the nuclear industry among younger generations, future skills shortages
Take responsible economic decisions	Stable economy	Development of service areas, provision for future waste management, long-term investments	Unpredictable market development, dependence on political decisions, close-downs, fixed price commitments, currency exposure
	Business ethics	Inclusion, diversified perspective in decision-making	Discrimination, harassment, culture of silencer
	Sustainable supply chain/Responsible supply chain	Transparency concerning supply chain risks, supplier code of conduct	Corruption, human rights, reputational risk
	Information security	Enhanced protection against data breaches	Cyber attacks, theft of sensitive information, reputational risk

Stakeholder group	Dialog method
Employees	Employee survey* Employee performance reviews Interviews with the Group Executive Management
Customers	Digital customer meetings on an ongoing basis Annual customer satisfaction survey via questionnaire Interviews with customers
Local community	Information mailing by letter where the recipient has the opportunity to come back with questions**
Authorities	Frequent meetings with authorities Announced and unannounced regulatory controls are carried out at regular intervals to examine and ensure that we comply with the safety procedures set up. These took place both physically and digitally in 2021.
Suppliers	Continuous dialogue Procurement assessments Annual verification of A-suppliers***
Investors	Teleconferences in connection with financial statements Capital market days

\* No employee surveys have been carried out in Germany in 2020 and 2021 due to COVID-19 resulting in other conditions for personnel in Germany.  
 \*\* Adapted method due to COVID-19, usually conducted as physical meetings.  
 \*\*\* A suppliers are critical to our business, such as suppliers of services in the form of IT, building maintenance and security services.

**OUR STRATEGIC FOCUS AND MATERIAL RISKS**

Being an actor in the nuclear power industry entails specific risks that are regulated and supervised by national authorities and international organizations. Therefore we have well-established procedures for systematic risk management. They are formulated together with relevant authorities that take a position on our risk assessment and on whether the management of these risks is adequate. Risk dialogs are frequent and documented, which is a necessity to be able to maintain and extend our licenses. Consequently, our systematic risk management is a fundamental condition for our operations. The responsibility for assessing

operational and financial risks lies with the respective business area, whose risk assessments are reviewed, compared and followed up annual by the parent company.

An overall analysis of the Group's risks and how they are dealt with is presented annually to the Board of Directors of Studsvik AB and is followed up on a regular basis.

Our risk assessment includes all parts of the operations and resulted in eight sustainability areas that address our most material risks. The focus areas have also been designed on the basis of the information that emerges in dialog with our stakeholders. In the section below a description is given of why these areas are of material importance, how we deal with them in our operations and the outcome for the year. Financial risks are dealt with in the "Financial risk management" section, note 2.

In 2021, we have done extensive work to streamline our policy portfolio and ensure implementation and follow-up of the content of the policies as well as how they relate to the identified risks. Studsvik's Sustainability Policy now includes approaches, rules, and guidelines for how we will work in the areas of product development, quality and safety, climate impact, work environment, drug-free work environment, diversity and equality, and how we are to continue to have satisfied and healthy employees. Our Code of Conduct exists to minimize business risks, establish guidelines for employees and business partners, strengthen the corporate culture and communicate Studsvik's core values. Our Anti-Corruption and Whistleblower Policy regulates business ethics, guidelines for actions in case of suspected irregularities, and the protection of users of the whistleblower function.

We have also worked to clarify the links between policies and risks related to the environment, personnel, human rights and anti-corruption and bribery. Implementation, results, and follow-up of policies regarding the environment, personnel, human rights and anti-corruption and bribery are described on an ongoing basis in the report.



## DEVELOP SUSTAINABLE SOLUTIONS FOR THE NUCLEAR INDUSTRY

### PRODUCT DEVELOPMENT

Studsvik endeavors to always be at the forefront as regards innovative solutions for the nuclear industry so as to contribute to more sustainable energy supply. With our services our customers can use existing assets longer, more safely and with less environmental impact. Our innovative technical solutions improve reactor performance and reduce both risks and costs over the entire lifecycle. We offer advisory services concerning fuel management and optimization as well as safety and fuel economy. We supply world-leading software for fuel and core optimization and monitoring. The aim is to help improve profitability, safety and sustainability for our customers and for society as a whole.

### Innovation

Much of our business is based on proprietary technology that is challenged by competition. It is therefore crucial for us to always have an innovative approach to all our assignments and together with our customers develop new, customized and effective services. Where it is considered possible and economically justifiable, we limit the risk of competition by patenting our proprietary technology and constantly developing new solutions. Part of our strategy is to develop customer offers together with selected partners. This can result in a measure of natural dependence on these subcontractors. To limit this risk we work with forms of agreement that enable close relationships based on trust, while keeping alternative partners available. The leading-edge expertise of our employees is a strong contributing factor to our proprietary technology and innovative ability, it is of great importance for us to maintain and develop the skills available at the company. For more information on how we work on these issues, please refer to the chapter "Be an attractive employer."

### Research projects

The Studsvik Cladding Integrity Program (SCIP) was launched in 2004 to drive nuclear technology forward. SCIP is an international OECD project including experiments, studies, development of testing methods and knowledge transfer. The participants come from all over the world, as we believe that collaboration and exchange of experience and research findings are essential for development of the nuclear industry. Since the start, SCIP has developed into three separate projects (SCIP I, SCIP II and SCIP III) all of which have been run in five-year periods. In July 2019, SCIP IV was launched as an extension of nuclear research with a clearer focus on fuel and around 40 participants from 15 countries. In 2020, the project SMILE (Studsvik Material Integrity Lite Extension) started with the aim of testing the life of the material in reactors with sampling of various materials from Swedish nuclear power plants as the starting point.

### Digitalization

Already in 2019 Studsvik invested in a move to digital working methods, both internally and externally, which has been hastened by COVID-19. Our GDPR training, which was previously part of the onboarding process for new employees, is now integrated into several of our business processes. Among other things, users must read and accept our IT Acceptable Use Policy before using our IT resources.

## QUALITY AND SAFETY

The Group has a high safety culture, which rests on a long tradition of clear procedures for quality assurance and follow up in the context of our quality certification processes. We want to prevent accidents and operational disruptions by having competent and motivated staff and facilities of a high required standard. Our Sustainability Policy contains provisions for safety and quality within the Group, which, together with objectives and regular follow-up of our action plans, leads to a high level of safety and awareness among our employees. The company's operations vary considerably between the different countries in which we are active, and therefore concrete goals for safety and quality work have been formulated in the subsidiaries instead of at Group level. For that reason the specific quality goals are not presented here. We apply a precautionary principle in all our assignments, by systematically assessing, managing and communicating environmental, economic and social risks that the company's operations entail. We also help our customers to apply the precautionary principle in their operations.

### Quality and Customer Satisfaction

We are responsible for timely delivery of high quality services. If a service is delivered late or does not fulfill requirements that a customer can rightfully impose, we risk loss of income or costs incurred for replacement or damages. To limit this risk we conduct our systematic quality work actively and make regular assessments of potential exposures and provisions for identified risks. Our main quality work is linked to our ISO certifications. The company has certification in quality (ISO9001), environment (ISO14001) and work environment (ISO45001). The ISO certifications cover the entire Group apart from operations in the USA, which hold specific certifications adapted to compliance with American laws and regulations. Holding our certifications requires that we regularly review and ensure that the operations meet the associated requirements.

### Integrated risk management

We handle radioactive material and waste, which means that some of the operations require licenses and are subject to official supervision and approval. Consequently there is a risk that the conditions governing operations may be changed through amendment or cancellation of official permits, changes in the regulatory framework or through political decisions. This may for example involve further protective measures that we may need to invest in to fulfill requirements. The company has processes in place to monitor and manage changes. If it is alleged that we are infringing licensing or regulations, we may receive notification from authorities. We meet the requirements under these regulations and our culture of high safety standards means that the capacity to adapt to new rules and directives is high. Part of our business, especially in the field of materials testing and waste management, involves the transportation of material to and from our facilities. These shipments could be made more difficult by new legislation or amendments to international conventions.

A company handling radioactive material can never completely exclude the possibility of theft of this material. Consequently we work actively on physical protection in close cooperation with the police and public authorities to reduce the risk of theft and burglary. The level of physical protection is continually adjusted in line with the assessment of the threat picture made by the police and public authorities. We follow the plans drawn up by the licensing and supervisory authorities. The transportation of radioactive material can also be the target of sabotage or other forms of



attack. Transportation therefore complies with high safety standards, is subject to frequent inspections by supervisory authorities and has a low risk of harmful consequences in the event of an accident, for example. By maintaining a high level of competence in our own transport organization and having access to our own transport packaging the risk is limited.

In cases where the Group conducts nuclear activities subject to license, it is a licensing requirement that insurance has been taken out and maintained. This is regulated in the Nuclear Liability Act in Sweden and corresponding legislation in other countries. All our facilities have property insurance and consequential loss insurance has been taken out for all strategically important facilities. In addition, liability insurance has been taken out to protect Studsvik from financial risks and consequences in case of physical and/or financial loss for a contractor or third party. Nuclear liability insurance for the Swedish operations is provided by Nordic Nuclear Insurers (NNI) and European Liability Insurers Limited (ELINI). The non-nuclear operations are insured through a global liability insurance policy with the insurance company IF P&C Insurance Ltd. The insurance amounts are currently EUR 370 million.

### Information security

As an actor in the nuclear industry we handle confidential information. For us it is therefore of utmost importance to handle confidential and classified information securely and in a structured manner, for the safety of ourselves, our customers and society. We regularly conduct penetration tests and work regularly on information security training. In 2021, we did not have any abnormal or unexpected security incidents. Compulsory e-training in information security was prepared in 2019, which was also translated into English. Local instructions on how protected information should be dealt with as regards distribution, storage and destruction were also drawn up. During the year work referring to cyber-attacks was reinforced as a consequence of working from home and unprotected networks.

### CLIMATE IMPACT

To offer sustainable solutions to the nuclear market, we must ensure that our own operations are environmentally defensible. Taking responsibility for our negative climate impact is therefore part of our strategy. The goal is to minimize the environmental impact of operations, both as regards emissions and use of resources, where Studsvik regularly carries out improvements at operative level. An important part of our environmental impact is our energy consumption and our carbon dioxide emissions. In 2018 the Swedish operations defined targets for our energy consumption and a strategic plan for the period 2018–2020 was drawn up. Some of the measures identified have been implemented, others have been ordered and some have been re-evaluated in pace with ongoing energy mapping. The plan continues in 2021, but as a tactical plan for the ongoing work, where it is used as a tool to continuously evaluate the work on energy efficiency.

Our environmental risks are mainly linked to releases of radioactive substances and chemicals and environmental impacts through the consumption of fossil fuels for heat supply at our Studsvik facility. Implementation of our Sustainability Policy that manages these risks is done by maintaining our ISO certifications in the area (ISO 9001 and 14001), monitoring laws and continuous development and improvement of our facilities. The result is followed up against targets and measurements of our emissions and our energy consumption.

Total emissions*	2021	2020	2019	2018	2017	Change 2019–2021
CO <sub>2</sub> -emissions [tonnes]	504.8	752.5*	502**	*	*	+0.05%

The figures refer to emissions generated from electricity consumption, heat generation and company cars in Germany and Sweden.

\* The increase in emissions of CO<sub>2</sub>e in 2020 is explained by stoppages in Studsvik's wood chip and electricity boilers in March, which forced the company to burn oil to produce heat.

\*\* Total emissions were calculated for the first time in 2019.

### Energy efficiency

In order to enable more efficient energy consumption and reduce our emissions, a survey of energy consumption at the facility in Sweden is carried out on an ongoing basis in accordance with the Act on Energy Audits in Large Enterprises (EKL). The survey has identified a need for better equipment for measurement and automatic control engineering. Between 2018 and 2019 we replaced our measurement system at the Swedish facility to improve potential energy performance. Work on energy mapping and efficiency improvement is ongoing.

Almost all of our total electricity consumption takes place in Studsvik, and we have chosen to report only the Swedish part because the work on producing figures for Germany and the USA simply does not justify the negligible share consumed there. Studsvik purchases only origin-labeled electricity from hydropower and nuclear power.

During 2020 and 2021, Studsvik has invested in a bioenergy solution for climate-friendly heat supply to Studsvik and other companies in our neighborhood, which was commissioned in November 2021.

Electricity consumption	2021	2020	2019	2018	2017	Change 2017–2021
Total [MWh]	13,416	12,442	14,650	15,465	14,485	–7.4%
Sold to external customer [MWh]	8,249	7,073	9,203	9,459	10,063	–18%
CO <sub>2</sub> emissions [tonnes]	54	50	95	3,875	4,774	–98.9%

The table refers to the facility in Sweden, see the explanation above.

Heat generation	2021	2020	2019	2018	2017	Change 2017–2021
Total production thermal power plant [MWh]	10,343	9,011	10,110	12,111	12,887	–19.7%
Sold to external customer [MWh]	3,039	2,559	3,149	4,595	5,216	–41.7%
CO <sub>2</sub> emissions [tonnes]	341	330**	20	*	*	*

The table refers to the facility in Sweden, as own heat generation exists only here.

\* The climate impact of heat generation was calculated for the first time in 2019.

\*\* See the explanation above under Total emissions.

### Fuel consumption reduction

Business travel is an important and necessary part of the work of our organization, but it has some negative climate impact. Therefore, we have increased incentives to choose cars with a smaller climate footprint by introducing a company car policy in Sweden that promotes rechargeable vehicles. In January 2020 the Swedish company car policy was updated to further increase incentives to choose electric or hybrid cars, where Studsvik now sponsors a larger part of the company car if it is an electric car and has increased support for hybrid cars. This has meant that no fossil cars were ordered in 2021. In 2021, 100 per cent of the company car fleet in Sweden became rechargeable.



This has led to an average reduction in emissions from our passenger cars in Sweden of 27 per cent from 110 g CO<sub>2</sub>/km in 2017 to 80 g CO<sub>2</sub>/km in 2020. In Germany emissions were 177 g CO<sub>2</sub>/km in 2020. Studsvik only has company cars in Sweden and Germany. As regards other forms of transport, our travel policy makes it clear that it is important to take the environment and safety into consideration when we travel. Reducing the number of business trips and being cost efficient do not need to mean that we compromise safety, the environment or quality.

Emissions from company cars	2021	2020	2019	2018	2017	Change
						2017/ 2019- 2021
Sweden (CO <sub>2</sub> - emissions [tonnes])	18	28	32	*	*	*
Sweden (CO <sub>2</sub> emissions [g/km])	51	80	95	107	110	-54 %
Germany (CO <sub>2</sub> emissions [tonnes])	91.8	158.5	200	*	*	-54 %
Germany (CO <sub>2</sub> emissions [g/km])	114.1	177	176	*	254	-35 %
<b>Total (CO<sub>2</sub> emissions [tonnes])</b>	<b>109.8</b>	<b>186.5</b>	<b>232</b>	<b>*</b>	<b>*</b>	<b>*</b>

\*Calculated for the first time in 2019.

## WASTE AND WATER MANAGEMENT

As a leading actor in the nuclear power industry there is naturally great focus on reducing and treating waste responsibly. Studsvik has therefore developed world-leading, rigorous processes for managing different types of radioactive waste, which considerably reduce our and our customers' waste volumes. Our solutions can also enable recovery of energy and raw materials such as steel.

Only small amounts of radioactive waste are generated by Studsvik's own operations. For this waste, and some waste from our customers, we have owner liability. All hazardous waste is categorized, packaged and managed on a continuous basis. There is an agreement between SKB (Swedish Nuclear Fuel and Waste Management Company) and Studsvik Nuclear AB regarding the final disposal of nuclear waste. The waste water generated by the facility is purified in our own water treatment plant. Water consumption derived from activities in addition to the regular water supply and sewerage system is negligible, as we have no water-intensive purification processes. Studsvik thus has no significant waste management itself, but provides technology and knowledge to our customers. Continual measurements are made, both in the form of analysis of bottom sediment and exploratory fishery that is regulated by the authorities. Changes in regulatory or commercial conditions that necessitate amendments or supplements to these arrangements cannot be ruled out. The risk is managed through Studsvik periodically calculating the economic effects of these commitments, making provision for future costs of final disposal, paying in fees in accordance with local regulations and receiving remuneration from customers for Studsvik's commitments.

The radioactive releases from Studsvik are very small in relation to other sources of radiation in society. Emissions for 2020 were about 0.0000013mSv to the most exposed age group, which is the latest available data at the time of writing. The size of the emission is, however, representative of previous measurements. A normal Swede is exposed annually to an average radiation dose of 3.0 mSv.

Emissions of nutrients to water from sewage treatment plant*	2021	2020	2019	2018	2017	Change 2017-2021
Phosphorus (kg)	17	11	12	15	14	+21%
Nitrogen [kg]	645	658	590	700	703	-8%
Biochemical oxygen consumption, 7 days (BOD7) [kg]	118	175	197	426	251	-53%
Organic carbon (kg)	431	543	530	746	552	-22%
Sludge (m <sup>3</sup> )	95	110	93	73	191	-50%

\*All companies operating in the Studsvik area contribute to the emissions in the table.

## BE AN ATTRACTIVE EMPLOYER WORK ENVIRONMENT

The staff is our most important asset at Studsvik, and we want to minimize the risks of our staff being dissatisfied, becoming ill, unhealthy, or that we lose competence. Our Sustainability Policy, Code of Conduct and our Anti-Corruption and Whistleblower Policy all regulate personnel-related risks. This is done in practice in the organization through our occupational health and safety management system (ISO 45001), work environment training for our managers and information for new employees about our whistleblower system and our whistleblower policy. Concrete goals for safety and quality work are designed in the subsidiaries rather than at group level, as the nature of the business varies greatly.

In 2021, we have continued with the measures we have taken to protect our employees in terms of staff restrictions, working from home, disinfection of tools and workplaces, clear distancing, and that staff with site-bound work staying at home if they have the slightest symptoms and are assigned other tasks instead. We run our operations with a high standard of both physical and mental health in the work environment by means of efficient safety procedures and high requirements concerning our facilities. Under our management system every employee must show personal commitment to the work environment in their day-to-day work. In our Group-wide Sustainability Policy, we clarify our active work to eliminate all risks of work-related injuries and physical ill-health. We also describe our work to ensure the mental well-being of our employees, which is fundamental to our success. We offer our employees the opportunity for professional development in health and safety and we consider that all employees' contributions are important in working towards our overall vision and objective. We continue to work actively against sexual harassment, discrimination and bullying. We have an equal treatment plan against victimization containing objectives and measures to avoid discrimination linked to work environment and health, recruitment and promotion, salary and employment conditions, as well as education and skills. This is available to employees and describes the definition of discrimination as well as the actions that take place in case of suspected/confirmed victimization. All managers may also attend work environment training which includes training on victimization and discrimination.

To reduce the number of work-related injuries we have developed a program where steps are taken to eliminate physical work environment risks both at the Group's and its customers' facilities. Improved knowledge of risks and influencing and changing attitudes and behavior are equally important. Part of this work in Sweden is to encourage all employees to identify improvements and to report potential risks and risk behaviors to Studsvik's non-conformance system. We also encourage our employees to have an ongoing dialog with their immediate superiors as well as the head of safety and security. We have a combined Safety

Committee in Sweden that meets twice a year to document and follow up all injuries and accidents relating to the work environment and transport to and from work. In 2021, the focus of the Safety Committee has been on COVID management as well as qualitative and safe introductions. Safety inspection tours have been carried out 9 times during the year. In the USA and the UK operations are of such a nature that safety rounds are not deemed necessary. Specific working groups have also been appointed to carry out the task of investigating accidents and supporting the safety committee on a more current basis. In Germany, the nature of the activity is such that there is a higher risk of personal accidents, but we have managed to reduce accidents by over 70 % in the last five years, and work is continuing. Key indicators used to follow up on the results of our HR policies include staff turnover per business area, gender distribution, sickness absence, number of work-related accidents, and number of cases in the whistleblower system.

In Sweden every year all employees are offered training in cardio-pulmonary resuscitation, fire protection and safety. Every year compulsory health examinations are carried out for those who have radiological jobs, which is the majority of our employees.

Sickness absence (%)	2021	2020	2019	2018	2017	Change 2017-2021
Sweden	3.6	5	5	3	2	+1.6 percentage points
UK	0	1	1	1	0	-
USA	0.2	2	0.5	0	0	+0.2 percentage points
Germany	6.5	7	8	8	13	-6.5 percentage point

Number of accidents during the year*	2021	2020	2019	2018	2017	Change 2017-2021
Sweden	1	1	1	1	4	-75%
UK	0	0	0	0	0	0%
USA	0	0	1	0	0	0%
Germany	7	8	7	16	24	-71%
<b>Total</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>17</b>	<b>28</b>	<b>-71%</b>

\*Refers to work-related accidents causing absence from work for more than three days.

### Staff and health surveys

In 2019 Studsvik took the decision to conduct a staff survey every year in future, instead of every 18 months as before, to develop and adapt the organization at a faster rate to promote our employees' well-being and job satisfaction. We also decided to develop the survey, as the need emerged to carry out a more customized survey for the German operations. This is because the operations in Germany differ from the other countries in the Group, with employees that spend most of their time at our customers' facilities. No employee surveys have been carried out in Germany in 2020 and 2021 due to COVID-19, resulting in other conditions for personnel in Germany.

The 2021 employee survey was answered by 86 % of employees at Group level (84 % in 2020). This year's satisfaction index was 3.9 on a five-point scale, a slight increase from 3.8 in 2020. As described in previous chapters, we work extensively with safety and will continue to do so. The survey shows that there are areas for development, but we are pleased to see an overall improvement and we want to develop this on an ongoing basis. In 2018 we started to use the tool Howdy in the Swedish organization to frequently measure job satisfaction among our employees.

The tool is based on having employees respond to five questions about their well-being every other week. The purpose is to increase knowledge about the well-being of employees and the ability to react quickly on potential declines. In situations where an employee's response indicates a low level of well-being, Howdy has the function of calling the employee as a third party to further discuss well-being. The results from Howdy are presented at least once a month at department meetings. In 2021 Howdy had a response rate of 67 %, which is an increase from both 2020 (56 %) and 2019 (63 %).

By law, persons whose occupations include radiological work are subject to medical examinations every year. In 2021 these have been carried out for all relevant groups at Studsvik.

### ATTRACTING, RETAINING & DEVELOPING SKILLS

As a knowledge-intensive service company, our employees are our most important asset. Without employees with the right skills we cannot deliver sustainable solutions for the nuclear industry and generate value for our shareholders. It is therefore of great importance for us to work both to maintain and develop the competent staff we have as well as to attract new talents. To limit the risk entailed in being dependent on key personnel and specialist skills, we are also systematizing the processes we develop and creating good and stable relations with our employees and trade union organizations.

In 2021 the organization in Sweden continued to work on developing and updating our leadership training. We have chosen to focus on the leadership philosophy of "The seven habits" that strengthen development and provide a step-by-step, progressive and well-integrated approach to develop personal and interpersonal efficiency. Our managers have been trained in this and new managers will also undergo this training. All managers with personnel responsibilities are offered individual management coaching.

Being an attractive employer also means that we attract the right skills to the company. Therefore we must live up to the expectations our potential employees have of their future employer. As an employer Studsvik is a unique company with its international, innovative and research-heavy operations. For those who want to work in the nuclear industry it is attractive to have access to the long experience our specialists possess. However, we see indications that interest in nuclear education programs is decreasing among younger generations, while the supply of these programs is decreasing in many universities, which may lead to future skills shortages. As part of the work to manage this risk, in Germany we have partnered with a university where we offer a special training program linked to nuclear power. We also see that the demands on employers today and in the future will be different from what they were in the past. Consequently, we must adapt our communication and what we as employers have to offer our potential employees accordingly. In 2021, we have started work on both a digital onboarding function and a digital competence view, where employees can follow their training needs themselves based on current work content.

To encourage a sustainable working life and freedom with responsibility employees throughout the Group have the possibility of working flexibly, which may mean working in another location or working at times outside normal working hours. On the other hand, there are tasks at Studsvik where the work is



carried out in specific places such as hot-cells and where it is a requirement to be on site. A description is given of how these site-bound jobs are handled during COVID-19 under the heading Work Environment. Employees at the Studsvik site have access to a gym close to nature that they can freely use for health promotion or rehabilitation.

Staff turnover by business area (%)	2021	2020	2019
Decommissioning and Radiation Protection Services	-0.9	-5.7	-16.3
Fuel and Materials Technology	10.8	6.7	6.1
Scandpower	2.8	2.9	6.1
Waste Management Technology*	-40.9	-52.2	-9.8
<b>The Group in total</b>	<b>0.2</b>	<b>-6.5</b>	<b>-11.5</b>

\*The high staff turnover is due to restructuring of the business area.

### A competence based organisation

Studsvik values and encourages diversity in the organization in a way that reflects the diversity in our markets. In 2021, we had 17 nationalities represented among our employees in Sweden. Our employees' differences and backgrounds reflect our international and innovative business and ensure that we can tackle the global challenges we face. Therefore it is important that we ensure that everyone, regardless of differences, has the same opportunities regarding employment, working conditions and development opportunities. To achieve this, we must take responsibility at all levels and we focus on the following aspects that we consider essential to:

- Ensure that recruitment, promotion and pay increases are only based on qualifications and experience.
- Improve the opportunity to combine working life and family life.
- Clarify our zero tolerance for any form of discrimination or harassment.

