



# inwido

Annual and Sustainability  
Report 2022

WHY INVEST IN  
INWIDO?

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## About the Annual and Sustainability Report

The 2022 Annual and Sustainability Report describes Inwido's operations and financial performance in 2022, and includes a corporate governance report. Sustainability issues are integrated into the operations and, accordingly, also into the Annual Report and corporate governance report. Further guidance on sustainability issues can be found on pages 8–15 of this Annual Report, as well as on [inwido.com](https://www.inwido.com).

### Project team

Peter Welin, Linda Gustafsson, Björn Gelberg, Jonna Opitz, Tobias Rydergren, Annika Hansson.  
Text: Tobias Rydergren and Björn Gelberg. Project management: Anders Heidenberg.  
Design: Cia Otterström.

# Five reasons to invest in Inwido



We operate in an **attractive market** driven by the green transition



We hold **strong positions** in core geographies



We have **proven track record** through economic cycles



We have a **scalable e-commerce platform**



We have the potential to **drive the consolidation** of the European market



# Record year with greatly reduced carbon dioxide emissions

The year 2022 turned out to be historically turbulent. As the pandemic began to subside in Europe, Russia commenced its full-scale invasion of Ukraine, resulting in immense human suffering. Just as when the pandemic broke out, it was difficult to foresee the effect such an exceptional event would have on Inwido's operations, even though we do not have any operations in Russia, Ukraine or Belarus.

Summarizing the year, I can conclude that we have experienced price increases on input goods at an unprecedented rate, which is, in turn, strongly connected to the impact of the war on the energy market. The price of natural gas correlates strongly with the price of window glass. However, timber prices and the cost of aluminium also rose sharply, particularly in the first half of the year. For Inwido, this has required our business units to implement ongoing price increases in dialogue with customers. I have been impressed with our capacity to collaborate with customers under these circumstances, which also resulted in strengthened market positions in many areas over the year.

Inwido has also been good at taking advantage of the economies of scale that being Europe's leading window group entail. By coordinating purchasing, reliability in our deliveries to customers remained high despite shortages of materials and continued disruptions in the supply chain from our suppliers. This further strengthened our position as a reliable partner. I would therefore like to express my sincere thanks to all of our employees and suppliers for their excellent efforts over the year.

These strong contributions left a clear impression on our accounts, where we surpassed the financial targets that we set in late 2021. For the first time, we achieved an operating profit of more than SEK 1 billion, while also experiencing record-breaking growth, both organically and by implementing three acquisitions during the year. The underlying market was favorable in the first half of the year, in both the Consumer and

Industry markets. Towards the end of the year, however, demand from the Industry market declined tangibly while the Consumer market remained stable.

Over the year, *Business Area Scandinavia* experienced a strong increase in sales and improved profitability. Our major business units in Sweden, Denmark and Norway all developed positively. Our premium brands also developed favorably over the year. In the second quarter, Westcoast Windows was acquired in Trollhättan, Sweden, contributing from the outset to the business area's progress.