Women are underrepresented in the nuclear industry, and we therefore regard it as important to actively work on gender equality. We will continue to encourage women to take leading positions when they arise. To promote women in the nuclear industry WiN (Women in Nuclear) is a global network with 35,000 members, men and women, with participants from the Studsvik Group. A survey is made every year in Sweden of gender distribution and pay to assess whether pay differences between women and men performing the same or equivalent work have a gender correlation or not. In 2021 the amount of employees was 517, of which 93 women, 37 managers with personnel responsibilities of which 7 are women.

### TAKE RESPONSIBLE ECONOMIC DECISIONS STABLE ECONOMY

Studsvik has a long-term economic strategy, and our aim is a sustainable business. We value long-term economic stability above decisions characterized by short-term profit. This is important for our stakeholders, not least our employees. The aim is to be sustainable in all economic decisions. We are continuously working to improve the company's liquidity and solvency, as described in more detail in the administration report, page 10-35

### Market development

Demand for Studsvik's services is dependent on the development of the nuclear power industry, which is affected by both political decisions and the price of other energy sources. This makes it difficult to predict future business. In some countries, including China and Russia, new nuclear power plants are being built, while nuclear power is being discontinued and decommissioned in other parts of the world. In most countries, both new construction and decommissioning require active participation by authorities through decisions concerning financing, decommissioning permits and rules for final disposal. In many markets these activities are funded through complex systems involving a combination of accumulated funds, income from the operations of nuclear power plants, and taxes. Political decisions therefore have a great impact on our business, above all in connection with our decommissioning services. Delays in processing by the authorities and resulting delay in completion of contracts cannot be ruled out. In that our services include all phases of the nuclear industry, the operations are only in the very long term dependent on the survival of the nuclear power industry. Our assessment is that more nuclear power contracts will develop in the long term and Studsvik is and will be an important actor in ensuring a future efficient, safe and sustainable nuclear power industry.

The market continued to be affected by COVID-19 in 2021, but as Studsvik is working on long ongoing projects, the negative impact is so far limited.

### Decommissioning of facilities

The operations at our Swedish nuclear facilities are conducted under license pursuant to the Swedish Act on Nuclear Activities and it is therefore by law Studsvik's responsibility to decommission the facilities. Extensive analyses of the costs of demolition, restoration and decommissioning are therefore carried out regularly and every year provision is made for this purpose. In 2021, some ion exchange equipment previously used to purify water in the storage pool was decommissioned. The equipment has been out of operation for many years, as purification is done with another system.

### Fixed price contracts

In many major service contracts we make fixed price commitments. These contracts require effective risk management and project management. We therefore have special procedures that are integrated into the quality systems to ensure that risks are managed professionally. Development of work on risks continued in 2021 with the aim of making risk a more integrated part of the project estimates.

### Sensitivity analysis

Variations in prices to customers and the Group's costs affect the Group's earnings. The Group's largest single cost item is personnel, which accounts for about 64 per cent of total costs. The Group's currency exposure is greatest against EUR, GBP and USD. Currency risks are dealt with in the annual report, see note 2 — Financial risks, pp. 48-49.



## BUSINESS ETHICS

Our business ethics are based on current legal requirements and standards of business ethics, and we always comply with current laws that apply in the countries where we operate. The Group is characterized by responsible leadership with zero tolerance regarding bribery and corruption, and we work continually to mitigate the risk that our business partners, agents and employees will act unethically. When we want to establish ourselves in a new market a thorough analysis is made based on permits and possible risks such as an uncertain political climate. We want to work mainly in direct contact with our customers without intermediaries, to minimize risks, be able to maintain a high ethical standard and guarantee the best possible quality. In accordance with our anti-corruption policy, if a seller is exposed to a bribery attempt, they must report it to their immediate manager who reports on to the CEO (Studsvik AB). Any attempts are then discussed at the Executive Group Management Meeting and decisions taken on how to deal with each individual case, for example if the sales work should be terminated.

### Code of Conduct

To ensure a sustainable value chain Studsvik has drawn up a Code of Conduct that applies to both the Group and its suppliers. The aim of the Code is to provide guidance to employees and business partners, minimize risks, strengthen the corporate culture and convey Studsvik's core values. The Code is based on the UN Global Compact and some of the common requirements defined through the Code of Conduct are as follows:

- We comply with all local safety rules and laws
- We have a sound financial position
- We meet the requirements of our certification under ISO 9001, 14001 and 45001 for the European companies
- We comply with legislation on bribery and corruption, where Swedish law constitutes the minimum level
- We respect human rights in accordance with the UN Declaration through zero tolerance of harassment, work in high-risk environments, forced labor and child labor.

An updated version of the Code of Conduct was published in 2021 and communicated to all employees in Sweden via email and to all employees in Germany via letter, where the recipients confirmed that they had read and accepted it. The Code of Conduct is also presented to our employees in connection with new recruitment and is also sent to our partners. All white-collar workers in the Group must give annual confirmation that they have taken note of the policy. This is checked by accepting the terms via the intranet or email. In 2019 it was planned to implement system support to make other policy documents and the staff manual more accessible to our employees. It has now been introduced locally in Sweden, but not yet for Studsvik AB.

### Whistle-blower function

We have a whistleblower function, which means that our employees can safely and securely draw the management's atten-

tion to information about any suspected irregularities. The function is structured so that an email is sent to an external party that contacts the Chair of the Board, who can then take the case further to the Executive Group Management. All new employees must take note of information about our whistle-blower function and a whistle-blower policy is available on the intranet. No reports were made in the whistle-blower system in 2021. We have procured a new whistleblower system that will be implemented in the second quarter of 2022. In this context our processes and policy documents related to this will be updated.

## SUSTAINABLE AND RESPONSIBLE SUPPLY CHAIN

Studsvik operates on a highly regulated market, but risks in the supply chain can never be completely avoided. To manage risks linked to bribery and corruption, we have our Anti-Corruption and Whistleblower Policy, as well as our Code of Conduct that our suppliers are expected to follow. Our suppliers receive the Code of Conduct in connection with procurement, when they also receive our anti-corruption policy and sign a cooperation agreement.

Before selecting suppliers, a supplier assessment is made to ensure that they can comply with our business ethics standards. The supplier assessments include financial information, references, information on management systems and certifications in most areas, as well as guidelines for security clearance. Based on a self-assessment for our suppliers, we can also evaluate them in areas such as supply chain, data and information security, environmental and sustainability work, transportation, and human rights. We have divided our suppliers into three categories:

- A suppliers: Are critical to Studsvik Nuclear's operations, including activities of a business-critical nature. There must be an agreement between Studsvik Nuclear and the supplier. For example, main suppliers of IT, physical protection or isotope sources are included.
- B suppliers: Are suppliers with a strong influence on our quality or delivery capacity but are not critical to the operations, for example suppliers of service and maintenance of our equipment. There should be agreements with these suppliers before starting collaboration, exceptions must be approved by the purchasing manager.
- C suppliers: Are other suppliers not included in the categories above.

For our existing suppliers we have an audit program. Our aim is every third year to audit all our A suppliers, which are the suppliers that are critical to Studsvik's core business. In addition, assessments of A and B suppliers are made on an ongoing basis, when a review is made of their delivery, policies and management system for quality, environment and work environment as well as creditworthiness.

In 2021 seven supplier assessments of A suppliers were conducted. There have also been seven audits of A suppliers.

For B suppliers we endeavor to evaluate them every third year on an ongoing basis after the initial supplier assessment. In 2021 a total of 14 supplier assessments were conducted.



## REPORTING UNDER THE EU TAXONOMY

(Regulation 2020/852 of the European Parliament and of the Council)

### Background and work done

Studsvik fulfills the criteria for the new disclosure requirements under the new EU Taxonomy Regulation as a parent company of a group which, over the last financial year, has on average had more than 500 employees and has securities available for trading in a regulated market. For the 2021 financial year, only data on the share of the company's economic activities that are taxonomy eligible need to be reported.

Nuclear power and related activities are currently not included in the taxonomy, as there is disagreement as to whether nuclear power fulfills the criterion "Does no significant harm (DNSH)".

During the year, together with an external party, we have carried out substantial work to identify whether we have other economic activities outside our core business that are taxonomy-eligible. Through interviews with all heads of business areas, we have been able to determine whether we have activities that correspond to any of the economic activities listed in the EU Taxonomy.

### Results

Since Studsvik supplies heat to both its own facilities and other operations located in the same area through our bioenergy solution (wood chip boilers) and manages the water and sewage systems area, we have identified that these activities correspond to the following activities listed in the taxonomy: Co-generation of heat/cool and power from bioenergy, Construction, extension and operation of water collection, treatment and supply systems, and Construction, extension and operation of waste water collection and treatment.

### EU Taxonomy eligible share of turnover, capital expenditure and operating expenses

#### *Co-generation of heat/cool and power from bioenergy*

In 2020 and 2021, we have invested in a bioenergy solution to reduce our greenhouse gas emissions. In 2021, the investment amounted to SEK 9 million, which corresponds to 15 % of the Group's total investments in 2021. The turnover attributable to heat generation was approximately SEK 7 million and operating expenses approximately SEK 7 million, which corresponds to 0.9 % and 1.2 % of total turnover and operating expenses respectively.

#### *Centralized sewage treatment*

In 2021, turnover from the water and sewage service amounted to SEK 2.1 million, capital expenditure amounted to SEK 0.3 million, and operating expenses amounted to SEK 1.9 million. This corresponds to 0.3 % of total turnover, 0.6 % of total investments, and 0.4 % of total operating expenses. Studsvik has outsourced operations to external actors.

Thus, in total 1.2 % of Studsvik's turnover is covered by activities listed in the EU taxonomy, 15.9% of investments, and 1.2 % of operating expenses.

Economic activity	Revenue	Capital expenditure	Operating expenses (opex)
Co-generation of heat/cool and power from bioenergy	SEK 7 million	SEK 9 million	SEK 6.8 million
Construction, extension and operation of centralized wastewater treatment systems, including collection (sewage networks) and treatment	SEK 2.1 million	SEK 0.3 million	SEK 1.9 million
<b>Total</b>	<b>SEK 9.1 million</b>	<b>SEK 9.3 million</b>	<b>SEK 8.7 million</b>
Total revenue, capital expenditure and operating expenses of the Group	798.3	58.5	566.3
EU Taxonomy eligible share	Revenue from EU Taxonomy eligible economic activities/Total income of the Group = 1.2 %	Capital expenditure related to the economic activity/total capital expenditure of the Group = 15.6 %	Operating expenses related to the economic activity/total operating expenses of the Group = 1.6 %









## PROPOSED DISTRIBUTION OF PROFIT

For 2021 the Board of Directors proposes a dividend of SEK 2 per share. At the disposal of the Annual General Meeting is the parent company's non-restricted equity, SEK 68 619 976, consisting of accumulated profit, SEK 7 447 261 and profit for the year, SEK 61 172 715. The Board of Directors proposes that the profits be distributed as follows:

At the disposal of the Annual General Meeting	SEK 68 619 976
Dividend	SEK -16 437 222
Total non-restricted equity in the parent company	SEK 52 182 754

## THE STUDSVIK SHARE

### Share price and trading

The Studsvik share is listed on NASDAQ Stockholm. In 2021 the share price rose by 19 per cent from SEK 87.40 to SEK 104.20. At the close of the year the market value was SEK 856 million. During the year the share price varied between a high of SEK 106 on January 11 and a low of SEK 72.40 on May 26.

In 2021, 3.4 million Studsvik shares were traded for a value of SEK 309 million.

### Number of shares and share capital

On December 31, 2021 Studsvik AB (publ) had 8,218,611 shares in issue. Each share carries one vote and entitles the owner to share equally in the company's assets and earnings. The quotient value is SEK 1.0 and the share capital amounted to SEK 8.2 million.

### Shareholders

On December 31, 2021 Studsvik had 4,293 shareholders. The percentage of shares registered abroad was 4 per cent. The three largest owners, the Karinen family, Briban Invest AB and Peter Gyllenhammar AB, held 52 per cent of the shares and the ten largest shareholders 77.3 per cent. The shareholdings of the Board and the Executive Group Management are presented in the sections Board of Directors and auditors and Executive Group Management.

### Dividend policy and dividend

The Board's target is that on average the dividend should correspond to at least 30 per cent of the consolidated profit after tax. Decisions on dividend proposals will take into consideration Studsvik's expansion potential, the strength of its balance sheet, liquid funds and financial position in general. For 2021 the Board of Directors proposes a dividend of SEK 2 per share, equivalent to 26 per cent of profit after tax. In the view of the Board of Directors the proposed dividend will not prevent the company from fulfilling its obligations in the short and long term, and can thus be justified under the prudence concept stipulated in the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2-3.

## Market maker

ABG Sundal Collier is the market maker for the company's share.

## ANALYSTS

The Studsvik share is monitored on a continuous basis by ABG Sundal Collier.

## INFORMATION ON THE ARTICLES OF ASSOCIATION ETC.

There is no provision in Studsvik's Articles of Association that restricts the right to transfer shares. The company has not transferred any of its own shares or issued new shares during the financial year. The company is not aware of any agreements between shareholders that may result in restrictions on the right to transfer shares in the company. The company is not a party to any material agreement that is affected by any public take-over bid. The company's employees do not hold any shares for which the voting right cannot be exercised directly. The elected members of the Board of Directors are appointed by the Annual General Meeting. There is no provision in the Articles of Association concerning appointment and dismissal of Board members. The Board of Directors is not authorized to decide on the issue of new shares or acquisition of own shares.

## SHAREHOLDERS

DECEMBER 31, 2021	Number of shares	Holding, %
Karinen Family	1,769,552	21.5
Briban Invest AB	1,343,362	16.3
Peter Gyllenhammar AB	1,137,000	13.8
Avanza Pensionsförsäkring AB	469,149	5.7
Caceis Bank, Switzerland Branch	363,879	4.5
Girell Family	361,803	4.4
Banque Pictet & CIE	280,000	3.4
Malte Edenius	245,937	3.0
Leif Lundin	206,500	2.5
Per Lindstedt	179,844	2.2
<b>Total of the 10 largest shareholders – holdings</b>	<b>6,357,026</b>	<b>77.3</b>
<i>Other shareholders</i>	1,861,585	22.7
<b>Total</b>	<b>8,218,611</b>	<b>100.0</b>



**CHANGE IN SHARE CAPITAL**

Year	Transaction	Increase in the number of shares	Share capital SEK	Total Number of shares
1994	Formation	500,000	500,000	500,000
2001	Bonus issue	5,300,000	5,800,000	5,800,000
2001	Private placement	2,314,211	8,114,211	8,114,211
2004	New issue <sup>1)</sup>	2,400	8,116,611	8,116,611
2005	New issue <sup>1)</sup>	102,000	8,218,611	8,218,611

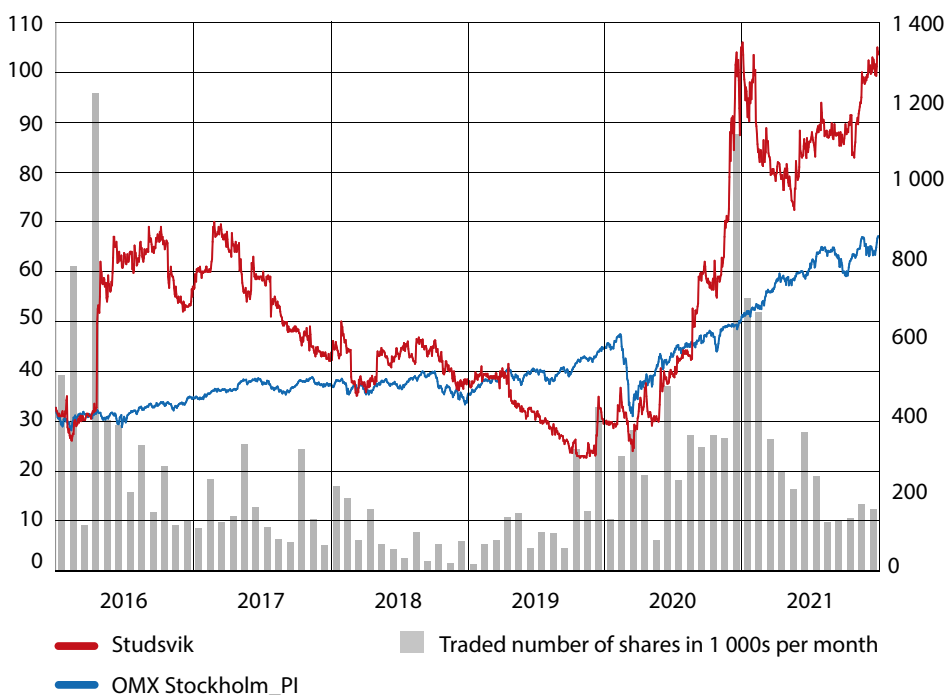
<sup>1)</sup> Conversion of warrants.

**SHAREHOLDER STRUCTURE, DECEMBER 31, 2021**

Shareholding	Number of shareholders	Number of shares	% of total shares
1 – 500	3,906	293,405	3.6
501 – 1 000	178	149,010	1.7
1 001 – 5 000	134	307,531	3.7
5 000 – 10 000	19	141,851	1.7
10 001 – 15 000	12	160,531	1.6
15 001 – 20 000	3	57,344	1.0
20 001 –	41	7,108,939	87.7
<b>Total</b>	<b>4,293</b>	<b>8,218,611</b>	<b>100.0</b>

**DATA PER SHARE**

Amount, SEK	2017	2018	2019	2020	2021
Number of shares at close of period	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Price, December 31	46.10	38.30	31.80	87.40	104.20
Earnings per share from continuing operations before and after dilution	-5.47	1.06	-3.41	4.28	7.69
Equity per share	35.09	38.47	36.84	38.13	47.12
P/E ratio	neg	36.1	neg	20.4	13.6



Source: WebfinancialGroup



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in SEK '000	Note	2021	2020
Net sales	4	798,324	721,931
Costs of services sold	7	-591,219	-526,969
<b>Gross profit</b>		<b>207,105</b>	<b>194,962</b>
Selling and marketing costs	7	-34,366	-38,591
Administrative expenses	7, 8	-93,930	-89,154
Research and development costs	7	-8,997	-8,309
Impairment of accounts receivables and contract assets	7	-41	-17,525
Profit share from associated companies and joint ventures	17, 18	5,850	3,429
Other operating income	5	20,447	5,426
Other operating expenses	6	-10,287	-4,176
<b>Operating profit/loss</b>	4, 5, 6, 7, 8, 9	<b>85,781</b>	<b>46,062</b>
Financial income	10	2	379
Financial expenses	10	-8,375	-5,514
Fair value gain/loss (realized and unrealized)	10, 12	152	421
<b>Profit/loss before tax</b>		<b>77,560</b>	<b>41,348</b>
Income tax	11	-14,378	-6,147
<b>Net profit/loss for the year</b>		<b>63,182</b>	<b>35,201</b>
<b>NET PROFIT/LOSS FOR THE YEAR</b>		<b>63,182</b>	<b>35,201</b>
<b>Other comprehensive income</b>			
<b>Items that may later be reversed in the income statement</b>			
Translation differences on foreign subsidiaries	27	18,881	-24 590
Cash flow hedges		-1	88
Income tax on items recognized in other comprehensive income		1	-18
<b>Other comprehensive income for the year, net after tax</b>		<b>18,881</b>	<b>-24 520</b>
<b>Total profit or loss and other comprehensive income for the year</b>		<b>82,063</b>	<b>10 681</b>
<b>Income for the year attributable to</b>			
Parent company's shareholders	26	63,182	35 201
Non-controlling interests		-	-
<b>Total comprehensive income attributable to</b>			
Parent company's shareholders		82,029	10 726
Non-controlling interests		34	-45
<b>Earnings per share calculated on income attributable to the parent company's shareholders during the year (SEK)</b>			
Earnings per share before and after dilution	13	<b>7.69</b>	<b>4.28</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK '000	Note	2021	2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	15	199,297	134,550
Intangible assets	16	189,767	184,467
Holdings in associated companies and joint ventures	17, 18	4,224	7,265
Deferred tax assets	30	85,603	81,035
Financial assets at fair value through profit or loss	19, 22	40,762	35,080
Trade and other receivables	19, 21	83,388	38,736
<b>Total non-current assets</b>		<b>603,041</b>	<b>481,133</b>
<i>Current assets</i>			
Inventories	23	15,926	2,105
Trade and other receivables	19, 20, 21	209,119	202,144
Cash and cash equivalents	19, 20, 24	108,403	75,153
<b>Total current assets</b>		<b>333,448</b>	<b>279,402</b>
<b>TOTAL ASSETS</b>		<b>936,489</b>	<b>760,535</b>
<b>EQUITY</b>			
<i>Capital and reserves attributable to parent company's shareholders</i>			
Share capital	25	8,219	8,219
Other contributed capital	25	225,272	225,272
Other reserves	27	32,725	13,844
Retained earnings	26	120,696	65,733
<b>Equity attributable to the parent company's shareholders</b>		<b>386,912</b>	<b>313,068</b>
Non-controlling interests		374	340
<b>Total shareholders' equity</b>		<b>387,286</b>	<b>313,408</b>
<b>LIABILITIES</b>			
<i>Long-term liabilities</i>			
Liabilities to credit institutions	19, 20	42,500	44,500
Deferred tax liabilities	30	36,729	33,631
Pension obligations	31	10,005	10,120
Other provisions	32	151,802	64,767
Trade and other payables	28	29,938	28,615
<b>Total long-term liabilities</b>		<b>270,974</b>	<b>181,633</b>
<i>Current liabilities</i>			
Trade and other payables	28	241,926	203,837
Current tax liabilities		6,793	647
Borrowings	19, 29	21,015	55,457
Other provisions	32	8,495	5,553
<b>Total current liabilities</b>		<b>278,229</b>	<b>265,494</b>
<b>Total liabilities</b>		<b>549,203</b>	<b>447,127</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>936,489</b>	<b>760,535</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK '000	Share capital	Other contributed capital	Other reserves	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interests	Total shareholders' equity
<b>Opening balance at January 1, 2020</b>	<b>8,219</b>	<b>225,272</b>	<b>38,364</b>	<b>30,532</b>	<b>302,387</b>	<b>385</b>	<b>302,772</b>
Other comprehensive income	–	–	–24,520	–	–24,520	–45	–24,565
– Net profit/loss for the year	–	–	–	35,201	35,201	–	35,201
<b>Closing balance at December 31, 2020</b>	<b>8,219</b>	<b>225,272</b>	<b>13,844</b>	<b>65,733</b>	<b>313,068</b>	<b>340</b>	<b>313,408</b>
<b>Opening balance at January 1, 2021</b>	<b>8,219</b>	<b>225,272</b>	<b>13,844</b>	<b>65,733</b>	<b>313,068</b>	<b>340</b>	<b>313,408</b>
Other comprehensive income	–	–	18,881	–	18,881	34	18,915
– Divident	–	–	–	–8,219	–8,219	–	–8,219
– Net profit/loss for the year	–	–	–	63,182	63,182	–	63,182
<b>Closing balance at December 31, 2021</b>	<b>8,219</b>	<b>225,272</b>	<b>32,725</b>	<b>120,696</b>	<b>386,912</b>	<b>374</b>	<b>387,286</b>



# GROUP STATEMENT OF CASH FLOW

Amounts in SEK '000	Note	2021	2020
<b>Total operations</b>			
<i>Cash flow from operating activities</i>			
Operating profit/loss		85,781	46,062
Adjustment for non-cash items	33	7,677	24,576
		<b>93,458</b>	<b>70,638</b>
Interest received		-9	379
Interest paid		-5,275	-5,514
Income tax paid		-8,252	-7,566
<b>Cash flow from operating activities before changes in working capital</b>		<b>79,922</b>	<b>57,937</b>
Change in working capital			
– Current assets		-12,668	37,266
– Other current liabilities		46,449	-11,656
<b>Cash flow from operating activities</b>		<b>113,703</b>	<b>83,547</b>
<i>Cash flow from investing activities</i>			
Acquisition of non-current financial assets		-15,247	-8,557
Purchases of non-current financial assets		2,867	-
Purchases of property, plant and equipment	15	-58,026	-21,429
Sale of property, plant and equipment	15	19,967	-
Purchases of intangible assets	16	-516	-1,637
Dividend from associated companies	17, 18	8,623	12,913
<b>Cash flow from investing activities</b>		<b>-42,332</b>	<b>-18,710</b>
<b>Free cash flow</b>		<b>71,371</b>	<b>64,837</b>
<i>Cash flow from financing activities</i>			
Loans raised	29	5,881	3,617
Amortization of loans	29	-40,997	-30,515
Dividend	14	-8,218	-
<b>Cash flow from financing activities</b>		<b>-43,334</b>	<b>-26,898</b>
Change in cash and cash equivalents		28,037	37,939
Cash and cash equivalents at start of year		75,153	40,226
Translation difference		5,213	-3,012
<b>Cash and cash equivalents at year-end</b>	24	<b>108,403</b>	<b>75,153</b>



# PARENT COMPANY INCOME STATEMENT

Amounts in SEK '000	Note	2021	2020
Net sales	41	14,015	11,080
Costs of services sold		–	–
<b>Gross profit</b>		<b>14,015</b>	<b>11,080</b>
Administrative expenses	42, 43, 44, 46	–27,520	–31,988
Other operating income	45	960	63
Other operating expenses	45	–98	–358
<b>Operating profit/loss</b>	41, 42, 43, 44, 45, 46	<b>–12,643</b>	<b>–21,203</b>
Profit/loss from participations in group companies	47	–	140,000
Interest income and similar items	48	19,926	10,452
Interest expense and similar items	49	–4,763	–20,534
<b>Profit/loss before tax</b>		<b>2,520</b>	<b>108,715</b>
Appropriations	50	73,707	28,305
Income tax	51	–15,054	495
<b>NET PROFIT/LOSS FOR THE YEAR</b>		<b>61,173</b>	<b>137,515</b>
<b>Parent company statement of comprehensive income</b>			
Net profit/loss for the year		61,173	137,515
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		<b>61,173</b>	<b>137,515</b>

# PARENT COMPANY BALANCE SHEET

Amounts in SEK '000	Note	2021	2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	52	–	–
Property, plant and equipment			
– Equipment and tools		–	–
Financial assets	53		
– Deferred tax assets	51	4,902	15,492
– Shares in subsidiaries	53, 55	269,091	269,091
– Participations in associated companies and joint ventures	53	12,072	12,072
– Receivables from subsidiaries	53	212,053	217,572
Financial assets at fair value through profit or loss	53	33,758	27,267
<b>Total non-current assets</b>		<b>531,876</b>	<b>541,494</b>
<i>Current assets</i>			
Inventories and goods for resale		441	449
Trade and other receivables		1,427	663
Receivables from group companies		78,392	168,600
Prepaid expenses and accrued income	54	409	436
<b>Total current assets</b>		<b>80,669</b>	<b>170,148</b>
<b>TOTAL ASSETS</b>		<b>612,545</b>	<b>711,642</b>
<b>EQUITY</b>			
<i>Equity</i>			
Share capital		8,219	8,219
Restricted reserves		225,272	225,272
<b>Total restricted equity</b>		<b>233,491</b>	<b>233,491</b>
<i>Non-restricted equity</i>			
Non-restricted reserves		7,446	–121,850
Net profit/loss for the year		61,173	13,515
<b>Total non-restricted equity</b>		<b>68,619</b>	<b>15,665</b>
<b>Total shareholders' equity</b>		<b>302,110</b>	<b>249,156</b>
<b>Untaxed reserves</b>		–	–
<b>LIABILITIES</b>			
<i>Long-term liabilities</i>			
Amounts owed to credit institutions	56	42,500	44,500
Deferred tax liabilities		–	–
Liabilities to group companies		63,640	52,558
Other liabilities		23,193	20,562
<b>Total long-term liabilities</b>		<b>129,333</b>	<b>117,620</b>
<i>Current liabilities</i>			
Liabilities to group companies		148,083	283,594
Trade payables		1,175	771
Liabilities to credit institutions	56	21,015	55,457
Derivative financial instruments		4,478	–
Other liabilities		1,397	957
Accrued expenses and deferred income	58	4,955	4,087
<b>Total current liabilities</b>		<b>181,102</b>	<b>344,866</b>
<b>Total liabilities</b>		<b>310,435</b>	<b>462,486</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>612,545</b>	<b>711,642</b>



## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK '000	Share capital	Other contributed capital	Retained earnings	Total shareholders' equity
<b>Opening balance at January 1, 2020</b>	<b>8,219</b>	<b>225,272</b>	<b>-121,850</b>	<b>111,641</b>
Comprehensive income				
– Net profit/loss for the year	–	–	137,515	137,515
<b>Closing balance at December 31, 2020</b>	<b>8,219</b>	<b>225,272</b>	<b>15,665</b>	<b>249,156</b>
<b>Opening balance at January 1, 2021</b>	<b>8,219</b>	<b>225,272</b>	<b>15,665</b>	<b>249,156</b>
Comprehensive income				
– Dividend	–	–	–	–8,219
– Net profit/loss for the year	–	–	61,173	61,173
<b>Closing balance at December 31, 2021</b>	<b>8,219</b>	<b>225,272</b>	<b>68,619</b>	<b>302,110</b>



# PARENT COMPANY CASH FLOW STATEMENT

Amounts in SEK '000	Note	2021	2020
<i>Cash flow from operating activities</i>			
Operating profit/loss		-12,644	-21,203
Adjustment for non-cash items	60	607	4,536
		<b>-12,037</b>	<b>-16,667</b>
Interest received		270	935
Interest paid		-4,787	-6,341
Income tax paid		-251	-263
<b>Cash flow from operating activities before changes in working capital</b>		<b>-16,805</b>	<b>-22,336</b>
Change in working capital			
– Current assets		23,487	15,183
– Other current liabilities		6,207	39,975
<b>Cash flow from operating activities</b>		<b>12,889</b>	<b>32,822</b>
<i>Cash flow from investing activities</i>			
Amortization of financial assets	53	34,659	7,848
Loans to group companies	53	-10,730	-6,463
<b>Cash flow from investing activities</b>		<b>23,929</b>	<b>1,385</b>
<i>Cash flow from financing activities</i>			
Loans raised		7,843	–
Amortization of loans		-36,442	-34,207
Paid dividend		-8,219	–
<b>Cash flow from financing activities</b>		<b>-36,818</b>	<b>-34,207</b>
Change in cash and cash equivalents		–	–
Cash and cash equivalents at start of year		–	–
Translation difference		–	–
<b>Cash and cash equivalents at year-end</b>		<b>–</b>	<b>–</b>



# NOTES

## NOTES TO THE CONSOLIDATED ACCOUNTS

Amounts in SEK '000

### NOTE 1 Accounting policies and valuation principles

The principal accounting policies applied in the preparation of these consolidated accounts are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

#### 1.1. BASIS OF PREPARATION

The consolidated accounts for the Studsvik Group have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board recommendation RFR 1, Supplementary accounting rules for groups, International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The consolidated accounts have been prepared in accordance with the historical cost method except as regards financial assets and liabilities carried at fair value through profit or loss.

Preparing statements in accordance with IFRS requires the use of a number of important accounting estimates. Furthermore, the management must make certain judgments when applying the Group's accounting policies. The areas that entail a high degree of judgment, which are complex or of such a nature that assumptions and estimates are critical to the consolidated accounts are specified in note 3.

#### New or amended accounting policies applicable from and including 2021

New and amended standards and interpretation statements have not had any material impact on the Group's financial statements. No new or amended IFRS have been applied early.

#### 1.2 CONSOLIDATED ACCOUNTS

##### Subsidiaries

Subsidiaries are all companies over which the Group has a controlling interest (note 56). The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the Group's business combinations. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities and shares issued by the Group. The purchase price also includes the fair value of all assets and liabilities that are a consequence of an agreement on contingent purchase price. Acquisition related costs are expensed as they arise. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. For each acquisition, the Group determines if all non-controlling interests in the acquired company are to be measured at fair value or at their proportionate share of the acquiree's identifiable net assets. The excess of the purchase price, any non-controlling interest and fair value on the acquisition date of prior shareholdings over the fair value of the Group's share of identifiable net assets acquired is recognized as goodwill. If the amount is less than the fair value for the acquired subsidiary's assets in the case of a "bargain purchase", the difference is recognized directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

##### Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with the Group's shareholders. For acquisitions from non-controlling interests the difference between the purchase price paid and the actual acquired share of the carrying amount of the subsidiary's net assets is recognized directly in equity. Gains and losses on sales to non-controlling interests are also recognized in equity.

When the Group no longer has a controlling interest or significant influence, each remaining holding is revalued to fair value and the change in the carrying amount is recognized in the income statement. The fair value is used as the first carrying amount and forms the basis of continued accounting treatment of the remaining holding as an associated company, joint venture or financial asset. All amounts referring to the entity sold, which were previously recorded in other comprehensive income, are recorded as though the Group had sold the related assets or liabilities directly. This may mean that amounts previously recorded in other comprehensive income are reclassified to profit or loss.

If the participating interest in an associated company decreases, but a significant influence nevertheless remains, where relevant only a proportional share of the amounts previously recorded in other comprehensive income is reclassified to profit or loss.

##### Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associated companies are accounted for in accordance with the equity method and initially recorded at cost. The Group's carrying amount for investments in associated companies includes goodwill identified on acquisition, net of any impairment.

The Group's share of the post-acquisition profit or loss of an associated company is recognized in the income statement and its share of post-acquisition changes in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealized gains on transactions between the Group and its associated companies are eliminated in relation to the Group's holding in the associated company. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been amended where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses on participations in associated companies are recognized in the income statement.

##### Joint ventures

For joint ventures, where there is a common controlling interest, the equity method is applied. Interests in a joint venture are initially recognized at cost at the time of acquisition and adjusted on a current basis by its share of changes in the equity of the entity under common control.

The Group's share of the profit from the entity under common control is recognized in the consolidated statement of comprehensive income. If the Group's share of accumulated losses is equal to or more than the Group's share of the equity of the entity under common control, the Group does not recognize further losses.

#### 1.3 SEGMENT REPORTING

Operating segments must be reported in line with the internal reports submitted to the chief operating decision maker. The chief operating decision maker has been identified as the President.

#### 1.4 FOREIGN CURRENCY TRANSLATION

##### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in SEK, which is the parent company's functional and presentation currency.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. An exception is when the transactions qualify as cash flow hedges, in which case the gains/losses are recognized in other comprehensive income. More information on the Group's hedge accounting can be found in note 1.11.

Unrealized foreign exchange gains and losses attributable to loans and cash and cash equivalents are recognized in the income statement as financial income or expense. All other foreign exchange gains or losses, mainly on trade receivables and trade payables, are recorded in the items 'Other operating income' and 'Other operating expenses' in the income statement.

Translation differences for non-monetary financial assets and liabilities are recorded as part of fair value gains/losses. Translation differences for non-monetary financial assets and liabilities, such as shares recognized at fair value through profit or loss, are recorded in the income statement as part of fair value gains/losses.

## Group companies

The results and financial position of all the Group companies (none of which has the currency of a hyperinflationary economy as functional currency) that have a functional currency different from the presentation currency are translated into the Group's presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate.
- Income and expenses for each income statement are translated at average exchange rates.
- All foreign exchange differences arising are recorded in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign business is sold, fully or partly, the currency differences reported in equity are transferred to the income statement and recognized as part of the capital gain/loss. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

## 1.5 NON-CURRENT PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at historical cost less depreciation. The Group applies depreciation of components, where each part of an item of property, plant and equipment with a cost of acquisition that is significant in relation to the total cost of the item is to be depreciated separately. The cost of acquisition includes expenses directly attributable to the acquisition of the asset. Expenditure for dismantling and restoration is added to the cost of acquisition and reported as a separate component. Dismantling and restoration costs during the useful life of the asset are calculated annually on the basis of the evaluation made on each date of estimate. Any adjustments of the future costs adjust the cost of acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount for the replaced part is removed from the balance sheet. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Buildings and land improvements	20–50 years
Plant and machinery	3–20 years
Equipment and tools	3–20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing sales proceeds with the carrying amount and are recorded under 'Other operating income' and 'Other operating expenses' in the income statement.

## 1.6 INTANGIBLE ASSETS

### Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associated companies is included in the value of investments in associated companies and tested for impairment as part of the value of the total investment. Goodwill that is disclosed separately is tested annually for impairment and recognized at cost less accumulated impairment losses. Goodwill impairment loss is not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units when tested for impairment. Allocation is to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination giving rise to the goodwill item.

### Patents

The majority of Studsvik's patents refer to methods and techniques for treatment of radioactive waste. These capitalized costs are amortized over the estimated useful life (normally 15 years).

### Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These capitalized costs are amortized over the estimated useful life (normally 10 years).

Costs associated with developing or maintaining computer software are recognized as an expense as incurred.

Development costs for software recognized as an asset are amortized over the estimated useful life.

## Contractual customer relations and similar rights

Contractual customer relations and similar rights consist mainly of customer relations and contracts as well as some tenancy rights. Documents to verify their capitalization could be business plans, budgets or the company's assessments of future outcomes. An individual assessment is made for each item. Amortization starts when the asset is ready for use and subsequently continues over the estimated useful life. Contractual customer relations are amortized over 15 years. The amortization period for other rights varies.

## 1.7 IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may possibly not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than financial assets and goodwill for which an impairment loss has previously been recognized, are tested to establish if any reversal should be made.

## 1.8 FINANCIAL ASSETS

The Group classifies its financial assets in accordance with IFRS 9 in the following categories: financial assets at fair value through profit or loss and amortized cost. The classification depends on the purpose for which the financial asset was acquired. The management determines the classification of financial assets at the time of initial recognition.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired mainly for the purpose of selling in the short term. Derivatives are classified as held for trading if they are not designated as hedging instruments. Assets in this category are classified as current assets if they are expected to be settled within 12 months. Otherwise, they are classified as non-current assets.

The Group recognizes the following financial instruments at fair value through profit or loss:

- Investments in debt instruments that do not qualify for recognition at amortized cost or at fair value via other comprehensive income,
- Investments in equity instruments held for trading.

### Investments in debt instruments

The Group classifies its investments in debt instruments in the measurement category Amortized cost, which is financial assets that have fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Amortized cost consists of trade and other receivables and cash and cash equivalents in the balance sheet (notes 22 and 25).

### Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Financial instruments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets recognized at fair value through profit or loss are initially recognized at fair value, while related transaction costs are recognized in the income statement. Financial assets are derecognized when the rights to receive cash flows from the instruments have expired or have been transferred and the Group has transferred substantially all risks and benefits of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value after the date of acquisition. Investments in debt instruments are carried at amortized cost after the acquisition date, applying the effective interest method. Debt instruments with short maturities are recognized at nominal value.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, are presented in the income statement in the period in which they arise under the items 'Other operating income' and 'Other operating expenses'.

## 1.9 OFFSET OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and recognized net in the balance sheet only if there is a legally enforceable right to set off the recognized amounts and an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legal right may not be contingent on a future event and it must be legally enforceable on the company and the counterparty, both in the normal course of business or in the event of default, insolvency or bankruptcy.



## 1.10 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

### Assets carried at amortized cost

The Group assesses at the close of each accounting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The Group applies the simplified method for calculating expected credit losses. The method means that expected losses during the entire life of the claim are used as the basis for trade receivables and contract assets. A financial asset or group of financial assets is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and this event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

The Group first assesses whether there is objective evidence of impairment.

The impairment is estimated as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses that have not yet occurred), discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is written down and the impairment loss is recognized in the consolidated income statement. If a loan or investment held to maturity has a variable interest rate, the current contractual effective interest rate used as the discount rate when impairment has been established. As a practical solution, the Group can establish impairment loss on the basis of the fair value of the instrument using an observable market price.

If the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized (for example an improvement in the debtor's creditworthiness), the previously recognized impairment loss is reversed through the consolidated income statement.

## 1.11 DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are recognized in the balance sheet on the date of the contract at fair value, both initially and on subsequent remeasurement. The method of reporting the gain or loss arising on revaluation depends on whether the derivative is identified as a hedging instrument, and, if so, the nature of the hedged item. The Group identifies certain derivatives as either:

- a hedge of the fair value of a recognized asset or liability or a firm commitment (fair value hedge),
- a hedge of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's risk management objective and strategy for undertaking the hedge. The Group also documents its assessment, both when the hedge is undertaken and on a continuous basis, of whether the derivative instruments used in hedging transactions are effective in offsetting the changes in the fair value or cash flows of the hedged items.

Information on the fair value of the different derivative instruments used for hedging purposes is given in note 21. The entire fair value of a derivative designated as a hedging instrument is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

### Fair value hedging

The Group only applies fair value hedging for certain financial non-current assets and borrowing.

### Cash flow hedging

The effective portion of the change in fair value of a derivative instrument identified as a cash flow hedge and satisfying the criteria for hedge accounting, is reported in other comprehensive income in the hedging reserve in equity. The gain or loss referring to the ineffective portion is recognized immediately in the income statement in the items 'Other operating income' or 'Other operating expenses' - net. When a hedging instrument matures or is sold or when the hedge no longer fulfills the criteria for hedge accounting and accumulated gains or losses referring to the hedge are in equity, these gains/losses remain in equity and are recognized in revenue at the time when the forecast transaction is ultimately reported in the income statement. When a forecast transaction is no longer expected to occur, the accumulated gains or losses deferred in equity must immediately be taken to the income statement items 'Other operating income' or 'Other operating expenses' - net.

## 1.12 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Borrowing costs are not included. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## 1.13 TRADE RECEIVABLES

Studsvik recognizes trade receivables at amortized cost adjusted for credit risks. The reported credit risk reserve consists of both incurred credit losses and expected credit losses.

A credit loss has occurred when a default event has taken place. An expected credit risk reserve arises in turn, however, based on assumptions about the future macroeconomic development in the customers' respective markets, that is, on possible default events. In these cases no event has yet taken place to give rise to a provision. In that case the loss risk reserve reflects the expected future credit losses. Impairment losses in trade receivables are recognized in the item 'Selling and marketing costs'

## 1.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, bank balances and other short-term liquid investments with original maturities of three months or less of the date of acquisition.

## 1.15 SHARE CAPITAL

Ordinary shares are classified as equity.

Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 1.16 TRADE PAYABLES

Trade payables are recognized at fair value and are commitments to pay for goods or services acquired from suppliers in the operating activities. Trade payables have a short expected maturity and are classified as current liabilities.

## 1.17 BORROWINGS

Borrowings are recognized initially at fair value, net after transaction costs. Subsequent measurement is at amortized cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## 1.18 CURRENT AND DEFERRED INCOME TAX

Tax expense for the period includes current and deferred tax. Tax is reported in the income statement, except when the tax refers to items reported in other comprehensive income or directly in equity. In that case the tax is also reported in 'Other comprehensive income' and 'Equity' respectively.

The current tax expense is calculated on the basis of the tax laws that have been enacted or substantively enacted on the balance sheet date in the countries in which the parent company's subsidiaries and associated companies operate and generate taxable revenues.

The management regularly assesses claims made in tax returns for situations where applicable tax rules are subject to interpretation and, where deemed appropriate, makes provision for amounts that will probably have to be paid to the tax authorities.

Deferred tax is recognized in its entirety, using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. However, the deferred tax is not recognized if it arises as a consequence of a transaction constituting the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be applied.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax liabilities and assets on a net basis.

## 1.19 EMPLOYEE BENEFITS

### Pension obligations

The Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, in which the payments are determined on the basis of periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligation to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits associated with the employees' service in the current or prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. It is characteristic of defined benefit plans that they define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually



by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability

Actuarial gains and losses as a result of experience adjustments and changes in actuarial assumptions are reported in other comprehensive income in the period in which they arise. Past service costs are recognized directly in the income statement.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that cash refund or a reduction in the future payments is available to the Group.

#### Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy or in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates, a) when the Group can no longer withdraw the offer of those benefits, and b) when the company recognizes the costs for a restructuring within the scope of IAS 37 that includes the payment of termination benefits. In cases where the company has made an offer to encourage voluntary redundancy, the termination benefits are calculated on the basis of the number of employees expected to accept the offer.

#### Profit sharing and variable salary components

The Group recognizes a liability and an expense for variable salary and profit-sharing, based on a formula that takes into consideration the profit that can be attributed to the parent company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### 1.20 PROVISIONS

Provisions for environmental restoration measures, future waste management costs, restructuring costs and other legal requirements are recognized when: The Group has a present legal or constructive obligation as a result of past events; it is more probable than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. No provision has been made for future operating losses.

If there are a number of similar obligations, the probability that an outflow of resources will be required to settle the obligations will be assessed overall for the entire group of obligations. A provision is reported even if the probability of an outflow for a particular item in this group of obligations is minor. See note 32, 'Other provisions'.

#### 1.21 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for goods and services sold in the Group's operating activities. Revenue is reported exclusive of value added tax, returns and discounts and after elimination of sales within the Group.

#### Consultancy Services

The Group offers services at both fixed and variable prices. Revenue from services delivered is recognized in the period they are supplied. For fixed price contracts, the revenue is based on the percentage of the total contracted service delivered during the financial year when the customer receives and uses the services at the same time. This is determined on the basis of the actual cost incurred compared with the total expected cost of the contract. Estimates of revenue, costs or percentage of completion of projects are revised if circumstances change. Increases or decreases in assessed revenue or costs that depend on a changed estimate are recognized in the income statement in the period when the circumstances that caused the revision became known.

In fixed price contracts the customer pays the agreed price at agreed times of payment. If the services the Group has delivered exceed the payment, a contract asset is recognized in the item Trade and other receivables. If payments exceed the services delivered, a contract liability is recognized in the item Trade and other payables. If the contract is a cost plus contract based on an hourly rate, the revenue is recognized to the extent the Group has a right to invoice the customer. Customers are invoiced monthly, usually with a 30-day payment term. More information on the Group's Consultancy Services can be found in note 4 and the Waste Management Technology, Fuel and Materials Technology and Decommissioning and Radiation Protection Services segments.

#### Software

Revenue for the software developed by the Group is received through:

- Sale of goods
- License revenues
- Maintenance agreements
- Contract revenue

Sales of software are recognized in revenue when control of the products is transferred, which is when the software is delivered to the customer and there are no unfulfilled obligations that may affect the customer's approval of the software. A receivable is recognized when the software has been delivered, as this is the time at which payment becomes unconditional.

License revenues are classified as "right to use" licenses where control over the license is received by the customer directly at the time of sale and delivery and they are therefore recognized in revenue when the customer receives the license key. Customers are invoiced annually, usually with a 30-day payment term.

Maintenance agreements are normally signed on an annual basis and as it is difficult to estimate when the maintenance will be supplied, these revenues are recognized on a straight-line basis over the period of the agreement. The deferred income is recognized as a contract liability in the item Trade and other payables. Customers are invoiced annually, usually with a 30-day payment term.

Contract revenue is offered at both fixed and variable prices and the Group treats these revenues in the same way as Consultancy Services (see description above). More information about the Group's software can be found in note 4 and the Scandpower segment.

Interest income is recognized on a time-proportion basis using the effective interest method. When the value of a receivable is impaired, the Group reduces the carrying amount to the recoverable amount, which is the estimated future cash flow, discounted at the original effective interest rate for the instrument, and continues to reverse the discount effect as interest income. Interest income on impaired loans is recognized at the original effective interest rate.

Dividend income is recognized when the right to receive payment is established.

#### 1.22 LEASES

IFRS 16 Leases means that lessees must recognize all contracts that meet the definition of a lease as right-of-use assets and financial liabilities in the statement of financial position. For lessees the standard does not differentiate between operating and finance leases. The Group leases various offices, machinery and vehicles. Leases may include both lease and non-lease components and Studsvik has decided to only take into account lease components in their rights-of-use. The right of use is initially recognized at cost of acquisition and in subsequent reporting periods at cost of acquisition less accumulated depreciation and impairment. The lease liability is recognized initially at the present value of future lease payments discounted at the incremental borrowing rate. In subsequent accounting the lease liability will be adjusted for interest and lease charges paid, as well as changes in the lease, such as extension clauses. Payments for short-term leases and leases of low value are expensed on a straight-line basis in the income statement. Short-term leases have a lease term of less than 12 months and low value leases are valued at less than USD 5,000.

When determining the value of the rights of use and financial lease liability, the most significant assumptions are as follows:

The lease payments have been discounted at the incremental borrowing rate. The same discount rate has been used for rights of use with similar characteristics. Studsvik has used an incremental borrowing rate of 2.6 per cent, which reflects the interest rate received from the Group's credit institution.

Options to extend and terminate leases have been taken into account for leases where it is reasonably certain that they will be exercised. When determining the lease term, the Group takes into account available information that gives an economic incentive to exercise an option to extend. The majority of the options to extend that refer to office premises and vehicles have not been included in the lease liability, as Studsvik can replace the rights of use without significant costs or business disruptions.

Historical information has been used in assessing a lease term in the cases where there are options to extend or terminate a lease.

#### 1.23 DIVIDENDS

Dividend distribution to the parent company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the parent company's shareholders.

#### 1.24 PARENT COMPANY

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities. RFR 2 means that the Parent Company, in its separate financial statements, must apply all the IFRS and statements adopted by the EU as far as possible, subject to the Annual Accounts Act and the Act on Safeguarding Pension Obligations taking into account the connection between accounting and taxation. The recommendation specifies the exemptions and additions that must be made in relation to IFRS. The differences between the Group's and the Parent Company's accounting policies are presented below. The main differences between the accounting policies applied by the Group and the Parent Company are:



## Formats

The income statement and balance sheet follow the format of the Annual Accounts Act. This entails differences compared with the consolidated accounts, mainly as regards financial income and expense, the statement of comprehensive income, provisions and the statement of changes in equity.