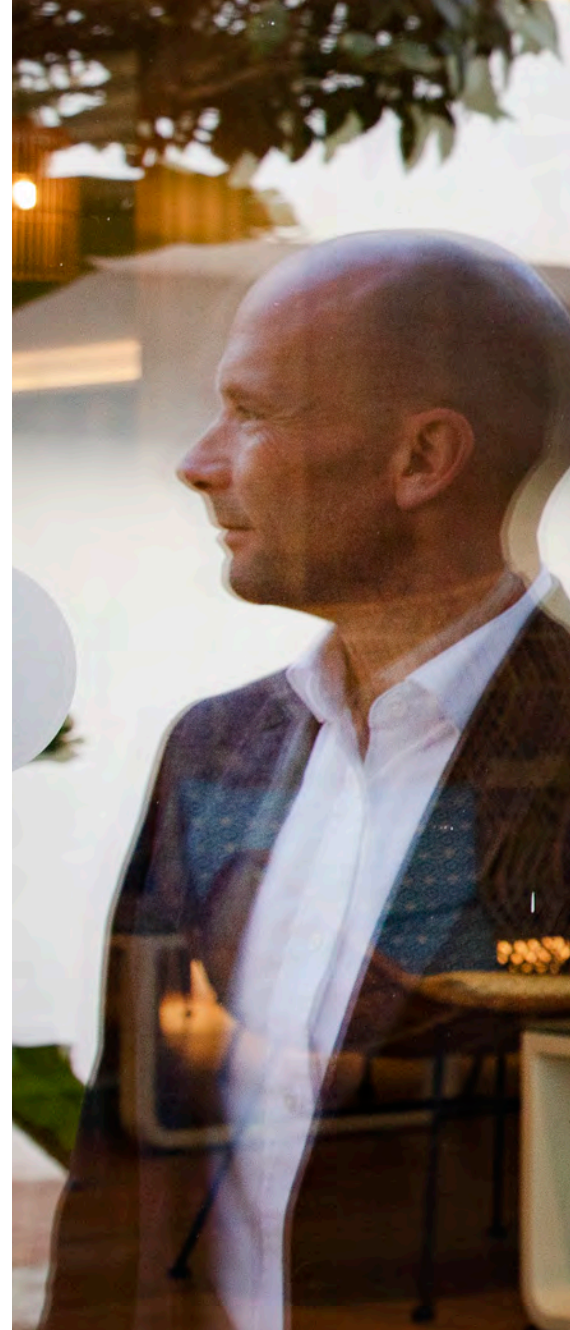
*Business Area Eastern Europe* improved its margins while its sales also increased sharply. Over the year, the largest business unit, Pihla Group, further strengthened its market-leading position in Finland, while many of the smaller business units also developed favorably. Our Polish operations also delivered good results. During the year, Hyvinkään Puuseppien was acquired in Finland, a specialist in solid timber doors and customized windows.

*Over the year, Business Area e-Commerce* faced significant challenges when the implementation of capacity-increasing investments in machinery impacted efficiency and delivery capacity negatively. In the final quarter of the year, however, the negative trend was reversed, with profit rising and order intake increasing.

*Business Area Western Europe* showed the fastest growth over the year while its margins also improved. These successes were attributable to a favorable trend in the existing business units, combined with the acquisition of Dekko, a UK based business, in March.

## Five reasons to invest in Inwido

At the capital market day in December, we presented five strong reasons why Inwido is a good long-term investment. This is also the theme of the following pages in the Annual Report. To start



with, we hold a favorable position in the green transition. The fastest way to mitigate the energy crisis is to improve energy efficiency. This reduces demand for energy while also lowering greenhouse gas emissions. It is therefore pleasing to see government grants and tax relief for switching to energy-efficient windows and doors being introduced to speed up the transition in many European countries. We already hold strong positions in our principal markets – and these were strengthened further over the year. Inwido has a proven stability over economic cycles. The business is characterized by seasonal variations and have therefore been designed to be able to adapt continuously to demand. With e-Commerce as its own business area, the focus is clearly on growth powered by our scalable e-commerce platform. Finally, our strong balance sheet and proven capacity to generate value from acquisitions allows us to lead the consolidation of the European window and door market, even in a weaker economy.



### **Sustainable products – that contribute to reduced emissions**

The ongoing energy crisis in Europe has placed energy efficiency improvements increasingly high on the agenda. While this creates opportunities for Inwido, above all it increases the pace of the green transition and this is where we see our greatest potential for contributing to a better world.

At the same time, we are increasing the pace of our sustainability work, which is characterized by us having to be active on environmental matters – being a good place to work and a responsible company. Over the year, we reduced our Scope 1 and 2 carbon dioxide emissions per window wing by as much as 22 percent, meaning that we have halved our emissions since 2019 and thus achieved our ambition eight years ahead of schedule. We have a sense of humility facing the next step in our climate ambition in which we will work in accordance with the Science Based Targets initiative to also significantly lower our Scope 3 carbon dioxide emissions. The proportion of our

sales that meet the EU taxonomy's criteria is increasing and the number of accidents at our plants is decreasing. Many of our smaller business units are major employers in smaller communities and it is therefore natural that they support the local communities in which they operate.