## Shares and participations in subsidiaries

Investments in subsidiaries are recorded at the lower of cost and fair value. Assessments are made as to whether the book amount corresponds to fair value and the book amount is written down if the impairment is deemed permanent and recorded in the item 'Profit/loss from investments in Group companies'. Dividend received is reported as financial income.

## Revenues

The Parent Company's income includes dividends and group contributions received from subsidiaries and other internal transactions that are eliminated in the consolidated accounts.

## Leases

All leases, regardless of whether they are finance or operating leases, are recorded as rental agreements (operating leases).

## Pensions

Pension obligations refer to defined contribution plans and are covered by insurance arrangements.

## Taxes

The accumulated values of accelerated depreciation and other untaxed reserves are presented in the parent company balance sheet under the item 'Untaxed reserves' with no deduction for the deferred tax. Changes in the untaxed reserves are shown on a separate line in the income statement in the parent company income statement. The consolidated accounts, however, divide untaxed reserves into deferred tax liability and equity.

## Group contributions and shareholders' contributions for legal entities

The company reports group contributions and shareholders' contributions in accordance with the Swedish Financial Reporting Board's recommendation RFR 2. Shareholders' contributions are recognized directly in the equity of the recipient and capitalized in shares and participations by the giver, to the extent there is no impairment loss. Group contributions from subsidiaries are reported as financial income as is normal dividend from subsidiaries. Tax on group contributions is reported in accordance with IAS 12 in the income statement.

## NOTE 2 Financial risk management

### 2.1 FINANCIAL RISK FACTORS

Through its operations the Group is exposed to a number of different financial risks: market risk (covering currency risk, fair value interest rate risk, cash-flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the Group's financial performance. The Group uses derivative instruments to hedge certain risk exposure. Risk management is handled by a central treasury function in accordance with policies determined by the Board of Directors. The central function identifies, evaluates and hedges financial risk in close cooperation with the Group's operating units. The Board of Directors draws up written policies, both for overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of surplus liquidity.

#### Market risk

##### Price risk

The Group's largest single cost item is personnel, which accounts for 64 (63) per cent of the total costs of continuing operations. Other expenses vary. The Group's risk exposure as regards purchases is therefore of less significance.

##### Currency risk

The Group operates internationally and is exposed to currency risk arising from various currency exposures, above all in US dollars (USD), euros (EUR) and pounds sterling (GBP). Currency risk arises through future business transactions, reported assets and liabilities and net investment in foreign operations.

The Board of Directors has drawn up policies and guidelines for how currency risk is to be managed in the Group. To minimize the currency risk arising on business transactions and for reported assets and liabilities, the companies use different forms of currency derivatives issued by external banks. Currency risk arises when future business transactions or reported assets and liabilities are denominated in a currency that is not the functional currency of the unit.

At Group level only external foreign currency derivative contracts are classified as hedges of gross amounts of specific assets, liabilities or future transactions.

If the Swedish krona had weakened by 10 per cent against the euro, all other variables being constant, the year's profit for continuing operations as at December 31,

2021 would have been SEK 3.6 million higher (SEK 2.3 million higher), as the Group's total costs in EUR are lower than the corresponding revenue in EUR. Equity would have been SEK 3.6 million higher (2.0 million higher), mainly due to translation of the Group's net investments in Germany.

If the Swedish krona had weakened by 10 per cent against the pound sterling, all other variables being constant, the year's profit for continuing operations as at December 31, 2021 would have been SEK 0.4 million higher (0.1 million higher), as the Group's total revenues in GBP are greater than the corresponding expenses in GBP. Equity would have been SEK 0.4 million higher (0.1 million higher), mainly due to translation of the Group's net investments in the United Kingdom.

If the Swedish krona had weakened by 10 per cent against the US dollar, all other variables being constant, the year's profit from continuing operations as at December 31, 2021 would have been SEK 2.2 million lower (SEK 2.6 million lower), mainly as a result of Scandpower Inc's operations. Equity would have been SEK 2.2 million lower (2.3 million lower), mainly due to translation of the Group's net investments in the USA.

#### Interest rate risk referring to cash flows and fair values

Since the Group does not have any material interest-bearing assets, the Group's income and cash flow from operating activities are in all essentials independent of changes in market interest rates.

The Group's interest rate risk arises through long-term borrowings. Borrowing at variable interest rates exposes the Group to cash flow interest rate risk. Borrowing at fixed interest rates exposes the Group to fair value interest rate risk.

The Group's contractual repricing dates for interest rates are shown in note 29. The Group analyses its interest rate exposure regularly. Different scenarios are simulated, taking into account refinancing, renewals of existing positions, alternative funding and hedging. With these scenarios as a base, the Group calculates the impact on earnings of a given interest rate change. For each simulation the same interest rate change is used for all currencies. The scenarios are only simulated for debt constituting the largest interest-bearing positions.

Simulations carried out show that the impact on pre-tax earnings of a change of 0.1 percentage point would be a maximum increase or decrease respectively of SEK 0.0 (0.0) million.

If the interest rate on borrowing in SEK on December 31, 2021 had been 0.5 percentage points higher/lower, all other variables being constant, the pre-tax earnings for the financial year would have been SEK 0.2 (0.2) million higher/lower, mainly as an effect of higher/lower interest expense in connection with changes in reference rates.

#### Credit risk

Credit risk is managed at company and Group level. Credit risk arises through cash and cash equivalents, derivative instruments and balances at banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and contractual transactions. The Group only uses banks with an A+ or higher rating for depositing cash and cash equivalents. In cases where no independent credit evaluation exists, a risk appraisal is made of the customer's creditworthiness in which financial position and prior experience and other factors are taken into consideration. Individual risk limits are set, based on internal or external credit evaluations in accordance with limits set by the Board of Directors.

The credit quality of financial assets is described in note 20.

#### Liquidity risk

Liquidity risk is managed through the Group holding sufficient cash and cash equivalents and short-term deposits in a liquid market, available funding through contracted credit lines and the possibility of closing market positions. Due to the dynamic character of operations, the Group retains flexibility of funding by maintaining contracts for withdrawable lines of credit. The company has a bank loan of SEK 44.5 million, which falls due on April 2, 2024. The loan carries interest of 2.6 per cent + STIBOR 3 months and is amortized by 2 million per year. Expected interest expense is calculated as SEK 1.2 million in 2022. Apart from the bank loan, there is also a bank overdraft facility of SEK 100 million, which is extended 12 months at a time. The risk of non-extension is considered to be low as the Group has a good and ongoing working relationship with the bank. The management carefully follows rolling forecasts of the Group's liquidity reserve, consisting of unutilized loan assurances (note 29) and cash and cash equivalents (note 24), on the basis of expected cash flows.

The table below analyses the Group's financial liabilities and derivative instruments settled net that constitute financial liabilities, broken down by the contractual time to maturity remaining on the balance sheet date. The amounts stated in the table are the contracted, undiscounted cash flows.

As at December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank loans	3,185	3,131	38,774	–
Trade and other payables	241,926	509	1,527	27,902

As at December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank loans	3,240	3,185	43,905	–
Trade and other payables	203,837	43	129	28,443

## 2.2 CAPITAL RISK MANAGEMENT

The Group's goal for its capital structure is to safeguard the Group's ability to continue as a going concern, so that it can generate a return for its shareholders and benefit for other stakeholders and maintain an optimal capital structure as a means of controlling the cost of capital. The Group assesses the capital on the basis of debt/equity ratio and equity/assets ratio. Studsvik has an overall goal of an equity/assets ratio of 40 per cent. The equity/assets ratio at the close of the year was 41.4 per cent (41.2).

To retain or adjust the capital structure, the Group can alter the dividend it pays to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its liabilities.

Just like other companies in the industry, the Group assesses its capital on the basis of the debt/equity ratio. This ratio is defined as net debt divided by total equity. Net debt is defined as total borrowing (including the items current borrowing and Non-current borrowing in the consolidated balance sheet) less cash and cash equivalents. Equity is calculated including non-controlling interests.

	2021	2020
Total borrowing (note 29)	63,515	99,957
Less cash and cash equivalents (note 24)	–108,403	–75,153
<b>Net debt</b>	<b>–44,888</b>	<b>24,804</b>
<b>Total equity</b>	<b>387,286</b>	<b>313,408</b>
Debt/equity ratio	–11.6%	7.9%

The change in the debt/equity ratio for 2020 was mainly a consequence of improved cash flow and lower use of the bank overdraft facility. Improved earnings is the main reason for higher equity.

## 2.3 FAIR VALUE ESTIMATION

The table below shows financial instruments at fair value on the basis of their classification in the fair value hierarchy. The different levels are defined as follows:

- Level 1 – Quoted prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2 – Other observable market data for the asset or liability other than quoted prices included in level 1, either direct (i.e. as quoted prices) or indirect (i.e. derived from quoted prices).
- Level 3 – Data on the asset or liability not based on observable market data (i.e. unobservable inputs).

The following table shows the Group's assets and liabilities measured at fair value as at December 31, 2021.

	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value through profit or loss			
– Unlisted shareholdings	–	–	15,211
– Capital insurance	–	18,547	–
– Long-term bank deposits	–	7,004	–
<b>Total assets</b>	–	<b>25,551</b>	<b>15,211</b>

The following table shows the Group's assets and liabilities measured at fair value as at December 31, 2020.

	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value through profit or loss			
– Unlisted shareholdings	–	–	14,728
– Capital insurance	–	16,582	–
– Long-term bank deposits	–	3,723	–
<b>Total assets</b>	–	<b>20,305</b>	<b>14,728</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and these prices represent actual and regularly occurring market transactions at arm's length. The Group does not currently hold such assets or liabilities.

Fair value of financial instruments not traded on an active market (for example OTC derivatives) is established using valuation techniques. These techniques use market information as far as possible when this is available, while company-specific information is used as little as possible. If all material inputs required for fair value measurement of an instrument are observable the instrument is found at level 2.

Specific valuation techniques used to measure financial instruments include:

- Quoted market prices or brokers' quotations for similar instruments.
- The fair value of interest swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- The fair value of forward exchange contracts is determined using quoted forward exchange rates at the balance sheet date, where the resulting value is discounted to present value.
- Other techniques, such as estimating discounted cash flows, are used to determine the fair value of remaining financial instruments.

The following instruments at level 3 refer to our holdings in nuclear insurance companies. They are valued at acquisition cost plus our share of their surplus.

The following table shows changes for instruments at level 3 in 2021.

	Level 3
Opening balance	14,728
Gains recognized in the income statement	483
<b>Closing balance</b>	<b>15,211</b>
<b>Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period</b>	<b>483</b>

The following table shows changes for instruments at level 3 in 2020.

	Level 3
Opening balance	13,949
Gains recognized in the income statement	779
<b>Closing balance</b>	<b>14,728</b>
<b>Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period</b>	<b>779</b>

## NOTE 3 Important accounting estimates

Estimates and assumptions are continually evaluated and rest on historical experience and other factors, including expectations of future events regarded as reasonable under the circumstances.

### 3.1 IMPORTANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimations and assumptions about the future. The estimates for accounting purposes derived from these assumptions will, by definition, seldom correspond to the actual outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### Impairment tests for goodwill

Each year the Group examines whether goodwill is impaired, in accordance with the accounting policy described in note 1.7. Recoverable amounts for cash-generating units in continuing operations have been determined by calculating value in use. Certain estimates must be made for these calculations (in note 16)

Based on the assumptions and estimates made, there is no impairment loss on goodwill.

#### Income taxes

The Group is liable to pay tax in different countries. Extensive assessments are required to establish the global provision for income tax. There are many transactions and calculations in which the final tax is uncertain at the time the transactions and calculations are made. The Group reports a liability for expected tax field audits based on assessments of whether further tax liability will arise. In cases where the final tax for these cases differs from the amounts first reported, the differences will affect current tax and provisions for deferred tax in the period when these determinations are made. Moreover, estimates and assumptions are made to determine the value of the deferred tax asset and deferred tax liability on the balance sheet date. Future amendments to tax legislation and the development of the business climate affect the company's future taxable profit and thus the ability to use the deferred tax asset on tax loss carry forwards.

#### Fair value of derivative instruments or other financial instruments

Fair value of financial instruments not traded on an active market is established using valuation techniques. The Group chooses several methods and makes assumptions that are mainly based on the market conditions existing on the respective balance sheet date.

**NOTE 3 Important accounting estimates (cont.)****Revenue recognition**

The Group uses the percentage of completion method for reporting fixed price contracts. The percentage of completion method means that the Group must estimate completion of services on the balance sheet date as a proportion of the total services to be provided. If the proportion of completed services to total services to be provided deviates by 10 per cent from the management's estimate, the year's reported revenue would increase by SEK 5.2 (6.4) million if the percentage of completion had increased, or decrease by SEK 5.2 (6.4) million if the percentage of completion had decreased.

**Provisions**

The operations at Studsvik's facilities in Sweden are subject to local licensing requirements and Studsvik is liable to decommission facilities, manage waste and restore land. The Group makes provision in its own balance sheet for these future decommissioning costs. The Group also provides collateral in the form of bank guarantees and deposits blocked funds. The Group makes regular assessments of its technical and financial obligations and revises the value of these provisions annually. The commitment consists of discounted values of future cash flows.

If the actual estimate of the future decommissioning cost were to deviate by 10 per cent from the management's assessment, the result would have been SEK 0.6 (0.2) million lower for a higher estimate of future costs. Changes in estimates of future costs refer to repository costs for waste treated in the Group's Swedish facility, which affect future cash flows. Other changes in estimated future costs are capitalized as property, plant and equipment and thus only affect future depreciation.

Changes in the Group's provisions are presented in note 32.





**NOTE 4 Segment reporting (cont.)**

External net sales based on the customer's country of location	2021		2020	
	SEK '000	Per cent	SEK '000	Per cent
Sweden	139,026	17.4	110,799	15.3
Germany	272,950	34.2	274,605	38.0
The rest of Europe	257,955	32.3	187,290	25.9
North America	52,511	6.6	89,144	12.3
Asia	72,562	9.1	60,093	8.3
All other countries	3,320	0.4	–	–
<b>Total</b>	<b>798,324</b>	<b>100.0</b>	<b>721,931</b>	<b>100.0</b>

In 2021 the Group had no customers that accounted for more than 10 per cent of total sales.

Non-current assets per country	2021		2020	
	SEK '000	Per cent	SEK '000	Per cent
Sweden	331,313	54.9	215,023	44.7
Germany	33,452	5.5	33,112	6.9
The rest of Europe	132,561	22.0	132,120	27.5
North America	101,863	16.9	95,774	19.9
Asia	3,851	0.6	5,104	1.1
<b>Total</b>	<b>603,040</b>	<b>100.0</b>	<b>481,133</b>	<b>100.0</b>

**Remaining performance obligations**

The table below shows unfulfilled performance obligations referring to long-term projects in the Fuel and Materials Technology segment. The table does not include revenue related to contracts invoiced on a cost plus basis or contracts with an expected maximum duration of one year.

Year	2022	2023	2024	2025	2026	2027	2028	Total
MSEK	203	137	93	72	73	74	14	666

**NOTE 5 Other operating income**

Other income	2021	2020
Sale of property, plant and equipment	357	2,034
Government support related to COVID-19	19	1,191
Non-recurring structural costs	15,457	0
Other	3,094	227
<b>Total</b>	<b>18,927</b>	<b>3,452</b>

Other gains	2021	2020
Other financial instruments at fair value through profit or loss		
– Fair value gains	1,520	1,939
Forward exchange contracts		
– Foreign exchange differences	0	35
<b>Total</b>	<b>1,520</b>	<b>1,974</b>

Non-recurring structural revenue amounts to SEK 15,457 (0) thousand and consist of capital gains related to the sale of land in Sweden.

**NOTE 6 Other operating expenses**

Other costs	2021	2020
Sale of property, plant and equipment	1,444	–
Non-recurring structural costs	5,467	
Other	242	598
<b>Total</b>	<b>7,153</b>	<b>598</b>

Other losses	2021	2020
Other financial instruments at fair value through profit or loss		
– Fair value losses	3,135	3,578
Forward exchange contracts		
– Foreign exchange differences	–	–
<b>Total</b>	<b>3,135</b>	<b>3,578</b>

Non-recurring structural costs amount to SEK 5,467 (0) thousand and consist of costs for termination of staff in the USA of SEK 1,467 (0) thousand and provision for supplementary costs related to the sale of land in Sweden of SEK 4,000 (0) thousand.

**NOTE 7 Operating costs by nature of expense**

	2021	2020
Purchases of material and services	216,028	198,886
Staff costs	465,206	428,125
Energy	14,456	12,487
Depreciation/amortization and impairment	29,437	28,704
Other costs	3,427	12,346
<b>Total</b>	<b>728,554</b>	<b>680,548</b>

**NOTE 8 Remuneration to auditors**

	2021	2020
PricewaterhouseCoopers		
– Audit assignments	592	2,415
– Other services	229	210
<b>Total</b>	<b>821</b>	<b>2,625</b>

	2021	2020
KPMG		
– Audit assignments	1,777	–
– Audit business in addition to audit	345	–
– Tax consultancy	132	–
– Other services	20	–
<b>Total</b>	<b>2,274</b>	<b>–</b>

Other auditors		
– Audit assignments	142	130
– Audit business in addition to audit	–	–
– Tax consultancy	350	374
<b>Total</b>	<b>492</b>	<b>504</b>
<b>Group total</b>	<b>3,587</b>	<b>3,129</b>

Audit assignments refers to examination of the annual accounts, the accounting records and the administration by the Board of Directors and the President, other duties incumbent on the company's auditors, as well as advisory services and other types of support as a result of observations made through such an examination or performance of such duties. Other services consist mainly of fees referring to the sale of the waste treatment operations.

The fees specified above refer to the following: PwC Sweden, audit assignment SEK 592 (2,415) thousand, audit business in addition to audit assignment, SEK 229 (210) thousand, KPMG audit assignment SEK 1,777 (0) KPMG other services SEK 497 (0) thousand.

**NOTE 9 Employee benefits**

Employee benefits	2021	2020
Salaries, benefits and other remuneration	371,329	348,179
Social security contributions	82,812	72,858
Pension costs – defined contribution based	17,693	16,462
Pension costs – defined benefit based	536	492
<b>Total</b>	<b>472,370</b>	<b>437,991</b>

**NOTE 9 (cont.)**

Salaries and other remuneration distributed between Board members and President as well as other employees	2021			2020		
	Board and President	Of which variable remuneration	Other employees	Board and President	Of which variable remuneration	Other employees
Parent company	4,442	0	6,320	4,421	–	4,784
Subsidiaries in Sweden	4,537	0	90,985	3,058	–	82,391
Subsidiaries abroad	2,797	249	274,024	2,557	202	250,968
<b>Total, subsidiaries</b>	<b>7,334</b>	<b>249</b>	<b>365,009</b>	<b>5,615</b>	<b>202</b>	<b>333,359</b>
<b>Total for Group</b>	<b>11,776</b>	<b>249</b>	<b>371,329</b>	<b>10,036</b>	<b>202</b>	<b>338,143</b>

Average number of employees	2021			2020		
	Men	Women	Total	Men	Women	Total
Parent company	1	1	2	1	3	4
Subsidiaries in Sweden	106	42	148	101	38	139
Subsidiaries abroad	317	50	367	332	41	373
– Germany	236	44	280	272	36	308
– United Kingdom	1	–	1	4	–	4
– USA	29	5	34	29	5	34
– Japan	1	–	1	1	–	1
– Switzerland	49	1	50	25	–	25
– China	1	–	1	1	–	1
<b>Total, subsidiaries</b>	<b>423</b>	<b>92</b>	<b>515</b>	<b>433</b>	<b>79</b>	<b>512</b>
<b>Total for Group</b>	<b>424</b>	<b>93</b>	<b>517</b>	<b>434</b>	<b>82</b>	<b>516</b>

Gender breakdown in the Group (including subsidiaries) for members of the Board and other senior management	2021		2020	
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
Board members	7*	4	7*	4
President and other senior management	6	5	5	4
<b>Total for Group</b>	<b>13</b>	<b>9</b>	<b>12</b>	<b>8</b>

All the Board Members and the President belong to continuing operations. Salaries and other remuneration includes severance pay in 2021. For information on benefits to senior management, see note 38.

\* The number of board members only refers to ordinary members.

**NOTE 10 Financial income and expense**

	2021	2020
<i>Financial income</i>		
Current bank balances	2	119
Fair value gains (realized and unrealized)	171	868
Other financial income	–	260
<b>Total</b>	<b>173</b>	<b>1,247</b>
<i>Financial expense</i>		
Bank loans	–7,107	–4,323
Fair value losses (realized and unrealized)	–19	–447
Other financial expense	–1,268	–1,191
<b>Total</b>	<b>–8,394</b>	<b>–5,961</b>
<b>Net financial items</b>	<b>–8,221</b>	<b>–4,714</b>

**NOTE 11 Income tax**

	2021	2020
<i>Current tax</i>		
Current tax on profit for the year	–8,935	–4,163
Adjustment for previous years	–130	21
<b>Total</b>	<b>–9,065</b>	<b>–4,142</b>
<i>Deferred tax (note 30)</i>		
Origination and reversal of temporary differences	–5,313	–2,005
<b>Total</b>	<b>–5,313</b>	<b>–2,005</b>
<b>Total income tax</b>	<b>–14,378</b>	<b>–6,147</b>

**NOTE 11 (cont.)**

The Swedish income tax rate is 20.6 (21.4) per cent. The income tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate for profits of the consolidated companies as follows.

	2021	2020
Profit/loss before tax	77,560	41,348
Tax at current tax rate for the parent company	–15,977	–8,848
Non-taxable revenue	113	24
Non-deductible expenses	–139	–1,271
Effect of different tax rates in foreign subsidiaries	–2,601	2,382
Tax attributable to previous years	–130	21
Utilization of non-capitalized tax loss carry forwards	4,448	1,873
Revaluation of deferred tax assets	–	–112
Other	–92	–216
<b>Effective tax</b>	<b>–14,378</b>	<b>–6,147</b>

The effective tax rate was 18.5 (14.9) per cent. The revaluation of deferred tax assets includes revaluation to new tax rate as well as new assessment concerning the potential utilization of tax loss carry-forwards.

Other comprehensive income only includes tax effects on cash flow hedges and on December 31 these were SEK –(18) thousand. Other comprehensive income also includes foreign exchange differences, but they have no tax effect.

**NOTE 12 Foreign exchange differences – net**

Foreign exchange differences are recognized in the income statement as follows.

	2021	2020
Other gains and losses – net (notes 5 and 6)	-1,615	-1,604
Financial items (note 10)	152	421
<b>Total</b>	<b>-1,463</b>	<b>-1,183</b>

**NOTE 13 Earnings per share**

There were no unconverted share options or convertible debt instruments in issue on the balance sheet date.

**Before and after dilution**

	2021	2020
Net profit/loss for the year	63,182	35,201
Weighted average number of ordinary shares in issue	8,218,611	8,218,611

**Earnings per share before and after dilution**

<b>(SEK per share)</b>	<b>7,69</b>	<b>4,28</b>
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**NOTE 15 Property, plant and equipment**

	Buildings and land	Plant and machinery	Equipment and tools	Construction in progress and advance payments for property, plant and equipment	Total
<b>January 1 – December 31 2020</b>					
Opening book value	50,860	26,346	20,719	45,338	143,263
Foreign exchange differences	-933	-167	-61	-	-1,161
Investments	1,975	8,557	1,307	9,590	21,429
Redistributions	-	38,787	756	-39,543	-
Disposals and retirements	-1,376	-1,654	1	-	-3,029
Depreciation/amortization	-8,672	-12,365	-4,915	-	-25,952
<b>Closing book value</b>	<b>41,854</b>	<b>59,504</b>	<b>17,807</b>	<b>15,385</b>	<b>134,550</b>
<b>As at December 31, 2020</b>					
Cost of acquisition	115,532	168,609	90,578	15,385	390,104
Accumulated depreciation and impairment	-73,678	-109,105	-72,771	-	-255,554
<b>Book value</b>	<b>41,854</b>	<b>59,504</b>	<b>17,807</b>	<b>15,385</b>	<b>134,550</b>
<b>January 1 – December 31 2021</b>					
Opening book value	41,854	59,504	17,807	15,385	134,550
Foreign exchange differences	480	14	82	-	576
Investments	38,008	21,981	1,473	32,220	93,682
Redistributions	399	9,464	72	-9,935	-
Disposals and retirements	-1,827	-278	-256	-	-2,361
Depreciation/amortization	-8,198	-14,905	-4,047	-	-27,150
<b>Closing book value</b>	<b>70,716</b>	<b>75,780</b>	<b>15,131</b>	<b>37,670</b>	<b>199,297</b>
<b>As at December 31, 2021</b>					
Cost of acquisition	103,950	197,026	91,102	37,670	429,748
Accumulated depreciation and impairment	-33,233	-121,247	-75,971	-	-230,451
<b>Book value</b>	<b>70,717</b>	<b>75,779</b>	<b>15,131</b>	<b>37,670</b>	<b>199,297</b>

Depreciation costs include SEK 20,156 (17,153) thousand in 'Cost of services sold', SEK 113 (110) thousand in 'Selling and marketing costs' SEK 6,822 (8,625) thousand in 'Administrative expenses' and SEK 60 (64) thousand in 'Research and development costs'. The value of finance leases capitalized as property, plant and equipment is presented in note 36.



**NOTE 16 Intangible assets**

	Goodwill	Patents	Software rights	Contractual customer relations and similar rights	Total
<b>January 1 – December 31 2020</b>					
Opening book value	187,911	3,327	4,723	1,289	197,250
Foreign exchange differences	-11,270	-357	-2	-39	-11,668
Investments	-	1,466	-	171	1,637
Redistributions	-	-	934	-934	-
Depreciation/amortization	-	-414	-2,097	-241	-2,752
<b>Closing book value</b>	<b>176,641</b>	<b>4,022</b>	<b>3,558</b>	<b>246</b>	<b>184,467</b>

**As at December 31, 2020**

	Goodwill	Patents	Software rights	Contractual customer relations and similar rights	Total
Cost of acquisition	209,271	10,190	10,621	15,657	245,739
Accumulated depreciation and impairment	-32,630	-6,168	-7,063	-15,411	-61,272
<b>Book value</b>	<b>176,641</b>	<b>4,022</b>	<b>3,558</b>	<b>246</b>	<b>184,467</b>

**January 1 – December 31 2021**

Opening book value	176,641	4,022	3,558	246	184,467
Foreign exchange differences	7,693	394	16	-11	8,092
Investments	-	444	72	-	516
Redistributions	-	-	-1,033	-	-1,033
Depreciation/amortization	-	-429	-1,846	-	-2,275
<b>Closing book value</b>	<b>184,334</b>	<b>4,421</b>	<b>777</b>	<b>235</b>	<b>189,767</b>

**As at December 31, 2021**

Cost of acquisition	217,581	11,343	6,157	15,938	251,019
Accumulated depreciation and impairment	-33,247	-6,922	-5,380	-15,703	-61,252
<b>Book value</b>	<b>184,334</b>	<b>4,421</b>	<b>777</b>	<b>235</b>	<b>189,767</b>

Contractual customer relations and similar rights consist mainly of customer relations/contracts as well as some tenancy rights. Depreciation of SEK 2,275 thousand (2,752) is included in "Cost of goods sold" in the income statement.

**Impairment tests for goodwill**

Goodwill is allocated to the Group's cash generating units (CGUs) identified by segment. A segment level summary of the goodwill allocation is presented below. The Group's goodwill in 2021 has been reallocated to better reflect how it arose in connection with two acquisitions. After this change goodwill of SEK 61.4 million remains in Waste Management Technology, while the remaining SEK 122.9 million is attributable to Decommissioning and Radiation Protection Services.

	2021	2020
Waste Management Technology	61,451	176,641
Decommissioning and Radiation Protection Services	122,883	-
<b>Total</b>	<b>184,334</b>	<b>176,641</b>

Goodwill is tested annually to identify any impairment loss. Acquired operations are integrated with other operations after acquisition. Impairment testing is therefore carried out at segment level. The segments are identified as cash generating units.

The cash-generating units' recoverable amount is based on value in use. These values are based on estimated future cash flows based on business plans for the next five years. The earnings forecast is based on the most recent budgets and forecasts adopted by the Board, as well as reasonable and verifiable assumptions that constitute Studsvik's best estimates of the economic conditions expected to apply during the forecast period. The management has established the budgeted gross margin on the basis of previous earnings and its expectations concerning market developments. The earnings forecast covers a maximum of five years. The rate of growth is estimated for each cash-generating unit on the basis of market position and development. Cash flows beyond the five-year period are extrapolated with an estimated annual rate of growth. A weighted cost of capital for borrowed capital and equity is applied as the discount rate, as presented below.

Material assumptions used for calculating value in use:

	Gross margin, %	Rate of growth after year 5, %	Discount rate, %
Decommissioning and Radiation Protection Services 2021	10.2	2.0	9.8
Waste Management Technology 2021	29.9	2.0	10.5
Waste Management Technology 2020	39.0	2.0	11.4

The cost of borrowed capital has been determined individually for each segment, thereby taking into consideration differences in market rates between the markets in which the various units operate. The cost of equity is calculated as the return on risk-free investments for each segment, plus a market risk premium. The weighted cost of capital used in calculating the recoverable amount is 14 (16) per cent before tax. Based on the assumptions and estimates made, there is no impairment loss on goodwill. Studsvik has also assessed the sensitivity of value in use to unfavorable changes in the most important assumptions concerning cash flows and discount rate. There are no other specific circumstances that have affected impairment testing.

**Sensitivity analysis**

Sensitivity analysis of the calculations for value in use was carried out for one assumption at a time. The recoverable amount for Waste Management Technology would be the same as the carrying amount if the major assumptions were changed as follows:

<i>Waste Management Technology</i>	2021		2020	
	From	To	From	To
Gross margin, %	30	5	39	33
Growth rate after year 5, %	2	-148	2	-1
Discount rate, %	11	33	11	14

<i>Decommissioning and Radiation Protection Services</i>	2021		2020	
	From	To	From	To
Gross margin, %	10	4	-	-
Growth rate after year 5, %	2	-18	-	-
Discount rate, %	10	20	-	-

**NOTE 17 Holdings in associated companies**

	2021	2020
<b>As at January 1</b>	<b>2,140</b>	<b>5,421</b>
Share in earnings	6,077	2,808
Dividend received from associated companies	-8,623	-5,423
Foreign exchange differences	406	-666
<b>As at December 31</b>	<b>0</b>	<b>2,140</b>

The Group's holding in UK Nuclear Waste Management Ltd. The ordinary shares are directly owned by the Group.

2020	Participating interest %	Valuation method
UK Nuclear Waste Management Ltd	0.0	Equity method
2021	Participating interest %	Valuation method
UK Nuclear Waste Management Ltd	15.0	Equity method

**Obligations and contingent liabilities**

There is an obligation to contribute capital to associated companies if necessary.

**Financial information for the Group's associated companies**

A financial summary of the Group's associated companies to which the equity method is applied is given below.

Balance sheet	UK Nuclear Waste Management Ltd*	
	2021	2020
<b>Current</b>		
Cash and cash equivalents	0	827
Other current assets	0	870
<b>Total current assets</b>	<b>0</b>	<b>1,698</b>
Financial liabilities (excluding trade payables)	-	-
Other current liabilities (including trade payables)	0	9,544
<b>Total current liabilities</b>	<b>0</b>	<b>9,544</b>
<b>Non-current</b>		
Non-current assets	0	22,113
<b>Total non-current assets</b>	<b>0</b>	<b>22,113</b>
Financial liabilities	-	-
Other non-current liabilities	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>0</b>	<b>14,267</b>
<b>Statement of comprehensive income</b>	<b>2021</b>	<b>2020</b>
Revenues	62,877	29,054
<b>Profit/loss before tax</b>	<b>40,513</b>	<b>18,720</b>
<b>Net profit/loss for the year</b>	<b>40,513</b>	<b>18,720</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>40,513</b>	<b>18,720</b>

The information above reflects the figures presented in the associated companies' financial statements adjusted for differences in accounting rules between the Group and the respective associated company.

\* UKNWM's financial year runs from April 1 to March 31. The figures are estimated on the basis of information available at the year-end closing in 2019 and 2020.

**Reconciliation of the financial information**

Reconciliation of the financial information to the carrying amount of the Group's participations in associated companies.

	UK Nuclear Waste Management Ltd	
	2021	2020
<b>Net assets as at January 1</b>	<b>14,267</b>	<b>36,140</b>
Net profit/loss for the year	40,513	18,720
Dividend	-57,487	-36,153
Foreign exchange differences	2,707	-4,440
<b>Net assets as at December 31</b>	<b>0</b>	<b>14,267</b>
Participating interest associated companies	0	2,140
<b>Carrying amount</b>	<b>0</b>	<b>2,140</b>

**NOTE 18 Holdings in joint ventures**

	2021	2020
<b>As at January 1</b>	<b>5,125</b>	<b>12,368</b>
Share in earnings	-226	621
Divestment	8,623	-
Dividend received from joint venture	-9,029	-7,490
Foreign exchange differences	-269	-374
Reclassifications	-	-
<b>As at December 31</b>	<b>4,224</b>	<b>5,125</b>

The Group's share in earnings of the joint ventures in which the company has interests, all of which are unlisted, and its share of assets (including goodwill and liabilities) is as follows.

		Non-current assets	Current assets	Current liabilities	Net assets	Revenue	Result	Participating interest
<b>2021</b>								
THOR Treatment Technologies, LLC	USA	-	607	201	407	-	-	50
KOBELCO STUDSVIK Co., Ltd	Japan	6,046	3,927	212	9,761	-	-308	49
ARGE SH KWO BIOSCHILD	Germany	-	-	-	-	-	0	50
<b>Total</b>		<b>6,046</b>	<b>4,534</b>	<b>412</b>	<b>10,167</b>	<b>-</b>	<b>-308</b>	
<b>2020</b>								
THOR Treatment Technologies, LLC	USA	-	387	2	385	-	-18	50
KOBELCO STUDSVIK Co., Ltd	Japan	6,482	3,984	214	10,252	-	-578	49
ARGE SH KWO BIOSCHILD	Germany	-	-	-	-	2,147	1,217	50
<b>Total</b>		<b>6,482</b>	<b>4,371</b>	<b>216</b>	<b>10,637</b>	<b>2,147</b>	<b>621</b>	

THOR Treatment Technologies, LLC (TTT) and KOBELCO STUDSVIK Co., Ltd, are joint ventures where Studsvik is a co-owner under a cooperation agreement on joint control. TTT conducts waste treatment operations on the US federal waste market. KOBELCO STUDSVIK Co., Ltd is a joint venture in Japan, focusing on design of facilities for treatment of Japanese radioactive waste. ARGE SH KWO BioSchild is a joint venture in Germany focusing on decommissioning of the biological shield and pool structures of the Obrigheim (KWO) nuclear power plant. The latter was completed during 2020.

**Obligations and contingent liabilities**

The Group has an obligation to contribute capital to TTT if necessary. The Group has no obligations regarding KOBELCO STUDSVIK Co., Ltd and ARGE SH KWO BioSchild.

**Financial information for the Group's joint ventures**

A summary is given below of the Group's joint venture companies in which the equity method is applied.

Balance sheet	KOBELCO STUDSVIK Co., Ltd		THOR Treatment Technologies, LLC		ARGE SH KWO Bioschild	
	2021	2020	2021	2020	2021	2020
<b>Current</b>						
Cash and cash equivalents	2,290	2,079	1,251	1,133	-	-
Other current assets	5,724	6,051	-	-	-	-
<b>Total current assets</b>	<b>8,014</b>	<b>8,130</b>	<b>1,251</b>	<b>1,133</b>	<b>-</b>	<b>-</b>
Other current liabilities (including trade payables)	433	436	401	363	-	-
<b>Total current liabilities</b>	<b>433</b>	<b>436</b>	<b>401</b>	<b>363</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>						
Non-current assets	12,339	13,228	-	-	-	-
<b>Total non-current assets</b>	<b>12,339</b>	<b>13,228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other non-current liabilities	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>19,920</b>	<b>20,922</b>	<b>850</b>	<b>770</b>	<b>-</b>	<b>-</b>
Share of net assets	9,761	10,252	425	385	-	-
Elimination of intra-group profit against share of equity	-6,084	-5,512	-	-	-	-
<b>Carrying amount</b>	<b>3,677</b>	<b>4,740</b>	<b>425</b>	<b>385</b>	<b>-</b>	<b>-</b>
<b>Statement of comprehensive income</b>						
Revenues	-	-	-	-	-	4,293
Interest income	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
<b>Profit/loss before tax</b>	<b>-645</b>	<b>-1,224</b>	<b>-</b>	<b>-37</b>	<b>-</b>	<b>2,434</b>
Income tax	17	44	-	1	-	-
<b>Net profit/loss for the year</b>	<b>-628</b>	<b>-1,180</b>	<b>-</b>	<b>-36</b>	<b>-</b>	<b>2,434</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-628</b>	<b>-1,180</b>	<b>-</b>	<b>-36</b>	<b>-</b>	<b>2,434</b>

The information above reflects the figures presented in THOR Treatment Technologies, LLC, KOBELCO STUDSVIK Co., Ltd, ARGE SH KWO BioSchild, financial statements adjusted for differences in accounting rules between the Group and the joint venture company.



### NOTE 19 Financial instruments by category

Accounting policies for financial instruments have been applied to the items below.

	Amortized cost	Assets at fair value through profit or loss	Total
<b>As at December 31, 2021</b>			
<i>Assets on the balance sheet</i>			
Trade and other receivables	292,507	–	292,507
Other financial instruments at fair value through profit or loss	–	40,762	40,762
Cash and cash equivalents	108,403	–	108,403
<b>Total</b>	<b>400,910</b>	<b>40,762</b>	<b>441,672</b>

	Amortized cost	Liabilities at fair value through profit or loss	Total
<i>Liabilities on the balance sheet</i>			
Trade and other payables	356,500	–	356,500
Liabilities to credit institutions	63,515	–	63,515
<b>Total</b>	<b>420,015</b>	<b>–</b>	<b>420,015</b>

Accounting policies for financial instruments have been applied to the items below.

	Amortized cost	Assets at fair value through profit or loss	Total
<b>As at December 31, 2020</b>			
<i>Assets on the balance sheet</i>			
Trade and other receivables	240,880	–	240,880
Other financial instruments at fair value through profit or loss	–	35,080	35,080
Cash and cash equivalents	75,153	–	75,153
<b>Total</b>	<b>316,033</b>	<b>35,080</b>	<b>351,113</b>

	Amortized cost	Liabilities at fair value through profit or loss	Total
<i>Liabilities on the balance sheet</i>			
Trade and other payables	232,452	–	232,452
Liabilities to credit institutions	99,957	–	99,957
<b>Total</b>	<b>332,409</b>	<b>–</b>	<b>332,409</b>

### NOTE 20 Credit quality of the financial assets

The credit quality of the financial assets can be assessed by referring to external credit ratings (if available) or to the counterparty's payment history.

	2021	2020
<i>Trade receivables</i>		
Counterparties without external credit rating		
– New customers (less than 6 months)	639	423
– Existing customers with no defaults in the past	113,796	116,079
– Existing customers with some delayed payments in the past	14,473	408
<b>Total</b>	<b>128,908</b>	<b>116,910</b>
<i>Loans to related parties</i>		
Existing related party with no previous defaults	–	1,664
<b>Total</b>	<b>–</b>	<b>1,664</b>
Repayment of loan to related parties was made during the year.		
<i>Bank balances</i>		
AA- and A+	108,403	75,153
<b>Total</b>	<b>108,403</b>	<b>75,153</b>



**NOTE 21 Trade and other receivables**

	2021	2020
Trade receivables	129,177	134,593
Less – Provision for impairment of receivables	–269	–17,683
<b>Trade receivables – net</b>	<b>128,908</b>	<b>116,910</b>
Loans to related parties (note 37)	–	1,664
Other non-current receivables	45,519	36,962
Service contracts in progress	43,602	44,300
The Studsvik fund	43,729	–
Tax assets	5,345	3,080
Other receivables	8,918	11,659
Prepaid expenses and accrued income		
– Accrued income	8,649	19,376
– Prepaid rent	2,122	439
– Prepaid insurance premiums	2,001	2,663
– Other prepaid expenses	3,714	3,827
<b>Total</b>	<b>292,507</b>	<b>240,880</b>
Long term portion	83,385	38,736
Current portion	209,122	202,144
<b>Total</b>	<b>292,507</b>	<b>240,880</b>

SEK 0 (1,664) million of the non-current receivables are receivables from related parties. The book value for trade and other receivables is the fair value, as the discount effect is deemed to be non-material.

The effective interest rate on non-current receivables is as follows:

	2021	2020
Loans to related parties (note 37)	–	1.7 %

As at December 31, 2021 trade receivables amounting to SEK 108,078 (57,358) thousand were overdue without any impairment loss being identified. These refer to a number of independent customers who have not had payment difficulties in the past. The Group applies the simplified method for calculating expected credit losses. The method means that expected losses during the entire life of the claim are used as the basis for trade receivables and contract assets. The expected credit loss levels are based on the customers' payment history. An age analysis of these trade receivables and contract assets is given below:

December 31, 2021	Not past due	Up to 3 months overdue	3-6 months overdue	More than 6 months overdue	Total
Expected loss level in %	0 %	0 %	0 %	0 %	
Carrying amount trade receivables gross	20,830	108,347	–	–	129,177
Carrying amount, contract assets, gross	43,602	–	–	–	43,602
Credit loss reserve	–	269	–	–	269

January 1, 2021	Not past due	Up to 3 months overdue	3-6 months overdue	More than 6 months overdue	Total
Expected loss level in %	0 %	26 %	17 %	78 %	
Carrying amount trade receivables gross	69,045	63,550	408	1,590	134,593
Carrying amount, contract assets, gross	44,300	–	–	–	44,300
Credit loss reserve	–	16,379	70	1,234	17,683

**NOTE 21 Trade and other receivables (cont.)**

The reserve for doubtful receivables amounted to SEK 269 (17,683) thousand as at December 31, 2021.

Carrying amounts of the Group's trade and other receivables by currency are as follows.

	2021	2020
SEK	207,070	138,426
EUR	43,008	71,217
GBP	1,047	1,530
USD	30,375	19,650
Other currencies	11,007	10,057
<b>Total</b>	<b>292,507</b>	<b>240,880</b>

Changes in the reserve for doubtful receivables:

	2021	2020
<b>As at January 1</b>	<b>–17,683</b>	<b>–248</b>
Translation difference	16	10
Provision for doubtful receivables	–1,838	–17,525
Receivables written down	18,080	–
Unused amounts reversed	1,156	80
<b>As at December 31</b>	<b>–269</b>	<b>–17,683</b>

Transfers to and reversals from reserves for doubtful receivables are included in the item 'Selling and marketing costs' in the income statement. Amounts stated in the depreciation account are normally written off when the Group is not expected to recover further cash funds. No impairment loss has been identified for any assets in other categories of trade and other receivables. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

**NOTE 22 Financial assets at fair value through profit or loss**

	2021	2020
Unlisted shareholdings	15,211	14,728
Capital insurance	18,547	16,539
Long-term bank deposits	7,004	3,813
<b>Total</b>	<b>40,762</b>	<b>35,080</b>

The statement of cash flows includes financial assets measured at fair value through profit or loss in the category 'Cash flow from operating activities' as part of the change in working capital. This does not, however, apply to bank deposits recorded as 'Cash flow from financing activities'.

**NOTE 23 Inventories**

	2021	2020
Raw material	–	–
Finished products	15,926	2,105
<b>Total</b>	<b>15,926</b>	<b>2,105</b>

The expensed expenditure for inventories is included under 'Cost of services sold' and amounts to SEK 612 (490) thousand.

**NOTE 24 Cash and cash equivalents**

	2021	2020
Short-term financial assets	2,864	–
Cash and bank balances	105,539	75,153
<b>Total</b>	<b>108,403</b>	<b>75,153</b>

**NOTE 25 Share capital and other contributed capital**

	Number of shares	Share capital	Other contributed capital
<b>As at January 1, 2020</b>	<b>8,218,611</b>	<b>8,219</b>	<b>225,272</b>
<b>As at December 31, 2020</b>	<b>8,218,611</b>	<b>8,219</b>	<b>225,272</b>
<b>As at January 1, 2021</b>	<b>8,218,611</b>	<b>8,219</b>	<b>225,272</b>
<b>As at December 31, 2021</b>	<b>8,218,611</b>	<b>8,219</b>	<b>225,272</b>

All shares are ordinary shares with a quotient value of 1.0. Number of shares in absolute figures.

**NOTE 26 Retained earnings**

<b>As at January 1, 2020</b>	<b>30,532</b>
Net profit/loss for the year	35,201
<b>As at December 31, 2020</b>	<b>65,733</b>
<b>As at January 1, 2021</b>	<b>65,733</b>
Net profit/loss for the year	63,182
Dividend	-8,219
<b>As at December 31, 2021</b>	<b>120,696</b>

**NOTE 27 Reserver**

All the items below may be reclassified in the income statement.

	Currency translation reserve	Hedging reserve	Total reserves
<b>As at January 1, 2020</b>	<b>38,434</b>	<b>-70</b>	<b>38,364</b>
Foreign exchange differences			
-Group	-24,590	-	-24,590
Cash flow hedges			
-Currency translation reserve	-	70	70
<b>As at December 31, 2020</b>	<b>13,844</b>	<b>-</b>	<b>13,844</b>
<b>As at January 1, 2021</b>	<b>13,844</b>	<b>-</b>	<b>13,844</b>
Foreign exchange differences			
-Group	18,881	-	18,881
Cash flow hedges			
-Currency translation reserve	-	-	-
<b>As at December 31, 2021</b>	<b>32,725</b>	<b>-</b>	<b>32,725</b>

**NOTE 28 Trade and other payables**

	2021	2020
Trade payables	50,043	33,374
Liabilities for work in progress	80,981	64,215
Social security and other taxes	9,251	18,628
Other liabilities	38,299	39,399
Accrued expenses and deferred income		
-Deferred income	1,632	1,655
-Accrued wages and salaries	38,865	31,548
-Accrued pension costs	29,938	28,613
-Accrued consulting and service costs	18,523	8,171
-Accrued audit fees	1,636	2,404
-Other items	2,696	4,445
<b>Total</b>	<b>271,864</b>	<b>232,452</b>
Long term portion	29,938	28,615
Current portion	241,926	203,837
<b>Total</b>	<b>271,864</b>	<b>232,452</b>

For liabilities referring to service contracts in progress in existence at the close of 2020, SEK 39 million was recognized in revenue in 2021.

**NOTE 29 Borrowings**

	2021	2020
<b>Long term portion</b>		
Bank loans	42,500	44,500
<b>Total</b>	<b>42,500</b>	<b>44,500</b>

<b>Current portion</b>		
Bank loans	21,015	55,457
<b>Total</b>	<b>21,015</b>	<b>55,457</b>
<b>Total borrowings</b>	<b>63,515</b>	<b>99,957</b>

The bank loan bears an interest margin of 2.60 per cent plus stibor 90 days and matures in its entirety on April 2, 2024.

**The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows**

	2021	2020
0-6 months	63,515	99,957
6-12 months	-	-
1-5 years	-	-
More than 5 years	-	-
<b>Total borrowings</b>	<b>63,515</b>	<b>99,957</b>

Shares in Studsvik Nuclear AB and Studsvik Scandpower AB and a corporate mortgage of SEK 100 million have been put up as collateral for the Group's bank loan and credit facilities.

Carrying amounts and fair value for non-current borrowing are presented below. The loans are at level 2 of the fair value hierarchy.

Maturities of borrowings	FAIR VALUE		CARRYING AMOUNT	
	2021	2020	2021	2020
Less than 1 year	21,015	55,457	21,015	55,457
Between 1 and 2 years	2,000	2,000	2,000	2,000
Between 2 and 5 years	40,500	42,500	40,500	42,500
More than 5 years	-	-	-	-
<b>Total</b>	<b>63,515</b>	<b>99,957</b>	<b>63,515</b>	<b>99,957</b>

**Carrying amounts, per currency, for the Group's borrowings**

	2021	2020
SEK	63,515	99,957
<b>Total</b>	<b>63,515</b>	<b>99,957</b>

**The Group has the following unutilized credit facilities**

	2021	2020
Variable interest rate		
- Matures within one year	80,985	46,543
<b>Total</b>	<b>80,985</b>	<b>46,543</b>

The lines of credit that mature within one year are one-year credit facilities that will be reviewed on varying dates in 2022.

**Average effective interest rate on balance sheet date, bank loans**

	2021	2020
SEK	2.72%	2.72%

**NOTE 30 Deferred tax**

Deferred tax assets and tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax refers to the same tax authority.