### **Outlook for 2023**

As we enter 2023, the market offers both opportunities and challenges. In late 2022, we saw the Industry market clearly slow down, while overall demand was sustained by the Consumer segment. Although the order backlog is lower now than when we entered 2022 this reflects a return to more normal demand with the renovation boom during the pandemic having eased off.

The high rate of price increases on input materials in 2022 has likely peaked now and we are instead seeing price reductions, albeit from high levels. In the autumn of 2022, although households were gloomy, the consumer survey we conducted together with Kairos Future showed,

at the same time, that we value our homes even more in turbulent times. The report showed that when disposable income falls, investments and purchases for the home are prioritized highest after medicines and food. In the longer term, I am fundamentally positive regarding our opportunities. Many new homes will need to be built and many older buildings will need to be renovated, not least to become more energy efficient. We also have a strong balance sheet, giving us great opportunities to both invest for growth in our existing business units and to expand through new acquisitions. Our journey towards SEK 20 billion in sales continues and I want to thank all of you who join us along the way.

Malmö, March 2023

**Henrik Hjalmarsson**  
President and CEO



# Welcome to Inwido

Inwido improves people's lives indoors with windows and doors. As Europe's leading window group, Inwido's business concept is to develop and sell the market's best customized window and door solutions through a decentralized structure and with focus on the consumer-driven market, in order to create long-term sustainable growth, organically and through acquisitions.

## The Inwido share

Inwido was listed on Nasdaq Stockholm on September 26, 2014 and had 16,687 shareholders on December 31, 2022.

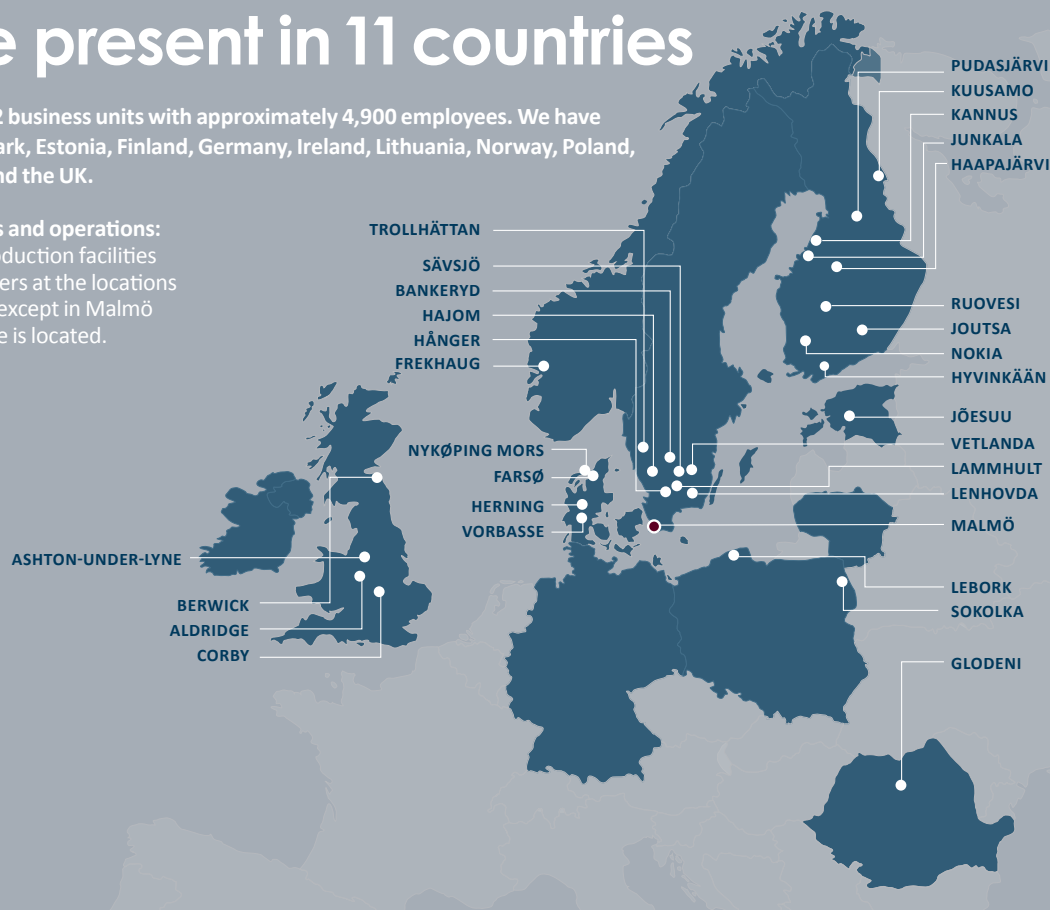
In 2022, **Inwido reduced its carbon dioxide emissions\* per window wing by 22 percent**, meaning a decrease by 50 percent compared with 2019. Accordingly, **our climate ambition for 2030 was achieved already in 2022.**