<b>Offset amounts</b>			<b>2021</b>	<b>2020</b>
<i>Deferred tax assets</i>				
Deferred tax assets to be utilized after more than 12 months			73,274	79,087
Deferred tax assets to be utilized within 12 months			12,329	1,948
<b>Total</b>			<b>85,603</b>	<b>81,035</b>
<i>Deferred tax liabilities</i>				
Deferred tax liabilities to be paid after more than 12 months			34,065	33,433
Deferred tax liabilities to be paid within 12 months			2,664	198
<b>Total</b>			<b>36,729</b>	<b>33,631</b>
<b>Deferred tax assets</b>	<b>Tax losses</b>	<b>Fair value gains</b>	<b>Other*</b>	<b>Total</b>
<b>As at January 1, 2020</b>	<b>88,150</b>	<b>18</b>	<b>3,249</b>	<b>91,417</b>
Recognized in the income statement	-2,983	-18	996	-2,005
Reposting to current tax	-66	-	-	-66
Translation differences	-8,311	-	-	-8,311
<b>As at December 31, 2020</b>	<b>76,790</b>	<b>-</b>	<b>4,245</b>	<b>81,035</b>
Recognized in the income statement	-3,805	-	845	-2,960
Reposting to current tax	-	-	-	-
Reclassifications	-	-	1,797	1,797
Translation differences	5,730	-	-	5,730
<b>As at December 31, 2021</b>	<b>78,715</b>	<b>-</b>	<b>6,887</b>	<b>85,603</b>
<b>Deferred tax liabilities</b>	<b>Tax losses</b>	<b>Fair value gains</b>	<b>Other*</b>	<b>Total</b>
<b>As at January 1, 2020</b>	<b>-</b>	<b>-</b>	<b>34,900</b>	<b>34,900</b>
Recognized in the income statement	-	-	-	-
Translation differences	-	-	-1,269	-1,269
<b>As at December 31, 2020</b>	<b>-</b>	<b>-</b>	<b>33,631</b>	<b>33,631</b>
Recognized in the income statement	-	-	2,353	2,353
Translation differences	-	-	745	745
<b>As at December 31, 2021</b>	<b>-</b>	<b>-</b>	<b>36,729</b>	<b>36,729</b>

\* Other deferred tax liabilities include deferred tax of SEK 36.7 (33.6) million referring to temporary differences from goodwill in the German operations. Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable. Most of the Group's tax loss carry forwards are related to the US and UK operations. They amount to a total of USD 103.9 (106.6) million, which restated at the balance sheet rate is SEK 891.1 (873.4) million, to be utilized within a 20-year period in the USA, and GBP 8.6 (9.3) million in the United Kingdom, which restated at the balance sheet rate is SEK 102.0 (102.7) million, where there is no time limit on the right to apply tax loss carry forwards. Apart from these, the Group has tax loss carry forwards in Germany of EUR 6.6 (5.9) million, which restated at the balance sheet rate amount to SEK 66.9 (58.9) million, and in Sweden of SEK 26.5 (54.6) million. The Group's recognized deferred tax assets include the USA, SEK 58.4 (51.6) million, Sweden, SEK 13.5 (15.5) million and Germany, SEK 13.7 (13.9) million.

**NOTE 31 Pension obligations****Defined benefit pension plans**

There are a few defined benefit pension plans within the Group, which primarily cover old-age pension. Qualification is based on the number of years within the pension plan and salary at the time of retirement. The pension obligations are secured through retirement benefit plans or similar or by the company. The largest of the plans is in Germany. Other pension obligations, which also exist in Germany and Japan, have not been regarded as having any material effect and have not been subject to actuarial calculation.

**Pension insurance with Alecta**

Commitments for old-age pension and family pension for employees in Sweden are safeguarded through insurance with Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan covering several employers. For the 2021 financial year the Group has not had access to such information as will make it possible to report this plan as a defined benefit plan. The pension plan under ITP, which is vested through insurance with Alecta, is therefore reported as a defined contribution plan. The year's contributions for pension insurance taken out with Alecta amount to SEK 4,033 (3,094) thousand. Alecta's surplus can be distributed to the policy holders and/or the insured. At the end of 2021 Alecta's surplus in the form of a collective solvency level was 172 (148) per cent. The collective solvency level comprises the market value of Alecta's assets as a percentage of its insurance commitments calculated in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19.

**NOTE 31 Pension obligations (cont.)**

	2021	2020
<i>Obligations in the balance sheet for</i>		
Pension benefits	10,005	10,120
<i>Recognition in the income statement for (note 9)</i>		
Pension costs	17,917	17,889
<b>Amounts recognized in the balance sheet</b>	<b>2021</b>	<b>2020</b>
Present value of unfunded obligations	10,005	10,120
<b>Total</b>	<b>10,005</b>	<b>10,120</b>
<b>Amounts recognized in the income statement</b>	<b>2021</b>	<b>2020</b>
<i>Defined benefit plans</i>		
Interest expense	0	42
<b>Total</b>	<b>0</b>	<b>42</b>

Of the total cost, SEK – (42) thousand was included in the items 'Cost of goods sold' and 'Administrative expenses'. The actual return on the plan assets was SEK – (–) thousand.

**Changes in the liability recognized in the consolidated balance sheet**

	2021	2020
<b>At the start of the year</b>	<b>10,120</b>	<b>10,388</b>
Translation differences	468	–270
Total expense recognized in the income statement	0	42
Contributions paid	–583	–40
<b>At the end of the year</b>	<b>10,005</b>	<b>10,120</b>

**Total pension costs recognized in the consolidated income statement**

	2021	2020
Total costs for defined benefit plans	0	42
Total costs for defined contribution plans	13,833	17,368
Costs of special employer's contribution and tax on returns from pension funds	4,084	479
<b>Total</b>	<b>17,917</b>	<b>17,889</b>

**Actuarial assumptions**

	2021	2020
Discount rate	0.9 %	0.7 %
Expected return on plan assets	1.0 %	1.0 %
Future salary increases	0.0 %	0.0 %
Future pension increases	1.0 %	1.0 %

**NOTE 32 Other provisions**

	Future waste management costs	Other Provisions	Total
<b>As at January 1, 2021</b>	<b>70,081</b>	<b>240</b>	<b>70,320</b>
Recognized as an expense in the consolidated income statement			
– Additional provisions	5,935	4,492	10,427
– Reversed provisions	–4,984	–	–4,984
Capitalized as property, plant and equipment		84,636	84,636
Transfers	7,310	–	7,310
Amount utilized during the period	–7,412	–	–7,412
<b>As at December 31, 2021</b>	<b>70,930</b>	<b>89,368</b>	<b>160,297</b>
Long term portion	64,612	87,190	151,802
Current portion	6,317	2,178	8,495
<b>Total</b>	<b>70,929</b>	<b>89,368</b>	<b>160,297</b>

**NOTE 32 Other provisions (cont.)**

	Future waste management costs	Other Provisions	Total
<b>As at January 1, 2020</b>	<b>85,686</b>	<b>1,645</b>	<b>87,330</b>
Recognized as an expense in the consolidated income statement			
– Additional provisions	11,905	–	11,905
– Reversed provisions	–11,138	–1,405	–12,543
Capitalized as property, plant and equipment			
Transfers	2,604	–	2,604
Amount utilized during the period	–18,976	–	–18,976
<b>As at December 31, 2020</b>	<b>70,081</b>	<b>240</b>	<b>70,320</b>
Long term portion	64,767	–	64,767
Current portion	5,313	240	5,553
<b>Total</b>	<b>70,080</b>	<b>240</b>	<b>70,320</b>

The Group's operations generate nuclear waste and radioactive waste which must be sent for final disposal within the framework of the systems and rules in force in the countries in which Studsvik carries on operations in its own production facilities. Provisions are made for operational waste, spent reactor fuel and also to some extent for decommissioning of facilities and the resulting decommissioning waste. The main part of the costs of decommissioning and decommissioning waste from the Group's Swedish nuclear facilities is financed, under the provisions of the Act on the Financing of Residual Products of Nuclear Power (2006:647). Fees paid in are administered by the Nuclear Waste Fund. The Group's total payments to the Nuclear Waste Fund amount to SEK 23,378 (25,105) thousand and are recorded as other receivables, see note 21. Funds for decommissioning and waste management may be withdrawn from the Fund by Studsvik, which holds the nuclear permit for the facilities in question. Studsvik's responsibility for decommissioning and waste management for its own nuclear facilities is limited to buildings, systems and components coming into existence after June 30, 1991. Studsvik estimates these commitments on a current basis and provision is made for them.

**Future waste management costs**

Future waste management costs cover provisions for operational waste and spent reactor fuel. Of the total provisions of SEK 70.9 million, SEK 6.3 million is expected to be utilized in 2022 and the rest is expected to be utilized successively and at the earliest starting in 2023.

**Other provisions**

Other provisions cover future costs for decommissioning and management of waste in connection with the decommissioning of the Studsvik facility. Of the total provisions of SEK 89.4 million, SEK 2.2 million is expected to be utilized in 2022. The remaining part of the provisions is expected to be utilized only in connection with decommissioning operations.

**NOTE 33 Cash flow**

Non-cash items	2021	2020	
Depreciation/amortization	29,425	28,704	
Impairment losses on property, plant and equipment	–	2,408	
Proceeds from sale of property, plant and equipment	–15,950	–	
Share in earnings from associated companies	–5,850	–3,429	
Revaluation of financial holdings	526	421	
Other changes in provisions	–474	–3,528	
<b>Total</b>	<b>7,677</b>	<b>24,576</b>	
<b>Reconciliation of items included in financing activities</b>	<b>Bank loans</b>	<b>Lease liabilities</b>	<b>Total</b>
<b>Liabilities as at January 1, 2020</b>	<b>123,095</b>	<b>18,946</b>	<b>142,041</b>
Cash flow	–23,138	–3,760	–26,898
Acquisitions - leases	–	–1,492	–1,492
Foreign exchange differences	–	–905	–905
<b>Liabilities as at December 31, 2020</b>	<b>99,957</b>	<b>12,789</b>	<b>112,746</b>
<b>Liabilities as at January 1, 2021</b>	<b>99,957</b>	<b>12,789</b>	<b>112,746</b>
Cash flow	–36,442	–6,950	–43,392
Acquisitions - leases	–	5,548	5,548
Foreign exchange differences	–	263	263
<b>Liabilities as at December 31, 2021</b>	<b>63,515</b>	<b>11,650</b>	<b>75,165</b>



**NOTE 34 Contingent liabilities and pledged assets**

The Group has contingent liabilities in respect of bank guarantees and other guarantees as well as other items arising in the normal course of business. No material liabilities are expected to arise through these contingent liabilities. In the normal course of business the Group has issued guarantees amounting to SEK 43,910 ( 38,527) thousand to third parties. No further payments are expected as at the date of these financial statements.

Pledged assets	2021	2020
Real estate mortgage	40,000	40,000
Corporate mortgage	100,000	100,000
Shares in subsidiaries	491,713	701,623
<b>Total</b>	<b>631,713</b>	<b>841,623</b>

**NOTE 35 Commitments****CAPITAL COMMITMENTS**

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2021	2020
Property, plant and equipment	1,200	2,985
Intangible assets	–	–
<b>Total</b>	<b>1,200</b>	<b>2,985</b>

**NOTE 36 Rights of use****COMMITMENTS REGARDING LEASES**

Studsvik applies IFRS 16 from January 1, 2019, using the simplified transition method. An exemption is made for contracts with a shorter maturity than 1 year and contracts whose value is less than USD 5,000.

**FINANCE LEASE COMMITMENTS**

Lease expenses for finance leases for the year amounted to SEK 9,287 (8,340) thousand.

**Future aggregate minimum lease payments**

	2021	2020
Within 1 year	6,559	7,340
Between 1 and 5 years	6,707	6,130
More than 5 years	–	–
<b>Total</b>	<b>13,266</b>	<b>13,470</b>

**LEASES**

Carrying amounts on the balance sheet

Right of use assets	2021	2020
Land and buildings	2,923	8,444
Plant and machinery	9,490	5,110
<b>Total</b>	<b>12,413</b>	<b>13,554</b>
Lease liabilities	2021	2020
Current	6,973	7,158
Non-current	4,676	5,631
<b>Total</b>	<b>11,649</b>	<b>12,789</b>

Lease liabilities are recognized in the balance sheet under the Item 'Trade and other payables'. Additional rights of use in 2021 amounted to SEK 8,950 (6,006) thousand, which mainly refers to new premises and vehicles.

	Buildings and land	Plant and machinery	Total
<b>January 1 – December 31 2020</b>			
<b>Opening book value</b>	<b>15,155</b>	<b>4,676</b>	<b>19,831</b>
Foreign exchange differences	–932	–75	–1,007
Investments	1,525	4,481	6,006
Disposals and retirements	–1,375	–908	–2,283
Depreciation/amortization	–5,929	–3,064	–8,993
<b>Closing book value</b>	<b>8,444</b>	<b>5,110</b>	<b>13,554</b>

**NOTE 36 Rights of use (cont.)**

	Buildings and land	Plant and machinery	Total
<b>January 1 – December 31 2021</b>			
<b>Opening book value</b>	<b>8,444</b>	<b>5,110</b>	<b>13,554</b>
Foreign exchange differences	307	19	326
Investments	724	8,226	8,950
Disposals and retirements	–1,686	–122	–1,808
Depreciation/amortization	–4,866	–3,743	–8,608
<b>Closing book value</b>	<b>2,923</b>	<b>9,490</b>	<b>12,413</b>

Carrying amounts in the income statement

Amortization on rights of use	2021	2020
Land and buildings	–4,866	–5 929
Plant and machinery	–3,743	–3 064
<b>Total</b>	<b>–8,608</b>	<b>–8 993</b>

Interest expense (included in financial expense)	–281	–422
Expenditure referring to current leases (included in costs of services sold and administrative expenses)	–1,008	–1 593
Expenditure referring to leases for which the underlying asset is of low value (included in costs of services sold and administrative expenses)	–2,602	–816

The total cash flow for leases in 2021 was SEK 9,056 (6,157) thousand.

**NOTE 37 Transactions with related parties**

Studsvik, Inc. owns 50 percent of THOR Treatment Technologies, LLC (TTT). In accordance with a "Joint Venture Operating Agreement", the owners are to provide management, technical and marketing services to TTT. Studsvik owns 15 per cent of UK Nuclear Waste Management Ltd (NWM), where Studsvik, in a consortium together with other partners, is to manage and operate a repository for low level radioactive waste in the United Kingdom. Studsvik AB owns 49 per cent of KOBELCO STUDSVIK Co. Ltd, a joint venture in Japan, focusing on design of facilities for treatment of Japanese waste.

Related party transactions	2021	2020
<i>Sale of services</i>		
– UK Nuclear Waste Management Ltd	180	–
– KOBELCO STUDSVIK Co., Ltd	8,354	18
– ARGE SH KWO BioSchild	–	–
<i>Reported receivables from related parties</i>		
– ARGE SH KWO BioSchild	–	–
Provision for doubtful trade receivables	–	–
Impairment loss on trade receivables	–	–
<b>Total costs referring to provisions and impairment losses recognized in the income statement</b>	<b>–</b>	<b>–</b>
<i>Loans receivable from related parties</i>		
– UK Nuclear Waste Management Ltd	0	1,664

Under an agreement with the owners the services are supplied on a commercial basis.

There have been no transactions with other related parties, besides remuneration to the Board of Directors, President and senior management. Remuneration to the Board of Directors, President and senior management is described in note 38.

Studsvik holds 79 per cent of Studsvik Scandpower, Inc. The remaining 21 per cent is held by a private individual previously employed by the company. Studsvik owns 91 per cent of Studsvik Scandpower AB and its subsidiary Studsvik Scandpower GmbH. The remaining 9 per cent is held by the minority shareholder of Studsvik Scandpower, Inc.

The owners have agreed on how share transfers are to take place in the event of one of the parties wishing to relinquish or increase their holdings in the two companies. Studsvik can only increase its ownership through acquisition of the entire minority holding. The acquisition must be at market price. An acquisition must cover both companies. If the minority wishes to relinquish its ownership, the shares must be offered to Studsvik at market price. The market price will be determined by an independent valuation institute. In a situation where Studsvik AB wishes to relinquish its holding the minority has an option to acquire 12 per cent of the shares in Studsvik Scandpower AB at book value of equity.

**NOTE 38 Information on the Board of Directors and senior management**

Salaries and other benefits, 2021	Basic salary/ Board fee	Committee fee	Variable Remuneration	Other benefits	Pension cost	Other remuneration	Total
Chair of the Board							
– Anders Ullberg	650	75	–	–	–	–	725
Members of the board (6)							
– Jan Barchan	225	–	–	–	–	–	225
– Anna Karinen	225	–	–	–	–	–	225
– Erik Strömqvist***	113	38	–	–	–	–	150
– Peter Gossas**	113	75	–	–	–	–	188
– Agneta Nestenborg	225	112	–	–	–	–	337
Employee representatives* (4)	–	–	–	–	–	–	–
President	2,945	–	705	99	808	0	4,557
Other senior management (6)	8,446	–	1,971	375	1,278	0	12,070
<b>Total</b>	<b>12,941</b>	<b>300</b>	<b>2,676</b>	<b>474</b>	<b>2,086</b>	<b>0</b>	<b>18,477</b>

\* Two ordinary members and two alternates.

Salaries and other benefits, 2020	Basic salary/ Board fee	Committee fee	Variable Remuneration	Other benefits	Pension cost	Other remuneration	Total
Chair of the Board							
– Anders Ullberg	650	75	–	–	–	–	725
Members of the board (6)							
– Jan Barchan	225	–	–	–	–	–	225
– Anna Karinen	225	–	–	–	–	–	225
– Peter Gossas	225	150	–	–	–	–	375
– Agneta Nestenborg	225	75	–	–	–	–	300
Employee representatives* (4)	–	–	–	–	–	–	–
President	2,571	–	–	87	752	–	3,410
Other senior management (4)	7,101	–	204	548	1,649	–	9,502
<b>Total</b>	<b>11,222</b>	<b>300</b>	<b>204</b>	<b>635</b>	<b>2,401</b>	<b>–</b>	<b>14,762</b>

\* Two ordinary members and two alternates. \*\* Resigned on June 23, 2021. \*\*\* Elected on June 23, 2021.

**Remuneration to the board of directors and other senior management**

	2021	2020
<i>Parent company</i>		
Salaries, benefits and other remuneration	6,883	6,313
– Of which variable remuneration	705	–
Pensions	1,004	1,239
Number of persons	7	7
<i>Subsidiaries</i>		
Salaries, benefits and other remuneration	10,417	6,047
– Of which variable remuneration	1,971	204
Pensions	1,082	1,161
Number of persons	5	3
<i>Group</i>		
Salaries, benefits and other remuneration	17,300	12,360
– Of which variable remuneration	2,676	204
Pensions	2,086	2,400
Number of persons	12	10

**Principles**

In 2021 the members of the Board of Directors did not receive any remuneration in addition to the Board and Committee fees.

**Variable remuneration**

The President has the right to variable remuneration. The forms of the variable salary component are established annually. Variable remuneration of SEK 705 thousand was paid for 2021. The variable salary component for other senior management for 2021 is based on outcomes related to individually specified targets at both Group and unit level. For 100 per cent target fulfillment in all parameters a variable salary component is payable of 30 percent of the basic salary.

**Other benefits and remuneration**

Other benefits reported are company car, meal subsidies and other benefits such as health care. Other remuneration consists of severance pay.

**Financial instruments**

Under current employment contracts there are no share-based payments.

**Pension**

The pensionable age of the President is 65 years. Apart from statutory national pension she has a defined contribution pension plan to which the company pays in a monthly pension premium equivalent to 30 per cent of fixed monthly salary. For other members of the Executive Group Management a pension is payable as a rule from the age of 65. Swedish members of the Executive Group Management are included in the ITP plan and have a defined contribution pension of a maximum of 35 per cent of fixed salary. National defined contribution pension plans apply to Executive Group Management members outside Sweden.

**Termination and severance pay**

The President's period of notice is 6 months for his own termination of employment

and 12 months for termination by the company. In the case of termination of employment by the company, salary is payable during the period of notice as well as an additional monthly severance payment for 9 months after termination of employment, though no longer than until retirement age. The monthly severance payment will be equivalent to the fixed monthly salary received during the period of notice. Deduction is made for any salary from a new employer. For other members of the group executive management, the main rule is that the period of notice is 6 months when employment is terminated by the employee and 6 months when terminated by the company. In the case of termination of employment by the company, salary is payable during the period of notice as well as an additional severance payment of up to 6 months' salary.

**NOTE 39 Events after the close of the reporting period**

The ongoing armed conflict between Russia and Ukraine risks affecting business in Fuel and Materials Technology. In the short term this risk will be managed by re-prioritizing other customer projects.

**NOTE 40 Reconciliations of key figures and ratios**

Amounts in SEK million	2021	2020
<b>Return on capital employed</b>		
Profit/loss after financial items	77.6	41.3
Financial costs according to the income statement	8.4	6.0
<b>Total</b>	<b>86.0</b>	<b>47.3</b>
Balance sheet total	760.5	808.2
Provisions and other non-current liabilities	–137.1	–155.9
Non-interest bearing current liabilities	–210.0	–226.4
<b>Opening capital employed</b>	<b>413.4</b>	<b>425.9</b>
Balance sheet total	936.5	760.5
Provisions and other non-current liabilities	–141.3	–137.1
Non-interest bearing current liabilities	–257.2	–210.0
<b>Closing capital employed</b>	<b>538.0</b>	<b>413.4</b>
<b>Average capital employed</b>	<b>475.7</b>	<b>419.7</b>
<b>Return on capital employed</b>	<b>18.1</b>	<b>11.3</b>
<b>Return on equity</b>		
Net profit/loss for the year	63.2	35.2
<b>Total</b>	<b>63.2</b>	<b>35.2</b>
Opening equity	313.4	302.8
Closing equity	387.3	313.4
<b>Return on equity</b>	<b>18.0</b>	<b>11.4</b>
<b>Net debt</b>		
2021		2020
Current borrowing	21.0	55.5
Non-current borrowing	42.5	44.5
<b>Total debt</b>	<b>63.5</b>	<b>100.0</b>
Cash and cash equivalents	108.4	75.2
<b>Net debt</b>	<b>–44.9</b>	<b>24.8</b>

Definitions of key figures and ratios are presented on page 83.

# NOTES TO THE PARENT COMPANY ACCOUNTS

For the parent company's accounting policies, see note 1.24.

## NOTE 41 Net sales

Net sales by geographical market	2021	2020
Sweden	6,489	4,101
Europe, not including Sweden	5,793	4,984
Asia	0	6
North America	1,733	1,989
<b>Total</b>	<b>14,015</b>	<b>11,080</b>

## NOTE 42 Employee benefits

	2021		2020	
	Salaries and other remuneration (of which variable remuneration)	Social security expenses (of which pension costs)	Salaries and other remuneration (of which variable remuneration)	Social security expenses (of which pension costs)
Board of Directors and President	4,442 (792)	1,995 (808)	4,421 (-)	2,014 (935)
Other employees	6,320 (262)	2,501 (609)	4,784 (-)	6,083 (4,960)
<b>Total</b>	<b>10,762 (1,054)</b>	<b>4,456 (1,417)</b>	<b>9,205 (-)</b>	<b>8,097 (5,895)</b>

## NOTE 43 Costs by nature of expense

	2021	2020
Purchases of material and services	12,896	14,036
Staff costs	14,624	17,485
Depreciation/amortization	-	467
<b>Total</b>	<b>27,520</b>	<b>31,988</b>

Services include fees and remuneration to accounting firms as follows:

	2021	2020
<i>PricewaterhouseCoopers AB</i>		
Audit assignments	267	851
Other services	229	210
<b>Total</b>	<b>496</b>	<b>1,061</b>
<i>KPMG AB</i>		
Audit assignments	802	-
Other services	-	-
<b>Total</b>	<b>802</b>	<b>-</b>

Audit assignments refer to the examination of the annual accounts, the accounting records and the administration by the Board of Directors and the President. It also includes other duties that are incumbent on the company's auditors as well as advisory services and other types of support as a result of observations made through such an examination or the performance of such duties.

## NOTE 44 Depreciation

	2021		2020	
	According to plan	Book	According to plan	Book
Equipment and tools	0	0	467	467
<b>Total</b>	<b>0</b>	<b>0</b>	<b>467</b>	<b>467</b>

## NOTE 45 Other operating income and expenses

Other operating income	2021	2020
Financial assets at fair value through profit or loss		
- Fair value gains	483	29
Foreign exchange gains	477	34
<b>Total</b>	<b>960</b>	<b>63</b>

Other operating expenses	2021	2020
Foreign exchange losses	-97	-358
<b>Total</b>	<b>-xxx</b>	<b>-358</b>

## NOTE 46 Operating leases

	2021	2020
Maturity within one year	67	260
Maturity after one year but within five years	30	222
Maturity after five years	-	-
<b>Total</b>	<b>97</b>	<b>482</b>

The parent company's leases mainly refer to vehicles with traditional terms and conditions.

## NOTE 47 Result from investments in group companies

	2021	2020
Dividend from group companies	0	140,000
Result of recognition of impairment loss on shares in subsidiary	-	-
<b>Total</b>	<b>0</b>	<b>140,000</b>

## NOTE 48 Interest income and similar income items

	2021	2020
Interest	9,021	10,452
Exchange rate differences	10,905	-
<b>Total</b>	<b>19,926</b>	<b>10,452</b>

*Of which in respect of Group companies*

Interest	9,019	10,306
<b>Total</b>	<b>9,019</b>	<b>10,306</b>

## NOTE 49 Interest expense and similar income items

	2021	2020
Interest	4,763	6,329
Other financial expense	-	-
Exchange rate differences	-	14,205
<b>Total</b>	<b>4,763</b>	<b>20,534</b>

*Of which in respect of Group companies*

Interest	1,716	2,785
<b>Total</b>	<b>1,716</b>	<b>2,785</b>

## NOTE 50 Appropriations

	2021	2020
Group contributions received	73,707	28,305
<b>Total</b>	<b>73,707</b>	<b>28,305</b>

## NOTE 51 Income tax

	2021	2020
<i>Current tax</i>		
Current tax on profit for the year	-4,465	-521
<b>Total</b>	<b>-4,465</b>	<b>-521</b>

*Deferred tax*

Origination and reversal of temporary differences	-10,590	1,016
<b>Total</b>	<b>-10,590</b>	<b>1,016</b>
<b>Total income tax</b>	<b>-15,055</b>	<b>495</b>

	Deferred tax asset
<b>As at January 1, 2020</b>	<b>15,492</b>
Recognized in the income statement	657
Tax loss carry-forwards utilized	-11,247
<b>As at December 31, 2020</b>	<b>4,902</b>

**NOTE 51 Income tax (cont.)**

The Swedish income tax rate is 20.6 (21.4) per cent. The income tax on the parent company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate for profits as follows.

	2021	2020
Profit/loss before tax	76,228	137,020
Tax at current tax rate	-15,703	-29,322
Non-taxable revenue	108	29,965
Non-deductible expenses	-117	-1,164
Revaluation to new tax rate	-124	-112
Tax loss carry-forwards utilized	11,247	-
Tax referring to temporary differences	-10,466	1,128
<b>Effective tax</b>	<b>-15,055</b>	<b>495</b>

**NOTE 52 Non-current intangible assets**

	2021	2020
<i>Equipment and tools</i>		
Opening cost of acquisition	3,505	3,505
<b>Closing accumulated cost of acquisition</b>	<b>3,505</b>	<b>3,505</b>
Opening depreciation	-3,505	-3,038
Depreciation for the year	-	-467
<b>Closing accumulated depreciation</b>	<b>-3,505</b>	<b>-3,505</b>
<b>Closing residual value according to plan</b>	<b>-</b>	<b>-</b>

**NOTE 53 Non-current financial assets**

	2021	2020
<i>Shares in subsidiaries</i>		
Opening cost of acquisition	1,044,142	1,044,185
Shareholders' contributions	-	-
Investment in subsidiaries	-	-
Sale of subsidiaries	-	-43
<b>Closing cost of acquisition</b>	<b>1,044,142</b>	<b>1,044,142</b>
Opening impairment losses	-775,051	-775,051
Impairment losses for the year	-	-
<b>Closing impairment losses</b>	<b>-775,051</b>	<b>-775,051</b>
<b>Closing value</b>	<b>269,091</b>	<b>269,091</b>

	2021	2020
<i>Interests in joint ventures</i>		
Opening cost of acquisition	12,072	12,072
<b>Closing cost of acquisition</b>	<b>12,072</b>	<b>12,072</b>
	<b>Number</b>	<b>Nominal value</b>
	3,000	98.000 YEN
		<b>Participation</b>
		49 %
	<b>Book value 31/12/21</b>	<b>Book value 31/12/20</b>
KOBELCO	12,072	12,072
STUDSVIK Co., Ltd		

	2021	2020
<i>Receivables from subsidiaries</i>		
Loans to Studsvik Holding, Inc. Group		
– Opening cost of acquisition	96,140	101,655
– New loans	10,730	7,000
– Change in accrued interest	4,321	814
– Credit risk reserve	-1,800	-
– Foreign exchange differences	10,771	-13,329
<b>Closing value</b>	<b>120,162</b>	<b>96,140</b>

**NOTE 53 Non-current financial assets (cont.)**

	2021	2020
<i>Loan to Studsvik Ltd</i>		
– Opening cost of acquisition	14,417	12,210
– Repayment received	-7,167	-
– New loans	0	3,558
– Change in accrued interest	-4	2
– Conversion to shareholders' contribution	-	-
– Impairment loss	-	-
– Credit risk reserve	-900	-
– Foreign exchange differences	1,275	-1,353
<b>Closing value</b>	<b>7,621</b>	<b>14,417</b>

	2021	2020
<i>Loan to Studsvik GmbH</i>		
– Opening cost of acquisition	107,015	114,738
– Repayment received	-13,242	-3,269
– Change in accrued interest	-9,816	-
– Credit risk reserve	-1,300	-
– Foreign exchange differences	1,613	-4,454
<b>Closing value</b>	<b>84,270</b>	<b>107,015</b>

*Financial assets measured at fair value through profit or loss*

	2021	2020
<i>Unlisted shareholdings</i>		
– Opening cost of acquisition	14,728	14,703
– Revaluation to fair value	483	25
<b>Closing value</b>	<b>15,211</b>	<b>14,728</b>

	2021	2020
<i>Capital insurance</i>		
– Opening cost of acquisition	16,539	15,180
– Items added	333	295
– Reposting to current asset	-561	-42
– Items deducted	-508	-43
– Revaluation to fair value	2,744	1,149
<b>Closing value</b>	<b>18,547</b>	<b>16,539</b>

**NOTE 54 Prepaid expenses and accrued income**

	2021	2020
Prepaid pension premiums	71	84
Prepaid software licenses	207	222
Other	131	130
<b>Total</b>	<b>409</b>	<b>436</b>



**NOTE 55 Shares and investments in subsidiaries**

	Share of equity, %	Share of voting rights, %	Number of participations/shares	Nominal value	Book value	Equity	Profit/loss for the year
<i>Parent company's holdings</i>							
Studsvik Holding, Inc.	100	100	2,000	KUSD 25,372	24,042	569,164	-4,290
Studsvik Nuclear AB	100	100	5,000	KSEK 50,000	223,400	308,678	-922
Studsvik Scandpower, Inc.	79	79	1,503	KUSD 149	984	48,821	-2,351
Studsvik Scandpower AB	91	91	1,000	KSEK 91	603	28,666	-20,328
Studsvik Japan Ltd	100	100	10,000	KJPY 10,000	373	2,933	399
Studsvik Germany GmbH	100	100		KEUR 26	241	34,658	-3,549
Studsvik Verwaltungs GmbH	100	100		KEUR 26	261	2,751	132
Studsvik Instrument Systems AB	100	100	17,000	KSEK 17,000	18,106	18,106	0
Studsvik Limited	100	100	1,000,000	KSEK 1,000	-	-9,904	7,269
Studsvik Engineering Technology (Beijing) Co., Ltd.	100	100		KEUR 100	1,081	1,593	-15
<b>Total</b>					<b>269,091</b>		

**Information on subsidiaries' corporate identity numbers and registered offices**

	Corporate identity number	Registered office
Studsvik Nuclear AB	556051-6212	Nyköping, Sweden
Studsvik Scandpower, Inc.	36-3088916	Wilmington, USA
Studsvik Scandpower AB	556137-8190	Nyköping, Sweden
Studsvik Scandpower GmbH	HRB 4839	Norderstedt, Germany
Studsvik Suisse AG	CH400.3.036.599-0	Fischbach-Göslikon, Switzerland
Studsvik Japan Ltd	-	Osaka, Japan
Studsvik Holding, Inc.	35-3481732	Atlanta, USA
Studsvik, Inc.	36-2999957	Atlanta, USA
RACE Holding, LLC	20-2472653	Atlanta, USA
Studsvik Germany GmbH	HRB 504467	Mannheim, Germany
Studsvik Verwaltungs GmbH	HRB 504468	Mannheim, Germany
Studsvik GmbH & Co. KG	HRA 503411	Mannheim, Germany
Studsvik Instrument Systems AB	556197-1481	Nyköping, Sweden
Studsvik Waste Management Technology AB	559019-2448	Nyköping, Sweden
Studsvik Limited	9660060	Gateshead, England
Studsvik Engineering Technology (Beijing) Co., Ltd.	911101 05MA01K Y4A74	Peking, China

**NOTE 56 Liabilities to credit institutions**

	2021	2020
<i>Bank loans</i>		
Long term portion	42,500	44,500
Current portion	2,000	2,000
<b>Total</b>	<b>44,500</b>	<b>46,500</b>
<i>Bank overdraft facility</i>		
Long term portion	-	-
Current portion	19,015	53,457
<b>Total</b>	<b>19,015</b>	<b>53,457</b>
<b>TOTAL</b>	<b>63,515</b>	<b>99,957</b>

**NOTE 57 Accrued expenses and deferred income**

	2021	2020
Holiday pay liability	993	1,193
Accrued wages and salaries	2,099	1,582
Accrued social security contributions	779	691
Other	1,084	621
<b>Total</b>	<b>4,955</b>	<b>4,087</b>

**NOTE 58 Pledged assets**

	2021	2020
Shares in subsidiaries	248,547	248,547
Floating charges	100,000	100,000
<b>Total</b>	<b>348,547</b>	<b>348,547</b>

Shares in Studsvik Nuclear AB and Studsvik Scandpower AB have been put up as collateral for bank loans. Shares in Studsvik Germany GmbH, Studsvik Wervaltungs GmbH and Studsvik Holding Inc. have been put up as collateral for future waste management costs.

**NOTE 59 Contingent liabilities**

	2021	2020
Contingent liabilities referring to insurance	4,746	4,742
<b>Total</b>	<b>4,746</b>	<b>4,742</b>

In addition, the parent company has made a guarantee commitment for a subsidiary as for its own debt.

**NOTE 60 Cash flow from operating activities**

Non-cash items	2021	2020
Depreciation/amortization	-	467
Fair value gains	-	70
Other items	607	3,999
<b>Total</b>	<b>607</b>	<b>4,536</b>

**NOTE 61 Transactions with related parties****Intra-Group purchases and sales**

The percentage of the year's purchases and sales referring to other companies within the Studsvik Group is presented below.

	2021	2020
Purchases	30%	25%
Sales	100%	100%

The same pricing principles are applied to purchases and sales between group companies as apply to transactions with external parties.

**NOTE 62 Number of employees**

	2021	2020
Women	1	3
Men	1	1
<b>Total</b>	<b>2</b>	<b>4</b>

Board members and senior management executives	2021		2020	
	Number on balance sheet date	Of which men	Number on balance sheet date	Of which men
Board members	7*	4	7*	4
President and other senior management	2	1	2	1

\* The number of board members only refers to ordinary members.

**Agreements on severance payments and other commitments to Board members and the President**

The President's period of notice is 6 months for his own termination of employment and 12 months for termination by the company. In the case of termination of employment by the company, salary is payable during the period of notice as well as an additional severance payment equivalent to 9 months' salary. See note 38.

**NOTE 63 Investment in subsidiaries**

	2021	2020
Investment in subsidiaries	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



The consolidated income statement and balance sheet will be presented at the Annual General Meeting on April 26, 2022 for adoption.

The Board of Directors and the President certify that the consolidated accounts have been prepared in accordance with international financial reporting standards, IFRS, as adopted by the EU, and give a true and fair view of the Group's financial position and performance. The annual accounts have been prepared in accor-

dance with generally accepted accounting principles and give a true and fair view of the parent company's financial position and performance.

The administration report for the Group and parent company provides a fair review of the development of the Group's and the parent company's business, financial position and performance and describes significant risks and uncertainties faced by the parent company and the companies that are part of the Group.

Nyköping, March 11, 2022

Anders Ullberg  
Chair

Anna Karinen  
Vice Chair

Jan Barchan  
Member

Erik Strömqvist  
Member

Agneta Nestenborg  
Member

Jitka Zakova  
Employee representative

Per Ekberg  
Employee representative

Camilla Hoflund  
President/CEO

Our auditor's report was submitted on March 11, 2022  
KPMG AB

Helena Arvidsson Älgne  
Authorized public accountant

# AUDITOR'S REPORT

To the General Meeting of Shareholders of Studsvik AB (publ),  
corporate identity number 556501-0997

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Studsvik AB (publ) for 2021 with the exception of the corporate governance report on pages 74-77 and the sustainability report on pages 22-33. The company's annual accounts and consolidated accounts are included on pages 10-21 and 34-68 of 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 the parent company as at December 31, 2021 and of its financial performance and its cash flows 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 at December 31, 2021 and of its 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 include the corporate governance report on pages 74-77 and the sustainability report on pages 22-33. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the General Meeting adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the Group.

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to Article 5 of the Audit Regulation (537/2014), 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 audit opinions.

### Other disclosures

The audit of the annual accounts and consolidated accounts for 2020 was conducted by another auditor who issued an auditor's report dated March 8, 2021 with unmodified opinions in the Report on the annual accounts and consolidated accounts.

### Key audit matters

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

### Valuation of deferred tax assets referring to tax losses

See Note 30 and accounting policies on page 46, Note 1.18 in the annual accounts and consolidated accounts for detailed information and a description of this matter.

#### Description of matters

The consolidated balance sheet includes the asset 'Deferred tax asset'. At the close of the financial year it was SEK 79 (81) million, corresponding to 8 per cent of the balance sheet total. The asset is attributable to historical carry-forward of unused tax losses in the USA, Sweden and Germany which the company management expects to be able to use against future taxable profit.

Estimates of future taxable profit require both assessment and interpretation of tax legislation and estimation of future market conditions.

With reference to the fact that the carrying amount of the deferred tax assets is based on assessments of applicable law and future profit, there is a risk that the value may be overestimated or underestimated and each adjustment of the value has a direct impact on the profit for the period and therefore the valuation of the carry-forward of unused tax losses constitutes a key audit matter.

#### How the matter was addressed in the audit

We have examined whether the management's estimate of the carrying amount of deferred tax assets referring to tax loss carry forwards is based on the Group's approved/adopted budgets and forecasts.

We have checked that the assumptions used in these budgets and forecasts are in accordance with the management's strategic plans and intentions and evaluated whether they are realistic on the basis of our knowledge of the business. The evaluation was made through analysis of how well previous years' assumptions have been realized and we challenged management concerning the forecasts prepared. We have also discussed with management the changes and circumstances included in the forecasts.

We also tested the mathematical correctness of the calculations as well as assessing the underlying facts and circumstances presented in the disclosures in the annual report and assessed whether the information is sufficiently detailed to understand the management's assessments.



### Valuation of consolidated goodwill

See Note 16 and accounting policies on page 45, Note 1.6 in the annual accounts and consolidated accounts for detailed information and a description of this matter.

#### Description of matter

As at December 31, 2021, the Group reports goodwill of SEK 184 million, which is 22 per cent of the balance sheet total. Goodwill is attributable to the business areas Decommissioning and Radiation Protection Services, SEK 123 million, and Waste Management Technology, SEK 61 million. At least every year, goodwill must be subject to impairment testing, which contains both complexity and considerable elements of assessments by management.

Under current regulations, testing must be carried out in accordance with a particular technique, where the management must make predictions about both internal and external business conditions and plans. Examples of such predictions are future cash flows, which require assumptions on future market conditions, among other things. Another important assumption is of the discount rate that should be used to take into account that future estimated cash flows are associated with risk.

In light of the above, there are significant assessments that are of importance for the accounts.

#### How the matter was addressed in the audit

We have inspected the company's impairment testing to assess whether it was conducted in accordance with the prescribed methodology. Further, we assessed the reasonableness of future cash flows and the assumed discount rate and growth rate by reading and evaluating the management's written documentation and plans. We also interviewed the company management and evaluated previous years' assessments in relation to actual outcome.

An important part of our work has also been to evaluate how changes in assumptions can affect the valuation, that is to perform and take note of the company's sensitivity analysis.

We have also tested the completeness of the disclosures in the annual report and assesses whether they are in line with the assumptions applied in the impairment testing and whether the information is sufficiently detailed to understand the management's assessments.

### Provisions for decommissioning, waste treatment and restoration of land

See Note 32 and accounting policies on page 47, Note 1.20 in the annual accounts and consolidated accounts for detailed information and a description of this matter.

#### Description of matter

The operations at Studsvik's facilities are subject to licensing requirements and Studsvik is liable to decommission facilities, manage waste and restore land. The Group makes provision in the balance sheet for these future decommissioning costs, as well as costs for handling waste.

At the close of 2021, provision of SEK 160 (70) million was made in the balance sheet for future waste costs and decommissioning and restoration.

The management has a process for monitoring and measuring provisions for waste treatment, decommissioning and restoration. The process entails significant assessments and estimates of the cost of future decommissioning and restoration.

Depending on the assessments and estimates the management makes, the value of the provisions are impacted, which has a direct effect on the Group's results and financial position.

#### How the matter was addressed in the audit

We have evaluated the management's process for identifying additional waste and the valuation process for the provision for treatment of waste, decommissioning and restoration of land.

Our audit procedures include evaluating whether the provisions comply with the Group's accounting policies. Moreover, based on risk and materiality, we have cross-checked and assessed material parameters, such as volume and price, for calculating the provision against documentation in the form of agreements with and reporting from external parties, where these exist, and internal calculations on which these are based.

Further, we have tested the mathematical correctness of the provision calculations.

We have also tested the completeness of the disclosures in the annual report and assessed whether they agree with documentation examined and current disclosure requirements.

### Information in the annual report other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which can be found on pages 1-9, 22-33 and 78-84. This other information also consists

of the remuneration report we accessed before the date of this auditor's report. The Board of Directors and the President 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 in other respects 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 President

The Board of Directors and President 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 President 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 President 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 President intend to liquidate the company, to cease operations or have no realistic alternative but to do so.

The Board of Director's Audit Committee shall, among other things and without impacting the Board's responsibilities and duties in general, monitor the company's financial reporting.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance on 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.

As part of an audit in accordance with ISAs we exercise professional judgement and maintain professional skepticism throughout the entire audit. In addition:

- We identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and execute audit procedures based on, among other things, these risks and obtain audit evidence with is sufficient and appropriate to provide a basis for our opinions. The risk of not identifying a material misstatement resulting from fraud is higher than one resulting from error, as fraud can

include collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- We obtain understanding of the internal control of the company relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- We evaluate the appropriateness of the accounting policies applied and the reasonability of the accounting estimates and related disclosures made by the Board of Directors and President.
- We reach a conclusion on the appropriateness of the Board of Directors' and President's application of the going concern basis of accounting in the preparation of the annual accounts and consolidated accounts. We also reach a conclusion, based on the audit evidence obtained, on whether any material uncertainty exists related to such events or circumstances which can result in significant doubt regarding the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the annual accounts and consolidated accounts, or if such disclosures are inadequate, we are required to modify our opinion on the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or circumstances may cause a company and a Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner providing a true and fair presentation.
- We obtain sufficient and appropriate audit evidence regarding the financial information for the units or business activities in the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We are required to inform the Board of Directors of, among other matters, the planned scope of the audit and its focus and time schedule. We are also required to provide information as regards any significant findings made during the audit, including any significant deficiencies in the internal control that we have identified.

We are also required to provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks of material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless otherwise required by law or regulation.



## Report on other legal and regulatory requirements

### Auditor's examination of administration and proposed appropriation of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have examined the administration of the Board of Directors and the President of Studsvik AB (publ) for 2021 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 Directors and the President be discharged from liability for the financial year.

#### Basis for opinions

We conducted our 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 we have fulfilled our other 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 audit opinions.

#### Responsibilities of the Board of Directors and President

The Board of Directors is responsible for the proposed appropriations of the company's profit or loss. When proposing 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 organization of the company and the administration of its 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 in other respects are controlled in a satisfactory manner.

The President is to conduct the day-to-day management in accordance with the Board of Director's guidelines and instructions and take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a satisfactory manner.

#### Auditor's responsibility

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

- has undertaken any action or been guilty of any omission that may give rise to liability to the company, or
- in any other way has acted in contravention of the Swedish 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 on this, is to assess with reasonable assurance whether the proposal is in accordance with the Swedish 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden we exercise professional judgment and maintain professional skepticism throughout the entire audit. The review of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment guided by risk and materiality. This means that we focus the review on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We review and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## The auditor's examination of the Esef report

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and President have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting #[checksum] pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Studsvik AB (publ) for 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] 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 further described in the Auditor's Responsibility section. We are independent of Studsvik AB (publ) in accordance with professional ethics for accountants in Sweden and we 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 President

The Board of Directors and the President are responsible for the preparation of the Esef report in accordance with 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 President 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 our 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 is not a guarantee that an examination conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 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 making those risk assessments, we consider internal control relevant to the preparation and fair presentation of the Esef report by the Board of Directors and the President in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the President.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 (the Esef Regulation) 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated income statement, balance sheet and statement of changes in equity and cashflow statement.

### Auditor's statement on the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 22-33 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our examination was conducted in accordance with FAR's recommendation RevR 12 The auditor's statement on the statutory sustainability report. This means that our examination of the 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 sustainability report has been prepared.

KPMG AB, Box 382, SE-101 27 Stockholm, was elected to Studsvik ABs (publ) auditor of the Annual General Meeting on June 23, 2021. KPMG AB or auditors at KPMG AB have been the company's auditor since 2021.

Stockholm, March 11, 2022  
KPMG AB

Helena Arvidsson Älgne  
Authorized public accountant



# CORPORATE GOVERNANCE

## Corporate governance

Studsvik AB is a Swedish public company with its registered office in Nyköping and is listed on Nasdaq Stockholm. The company is the parent of a Group that carries on business in nuclear technology in an international arena. Corporate governance is based on the Articles of Association and the Swedish Companies Act, a number of Swedish and foreign laws and ordinances and the Swedish Code of Corporate Governance (the Code). Studsvik has no departures from the Code to report.

## General Meeting of Shareholders

The General Meeting is the company's highest decision-making body, where the shareholders exercise their influence through discussions and decisions. An Annual General Meeting must be held once a year to adopt income statements and balance sheets, decide on dividend as well as elect a Board of Directors and auditors and decide on their remuneration.

The number of shareholders on December 31, 2021 was 4,293. The total number of shares was 8,218,611. All shares have an equal right to participate in the company's assets and profits. Three shareholders each account for more than 10 per cent of the shares in the company. Information on shareholders, voting rights and the Articles of Association is presented in the annual report on pages 34-35.

The Annual General Meeting held on June 23, 2021 was in accordance with Sections 20 and 22 of the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations and therefore attendance could only be via postal votes. 4,294,891 shares and votes, representing a total of 45.4 per cent of the votes in the company participated in the meeting. The Annual General Meeting adopted the consolidated income statements and balance sheets, adopted the Board's proposed dividend, discharged the Board of Directors and President from liability, and elected KPMG AB as auditor. Jan Barchan, Anna Karinen, Agneta Nestenbord and Anders Ullberg were re-elected to the Board. Erik Strömquist was elected as a new member of

the Board. Anders Ullberg was appointed as Chair. The Meeting also established principles for benefits to senior management and appointed the Nomination Committee. The minutes of the Annual General Meeting can be found on the company's website.

## Nomination Committee

The main task of the Nomination Committee is to propose to the Annual General Meeting candidates for the Board of Directors, Chair of the Board and auditors and their fees. The Nomination Committee is also to propose a new Nomination Committee.

As resolved by the Annual General Meeting, the Nomination Committee is to consist of the Chair of the Board and representatives of each of the three largest shareholders. The Annual General Meeting appointed Jan Barchan (Briban Invest AB), Sven Ericsson (representative of the Karinen family), Peter Gyllenhammar (Peter Gyllenhammar AB) and Anders Ullberg (Chair of the Board) as members of the Nomination Committee. The Nomination Committee's term of office is until a new Nomination Committee is appointed.

Information on how shareholders can submit proposals to the Nomination Committee has been published on Studsvik's website. The work of the Nomination Committee focuses on ensuring that the Board of Directors is composed of members that together have the knowledge and experience that meet the requirements of the owners concerning Studsvik's highest governing body. In the process of preparing proposals for candidate members of the Board, the Chair of the Board therefore presents to the Nomination Committee the evaluation made of the work of the Board of Directors in the past year.

## Composition of the Board of Directors

The Board of Directors consists of five board members elected by the General Meeting of Shareholders, as well as two members and two alternates appointed by the staff organizations Unionen and the Swedish Association of Graduate Engineers. Of the ordinary seven members, the proportion of women is 43 per cent, which is





in line with the Group's policy for diversity and gender equality. The members of the Board of Directors are presented on pages 78-79 of the annual report and under Board of Directors and auditors on the website.

The members elected by the Annual General Meeting are to be regarded as independent in relation to the company and the company management All, apart from Jan Barchan and Anna Karinen, are independent of major shareholders.

#### Chair

Anders Ullberg is the Chair of the Board and leads the work of the Board. He has a particular responsibility to follow the company's development between Board meetings and ensure that the Board Members regularly receive the information necessary for performing a satisfactory job. The Chair is to maintain regular contact with the President on various matters as needed.

#### Work of the Board of Directors.

The task of the Board of Directors is to administer the company's business in the best way possible and in its work safeguard the interests of the shareholders. The Board's work follows rules of procedure adopted annually at the inaugural board meeting. The rules of procedure specify the division of duties between the Board and the President, the responsibilities of the Chair and President respectively, and the forms of financial reporting. The President takes part in the work of the Board of Directors and other employees take part when this is called for. The Group's Chief Financial Officer acts as secretary to the Board.

In 2021 the Board of Directors held 7 meetings, including the inaugural meeting in connection with the Annual General Meeting. The attendance of the members is shown in the table below.

The Board of Directors receives information on the company's economic and financial situation through monthly reports and at board meetings. Operations in the various business areas are monitored and discussed in accordance with a rolling plan, which

means that the Board of Directors makes a detailed analysis of each business area at least once a year. Moreover, the Board of Directors agrees each year on a number of issues that are to be examined at a board meeting during the year. In 2021 the Group's strategy and business opportunities in new markets were among the matters dealt with. In-depth reviews of all business areas were carried out during the year. In addition, the possibilities of administrative efficiency improvements and savings within the Group were considered.