\*Scopes 1 and 2

## We are present in 11 countries

Inwido consists of 32 business units with approximately 4,900 employees. We have operations in Denmark, Estonia, Finland, Germany, Ireland, Lithuania, Norway, Poland, Romania, Sweden and the UK.

**Production locations and operations:** Inwido maintains production facilities and distribution centers at the locations marked on the map, except in Malmö where the head office is located.



# Inwido's business areas

## Scandinavia

Is Inwido largest business area and generated sales of SEK 5,230 million in 2022. Includes the business units in Denmark, Norway and Sweden. Well-known brands include KPK, Outline, Lyssand-Frekhaug, Elitfönster, Hajom and Diplomat Dörrar.



## Eastern Europe

Brings together the operations in Finland and Poland.

The business area, which is our second-largest, generated sales of SEK 2,476 million in 2022. It includes, for example, Finland's largest window and door business, Pihla Group, sliding door company Profin and Sokolka in Poland.



## e-Commerce

Brings together the Group's e-commerce sales directly to end consumers in Denmark, Finland, Norway, Germany, the UK, Sweden and Austria, totaling SEK 929 million. Maintains production facilities in Estonia, Poland and Romania. The business area includes brands such as JNA, Sparfönster and Bedst & Billigst.



## Western Europe

Western Europe is Inwido's smallest business area with

sales of SEK 910 million in 2022. The business area showed the highest level of growth thanks to favorable development in existing business units and to the acquisition of Dekko Window Systems. The business area is also home to CWG, Allan Brothers and Jack Brunsdon in the UK and Carlson in Ireland.





# Inwido operates in an **attractive market** driven by the green transition

In recent years, the European window and door markets have experienced a healthy trend with 4-percent annual growth<sup>1</sup>. To date, the markets have mainly been driven by a growing population and a continuous need to renovate existing buildings. With an increasingly clear focus on reduced climate emissions, combined with sharply rising energy prices, the assessment is that the markets will grow significantly faster over the upcoming years.

Within the EU, buildings account for 40 percent of energy consumption and for 36 percent of carbon dioxide emissions. Energy efficiency is considered to be low in an estimated 75 percent of buildings<sup>2</sup>. Each year, at the same time, less than an average 1 percent of buildings are renovated. This rate is too low to achieve the long-term climate goals and the EU has determined that the rate at which efficiency is enhanced must, at a minimum, be doubled<sup>3</sup>.

To provide incentives for a higher rate of renovation, we are now seeing government grants and tax breaks for energy efficiency in many European countries. At the EU level, EUR 150 billion will be invested by 2033 in the 15 percent of buildings where energy performance is weakest<sup>4</sup>.