Ahead of each board meeting the Chair and President go through the business to be dealt with at the meeting and supporting documentation for the Board's processing of the business is sent to the members about a week before each board meeting.

At two meetings the company's auditors reported on their findings from the audit of the annual accounts and the company's administration. The Board of Directors was then also given the opportunity of discussions with the auditors without the company management being present. The Chair ensures that the work of the Board of Directors is evaluated annually and that the Nomination Committee receives the information necessary concerning the results of the evaluation. The evaluation is discussed by the Board of Directors as a basis for planning the Board's work for the coming year.

#### Policies, guidelines and instructions

The Board reviews and adopts Group policies and guidelines and the Group's Code of Conduct. The Code of Conduct aims to provide guidance to employees and business partners, minimize risks, strengthen the corporate culture and convey Studsvik's core values.

The President adopts guidelines and operative instructions based on policies and guidelines established by the Board. Guidelines and operative instructions issued by the President/CEO primarily cover financial reporting, treatment of personal data (GDPR) and information technology. All policies and guidelines are available to the Group's employees on Studsvik's intranet.

Board members	Elected	Attendance	Remuneration Committee	Audit Committee	Independent of company	Independent of shareholders	Fee SEK '000
Anders Ullberg, Chair	2007	7/7	4/4	4/4	Yes	Yes	725
Anna Karinen, Vice Chair	2003	7/7	4/4		Yes	No	225
Jan Barchan	2004	7/7	4/4		Yes	No	225
Peter Gossas <sup>1</sup>	2013	3/7		2/4	Yes	Yes	187,5
Erik Strömqvist <sup>2</sup>	2021	4/7		2/4	Yes	Yes	150
Agneta Nestenborg	2010	7/7		4/4	Yes	Yes	337,5
Per Ekberg (A)	2005	7/7					
Roger Lundström (A) alternate	2006	0/7					
Jitka Zakova (A)	2020	7/7					
Oscar Lemón (A) alternate	2020	1/7					

1) Retired on June 23 2021

2) Elected on June 23 2021



### Audit Committee

The Board of Directors has set up an Audit Committee. The Committee monitors the effectiveness of the company's internal controls, management of the company's risks and assures the quality of the company's financial reporting. The Audit Committee consists of, Agneta Nestenborg (chair), Erik Strömqvist and Anders Ullberg. The presenter in the Committee is the Chief Financial Officer. Apart from the Group's quarterly reports, during the year the Committee has taken note of and dealt with reports from the follow-up of internal controls. In addition, the Committee has been updated on the development of major current fixed price contracts, dealt with accounting matters, with particular focus on impairment testing, as well as continually following the progress of the Group's legal disputes. The company's auditors have reported to the Committee on their findings from the audit of the third-quarter closing (review) and the audit of the annual accounts. The Committee meets before each reporting date and on more occasions if necessary. The Committee held four meetings during the year. The Audit Committee works in accordance with the instructions adopted annually by the Board of Directors and reports on its work to the Board of Directors.

### Remuneration Committee

The Board has appointed a Remuneration Committee from among its number. The Remuneration Committee submits proposals to the Board for the President's salary and other conditions of employment and approves salaries and other conditions of employment for the Executive Group Management proposed by the President. The Committee also draws up the Board of Directors' proposals to the General Meeting concerning principles of remuneration and other conditions of employment for the Executive Group Management. The Committee held four meetings during the year. The Remuneration Committee works in accordance with the instructions adopted annually by the Board of Directors and reports on its work to the Board of Directors. The Remuneration Committee consists of Anders Ullberg (chair), Jan Barchan and Anna Karinen.

A description of benefits to senior management is given in note 38 on page 64.

### Board fees

The total board fee for Studsvik AB for 2021 amounted to SEK 1,850 (1,850) thousand. In accordance with a resolution passed by the Annual General Meeting, the Chair of the Board receives SEK 650 thousand per year and ordinary members SEK 225 thousand per year. No fee is paid to members appointed by the employee organizations. The chair of the Audit Committee receives a fee of SEK 150 thousand per year and the members SEK 75 thousand per year. No fee is paid to the Remuneration Committee. Board fees paid are presented in note 38 on page 64.

### Auditors

At the 2021 Annual General Meeting the registered public accounting firm KPMG AB was elected as auditor for the period up to and including the 2022 Annual General Meeting. The auditor in

charge is authorized public accountant Helena Arvidsson. KPMG conducts the audit of all the Group's material companies. The audit is based on an audit plan and during the year the auditor regularly reports findings to the Audit Committee and on at least one occasion to the Board of Directors. The auditor obtains views from the Audit Committee concerning Studsvik's risks, which are thereafter given particular consideration in the audit plan. The auditor also participates in the Annual General Meeting to present the auditor's report and describe the audit work and findings.

In addition to the audit assignment, Studsvik has consulted PricewaterhouseCoopers in the area of taxation and on various accounting and financial issues. PricewaterhouseCoopers is obliged to test its independence prior to every decision to provide advice to Studsvik unrelated to the audit assignment. Advisory services in excess of SEK 50 thousand are to be approved in advance by the chair of the Audit Committee. Remuneration to the company's auditors is paid in accordance with an approved invoice on agreed terms. For information concerning remuneration in 2021 please refer to notes 8 and 44.

### President/CEO and Executive Group Management

The President is responsible for the day-to-day management of the company. The President/CEO leads the operative business and prepares information and data for decision-making for the Board of Directors and is the presenter at Board meetings. In 2021 the Executive Group Management consisted of the President/CEO, the Chief Financial Officer and the heads of the business areas; Decommissioning and Radiation Protection Services, Fuel and Materials Technology, Scandpower and Waste Management Technology. The Executive Group Management is presented on pages 80-81 of the annual report and on the website under Executive Group Management.

The Executive Group Management meets monthly to follow up the operative and financial developments in the segments. On two to three occasions during the financial year the Executive Group Management meets to deal in more detail with matters of an operative, strategic or long-term nature.

The President/CEO and Group functions are located in Studsvik. In accordance with the policies and guidelines established by the Board, the Group functions are responsible for business development, allocation of financial resources among the Group's operations, capital structure, risk management and human resources. The tasks also include questions concerning Group wide acquisitions and disposals, certain major projects, the Group's financial reporting, communication with the stock market and other internal and external communication.

### Operative management

The Group's operative business was conducted during the year in subsidiaries, which are included in the four business areas. Operations in the business areas were followed up partly through business area reviews, partly through active board work in the subsidiaries. The business area reviews, which take place quarterly, not only analyze and discuss financial developments, but also

market developments, risks and sustainability issues, among other things. The management groups for the business areas follow the business areas' day to day activities on a monthly basis. Business plans and budgets are prepared by each business area in consultation with the Executive Group Management. The business is carried on in accordance with the rules, guidelines and policies established by the parent company, and local rules established by the respective local board. The Business Area Presidents have budget responsibility and are to ensure growth in their operations as well as being responsible for utilizing the synergies between the Group's various units.

#### Internal control

- internal control aims to ensure:
- that company goals and strategies are followed up,
- that shareholders' interests are protected,
- that external financial reporting reflects the actual situation with reasonable assurance,
- that financial reports are prepared in accordance with generally accepted accounting principles, laws and ordinances and other requirements of listed companies.

The Board of Directors has the overall responsibility for ensuring the Group has effective internal controls. The President is responsible for ensuring that processes and organization that guarantee internal control and the quality of financial reporting are in place. Studsvik has no special internal audit function. The review and internal control are performed by an external consultant on behalf of the Chief Financial Officer, which the Board has found to be appropriate. The audit is based on an overall risk analysis at Group level, as well as on checklists and question lists in material for self-assessment that is subsequently verified from the point of view of materiality through direct audit. The audit is conducted via interviews and spot checks and is summarized in a report to the Audit Committee, where it is dealt with. A detailed description of the Group's risks and how they are managed is presented in the Administration Report on pages 10–35. An account of the Group's financial risks can be found in note 2 on pages 48–49.

The outcome of the examination is reported to the Audit Committee and the Board. The company's financial situation is discussed at every board meeting and the management makes a monthly analysis of the financial reporting at a detailed level. At its meetings the Audit Committee follows up the financial reporting and receives a report from the auditors.

#### The auditor's examination of the corporate governance report

The Board of Directors is responsible for the corporate governance report on pages 74-77 and for its preparation in accordance with the Annual Accounts Act.

Our examination was conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance 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 opinions.

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

Stockholm, March 11, 2022  
KPMG AB

Helena Arvidsson Älgne  
Authorized public accountant



## BOARD OF DIRECTORS AND AUDITORS



### ANDERS ULLBERG

Danderyd, born in 1946  
Chair since 2007

Former President and CEO of SSAB Svenskt Stål. Chair of the board of Boliden and Eneqvist Consulting and board member of Beijer Alma, Epiroc and Valedo Partners. Chair of the Swedish Financial Reporting Board and board member of the European Financial Reporting Advisory Group

Education: Graduate business administrator  
Holding: 60,000 shares



### ANNA KARINEN

Sparreholm, born in 1963  
Member since 2003, Vice Chair since 2007

Self-employed, in commercial real estate management, board member of the Flen local branch of Handelsbanken.

Education: Bachelor of laws  
Holding: 1,327,492 shares



### JAN BARCHAN

Malmö, born in 1946  
Member since 2004

President of Briban Invest AB, member of the board of Audiodev AB and member of the board of Net Insight AB, Trianon AB and Trialbee AB

Education: Graduate business administrator  
Holding: 1,343,362 shares



### ERIK STRÖMQVIST

Knivsta, born in 1970. Member since June 2021. Previously General Manager Cyclotrons & TRACERcenter, GE Healthcare. Board chair of MedTrace Pharma A/S, VD Swiss Nuclides (Sweden) AB board member of Celcibus AB and Alpha Therapy Solutions AB

Education: M.Sc. in chemical engineering  
Holding: 0 shares



### AGNETA NESTENBORG

Kävlinge, born in 1961  
Member since 2010

Director, Project Support & Administration, European Spallation Source ERIC. Board member of Öresundskraft AB

Education: Ph.D. and MBA  
Holding: 2,000 shares



## EMPLOYEE REPRESENTATIVES

**JITKA ZAKOVA**

Nyköping, born in 1978  
 Member since 2020  
 Employee representative appointed by the Swedish Association of Graduate Engineers, works at Studsvik Nuclear AB  
 Education: Ph.D.  
 Holding: 28 shares

**PER EKBERG**

Nyköping, born in 1959  
 Member since 2018, alternate 2017- 2006  
 Employee representative appointed by Unionen. Works in the materials research department at Studsvik Nuclear AB  
 Education: Power generation technology  
 Holding: 100 shares

**ROGER LUNDSTRÖM**

Nyköping, born in 1966  
 Alternate since 2018, member 2017- 2005, alternate 2003-2005  
 Employee representative appointed by Unionen. Works in microscopy and damage analysis at Studsvik Nuclear AB  
 Education: Mechanical engineer  
 Holding: 0 shares

**OSCAR LEMÓN**

Huddinge, born in 1980  
 Alternate since 2020.  
 Employee representative appointed by the Swedish Association of Graduate Engineers, works at Studsvik Nuclear AB  
 Education: M.Sc. Engineering  
 Holding: 0 shares

**AUDITOR****KPMG AB**

Auditor in charge: Helena Arvidsson Älgne  
 Year of birth 1962  
 Auditor of Studsvik since 2021  
 Other assignments: Assemblin, Beijer Alma, The ICA Group, Knowit, LKAB



## EXECUTIVE GROUP MANAGEMENT



### CAMILLA HOFLUND

President and Chief Executive Officer, acting Business Area President for Scandpower  
 Education: Mining engineer, Materials technology  
 Born: 1969  
 Year of employment: 1994–2000, 2003  
 Other directorships: Board member of SIS, the Swedish Institute for Standards  
 Background: Consultant and business developer at Det Norske Veritas and other senior positions in the group  
 Holding: 8,200 shares



### ROB WHITTLE

Business Area President Scandpower  
 Education: Mechanical Engineering/Math  
 Born: 1956  
 Year of employment: 2021  
 Background: Various executive and consulting positions at Los Alamos National Lab, GE, Honeywell, Motorola and other companies  
 Holding: 0 shares



### NIKLAS KARLSSON

Chief Financial Officer  
 Education: M.Sc. in business administration  
 Born: 1968  
 Year of employment: 2021  
 Background: Leading positions in BillerudKorsnäs, PostNord and Ericsson  
 Holding: 0 shares



### JOAKIM LUNDSTRÖM

Business Area President Fuel and Materials Technology  
 Education: M.Sc. Engineering physics  
 Born: 1978  
 Year of employment: 2002  
 Background: Various leading positions at Studsvik Nuclear AB  
 Holding: 0 shares



### MIKAEL KARLSSON

Business Area President Waste Management Technology  
 Education: M.Sc. Engineering physics  
 Born: 1962  
 Year of employment: 1989  
 Background: Several leading positions in the Group  
 Holding: 2,101 shares



### FLORIAN BUEHLER

Business Area President Decommissioning and Radiation Protection Services  
 Education: Graduate Engineer  
 Born: 1981  
 Year of employment: 2019  
 Background: Administrative and technical manager at GSE Systems Inc. and other leading positions in SAIC and Raytheon  
 Holding: 0 shares

Arthur DiGiovine, Senior Vice President Business development, is a co-opted member of the Executive Group Management.

## FIVE YEAR REVIEW

### CONDENSED INCOME STATEMENTS

Amounts in SEK million	2017	2018	2019	2020	2021
Sales revenues	704.8	726.1	654.0	721.9	798.3
Cost of services sold	-539.1	-551.2	-496.9	-526.9	-591.3
<b>Gross profit</b>	<b>165.7</b>	<b>174.9</b>	<b>157.1</b>	<b>195.0</b>	<b>207.1</b>
Selling and marketing costs	-44.2	-39.9	-51.1	-56.1	-34.4
Administrative expenses	-116.9	-107.9	-102.0	-89.2	-93.9
Research and development costs	-28.2	-9.0	-8.8	-8.3	-9.0
Participation in associated company's profit before tax	8.7	10.6	9.5	3.4	5.9
Other, net	-26.7	4.9	-15.1	1.2	10.2
<b>Operating profit/loss</b>	<b>-41.6</b>	<b>33.5</b>	<b>-10.4</b>	<b>46.0</b>	<b>85.8</b>
Net financial items	-17.1	-14.9	-12.4	-4.7	-8.3
<b>Profit/loss after financial items</b>	<b>-58.6</b>	<b>18.7</b>	<b>-22.8</b>	<b>41.3</b>	<b>77.6</b>
Income tax	13.7	-10.0	-5.2	-6.1	-14.4
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>-45.0</b>	<b>8.7</b>	<b>-28.0</b>	<b>35.2</b>	<b>63.2</b>

### CONDENSED BALANCE SHEETS

Amounts in SEK million	2017	2018	2019	2020	2021
<i>Assets</i>					
Goodwill	173.4	182.1	187.9	176.6	184.3
Other non-current assets	283.2	301.4	336.1	304.5	418.9
Trade receivables	158.9	145.7	160.0	116.9	128.9
Other non-interest-bearing current assets	110.7	115.9	84.0	87.3	96.1
Cash and cash equivalents and short-term investments	98.7	155.9	40.2	75.2	108.4
<b>Total assets</b>	<b>824.9</b>	<b>900.6</b>	<b>808.2</b>	<b>760.5</b>	<b>936.6</b>
<i>Equity and liabilities</i>					
Equity	288.1	315.8	302.4	313.1	387.0
Non-controlling interests	0.3	0.4	0.4	0.3	0.4
Non-current interest-bearing liabilities	199.9	0.0	46.5	44.5	42.5
Non-current non-interest-bearing liabilities	164.8	166.6	155.9	137.1	228.5
Current interest-bearing liabilities	-	199.9	76.6	55.5	21.0
Current non-interest-bearing liabilities	171.8	217.9	226.4	210.0	257.2
<b>Total equity and liabilities</b>	<b>824.9</b>	<b>900.6</b>	<b>808.2</b>	<b>760.5</b>	<b>936.6</b>



## CONDENSED CASH FLOW STATEMENTS

### Refers to total operations

Amounts in SEK million	2017	2018	2019	2020	2021
Operating profit/loss	-41.6	33.5	-10.4	46.0	85.8
Reversal of depreciation/amortization	16.1	19.4	29.0	28.7	30.0
Other non-cash items	-	-3.1	-28.1	-4.1	-18.6
<b>Cash flow from operating activities</b>	<b>-25.5</b>	<b>49.8</b>	<b>-9.5</b>	<b>70.6</b>	<b>97.2</b>
Net financial items	-9.0	-14.4	-9.2	-5.1	-5.3
Tax	-6.5	-6.4	-9.7	-7.6	-8.3
<b>Cash flow before changes in working capital</b>	<b>-41.0</b>	<b>29.1</b>	<b>-28.4</b>	<b>57.9</b>	<b>83.6</b>
Changes in working capital	-32.1	51.2	14.9	25.7	33.7
<b>Cash flow before investments</b>	<b>-73.1</b>	<b>80.3</b>	<b>-13.5</b>	<b>83.6</b>	<b>117.3</b>
Investments	-11.0	-26.1	-25.3	-18.7	-46.0
<b>Cash flow after investments</b>	<b>-84.1</b>	<b>54.2</b>	<b>-38.8</b>	<b>64.9</b>	<b>71.3</b>

### DATA PER SHARE

	2017	2018	2019	2020	2021
Number of shares at close of period	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Average number of shares	8,218,611	8,218,611	8,218,611	8,218,611	8,218,611
Earnings per share before and after dilution, SEK	-5.47	1.06	-3.41	4.28	7.69
Equity per share, SEK	35.09	38.47	36.84	38.13	47.12

### KEY FINANCIAL FIGURES AND RATIOS

	2017	2018	2019	2020	2021
<i>Margins</i>					
Operating margin, %	-5.9	4.6	-1.6	6.4	10.7
Profit margin, %	-8.3	2.6	-3.5	5.7	9.7
<i>Return on investment*</i>					
Return on operating capital, %	-11.2	9.9	-2.8	12.7	25.3
Return on capital employed, %	-7.8	7.4	-0.2	11.3	19.5
Return on equity, %	-14.1	2.9	-9.0	11.4	18.1
<i>Capital structure</i>					
Operating capital, SEK million	389.6	360.6	385.7	338.2	338.9
Capital employed, SEK million	488.3	516.1	425.9	413.4	450.9
Equity, SEK million	288.4	316.2	302.8	313.4	387.4
Net interest-bearing debt, SEK million	101.2	44.4	82.9	24.8	-44.9
Net debt-equity ratio, %	35.1	14.0	27.4	7.9	-11.6
Interest coverage ratio	-2.6	2.0	1.1	8.4	9.9
Equity-assets ratio, %	35.0	35.1	37.5	41.2	41.4
<i>Cash flow</i>					
Investments, SEK million	22.1	32.1	32.7	23.0	58.5
EBITDA	-25.0	53.0	18.6	77.2	107.4
EBITDA/Net financial items	-1.5	-3.6	-1.5	-16.4	-13.1
<i>Employees</i>					
Average number of employees	662	624	552	516	517
Net sales per employee, SEK million	1.1	1.2	1.2	1.4	1.5

# DEFINITIONS OF KEY FIGURES AND RATIOS

## **EBITDA**

Operating profit/loss before amortization and impairment.

## **EBITDA/Net financial items**

Operating profit/loss before amortization and impairment divided by net financial items.

## **Equity**

The total of non-restricted and restricted equity at the end of the year. Average equity has been calculated as opening balance plus closing balance of equity, divided by two.

## **Equity per share**

Equity divided by the number of shares at the end of the period.

## **Sales revenue per employee**

The year's net sales divided by the average number of employees.

## **Investments**

Total of the acquisition of businesses/subsidiaries and acquisition of intangible assets and property, plant and equipment

## **Average number of employees**

Average number of employees at the end of each month.

## **Net debt**

Total non-current and current borrowing less cash and cash equivalents.

## **Net debt/equity ratio**

Interest-bearing net debt divided by equity including non-controlling interests.

## **Operating capital**

The balance sheet total less non-interest-bearing liabilities, current investments, cash and bank balances. Average operating capital has been calculated as opening balance plus closing balance of operating capital, divided by two.

## **P/E ratio**

Share price divided by earnings per share.

## **Earnings per share**

Profit for the year divided by the average number of shares. The average number of shares has been calculated as a weighted average of all shares in issue for the year.

## **Return on equity**

Profit for the year as a percentage of average equity.

## **Return on operating capital**

Operating profit/loss as a percentage of average operating capital.

## **Return on capital employed**

Profit/loss after financial items with financial expenses added back, as a percentage of average capital employed.

## **Net interest-bearing debt**

Total of current and non-current interest-bearing liabilities less current investments and cash and bank balances.

## **Interest coverage ratio**

Profit/loss after financial income divided by financial expense.

## **Operating margin**

Operating profit/loss after depreciation/amortization as a percentage of net sales.

## **Self-financing ratio**

Cash flow before investments divided by investments.

## **Equity-assets ratio**

Equity including non-controlling interests as a percentage of the balance sheet total.

## **Capital employed**

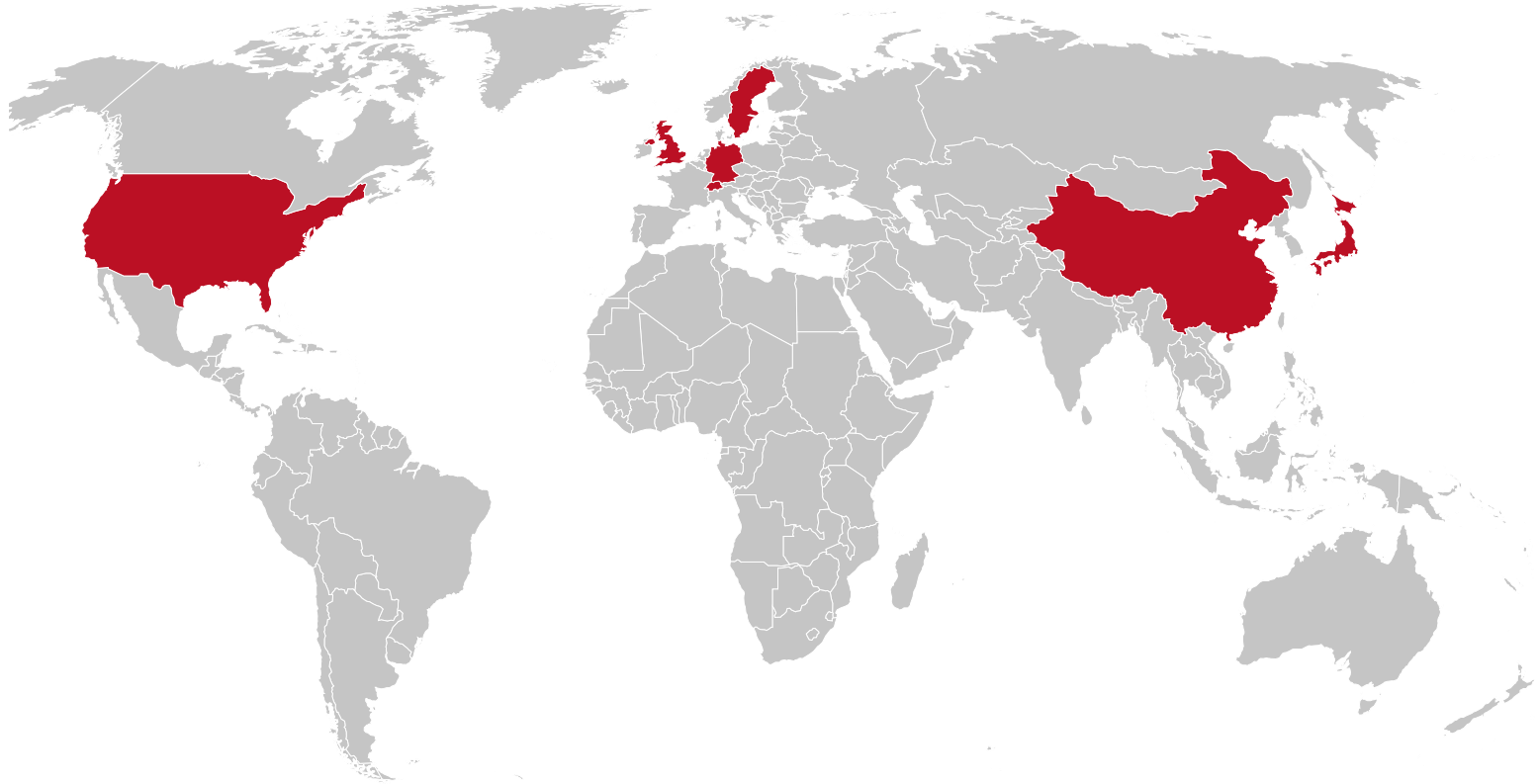
Balance sheet total less non-interest-bearing liabilities. Average capital employed has been calculated as opening balance plus closing balance of capital employed, divided by two.

## **Profit margin**

Profit/loss after financial items as a percentage of net sales.







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