Although a mix of efficiency measures will be necessary, windows and doors will be an impor-

tant component. On launching its energy saving campaign in the autumn of 2022, the Swedish Energy Agency wrote that as much as a third of the heat used in a building leaks out through windows and doors.

With sharply rising energy prices, interest in efficiency enhancement has also increased among companies and consumers alike. Almost eight out of ten homeowners in Northern Europe consider it important that their homes be energy efficient and six out of ten are highly concerned by increased energy costs, according to the consumer survey conducted by Kairos Future on Inwido's behalf in late October 2022.

At the same time, we know that consumers have little knowledge regarding the impact on their domestic energy usage when replacing their

windows and doors. To alleviate this, several Inwido business units provide energy calculators on their websites, for example, making it possible to determine quickly how much energy and money a new window saves annually.

While a green transition among Europe's buildings will generate substantial opportunities for door and window companies, it will, above all, be one of the fastest ways to alleviate the energy crisis and at the same time reduce carbon dioxide emissions from buildings. Inwido must meet this opportunity as its own footprint shrinks. In 2022, carbon dioxide emissions (Scopes 1 and 2) decreased by 22 percent, thus being halved compared with 2019. Additionally, Inwido joined the Science Based Targets initiative at the end of 2021, with the process of mapping Scope 3 emissions now being in progress.

1) Ceresana Market Study on Windows and Doors, 2022

2) <https://www.europarl.europa.eu/news/en/headlines/society/20221128STO58002/energy-saving-eu-action-to-reduce-energy-consumption>

3) Source: [https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17\\_en](https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en)

4) The new EU policy for buildings targets renovating 15 percent of the least energy-efficient homes – EURACTIV.com





## Inwido's climate ambition 2030/2050

We will reduce our  
carbon dioxide emissions\*  
by **50 percent** by 2030 and  
will be **carbon dioxide  
neutral** by 2050

\* Scope 1 and 2

## Code of Conduct and ethical guidelines

On a day-to-day basis, Inwido's sustainability work is governed by the following basic policies: Our Code of Conduct for employees and business partners, as well as our policies in the areas of health and safety and the environment. Our sustainability work is also subject to ongoing governance and follow-up via, for example, the Boards of Directors of the business units. These policies meet the requirements set out in a number of key international and generally accepted principles, including the UN's Declarations of Human Rights, the UN Global Goals and the UN Global Compact, with its ten principles. We also have a well-established whistle-blower function.

## Sustainability compass shows the way

**With responsibly produced and energy-efficient products, people can create a sustainable lifestyle, at home and at work.**  
**We follow three strategic guidelines according to our sustainability compass:**

### 1. Be an environmental friend

#### Why?

We need natural resources to do responsible business

#### How?

- We provide products that drive energy efficiency and savings
- We decrease climate and environmental impact from our operations and suppliers
- We use wood from sustainable forestry
- We reuse, recycle and choose sustainable materials while reducing waste

### 2. Be a good place to work

#### Why?

Empowered colleagues make a difference

#### How?

- We develop our employees and make them feel involved and important
- We invest in health and safety
- We strive for equal opportunities
- We work actively to improve employee satisfaction

### 3. Be a responsible business

#### Why?

Aligning with society creates more opportunities

#### How?

- We have zero tolerance regarding corruption and unethical business behaviors
- We demand responsible behavior from all suppliers and partners
- We comply strict codes of conduct
- We support our local communities





# Energy efficient products from sustainable manufacturing

In 2022, carbon dioxide emissions per unit were reduced by 22 percent (Scopes 1 and 2). This means that the emissions have now been halved compared with 2019 and that means that we have now fulfilled our ambition for 2030.

## Sustainability governance

With increased legal and external requirements, Inwido has raised its ambitions and strengthened its sustainability work with a focused exchange of experience between business units and through the appointment of the new role of Head of Sustainability Development, who reports to the Executive Vice President HR, Organization & Sustainability. The role includes responsibility for the Group's sustainability reporting, and for driving the sustainability work even more systematically, controlling Group-wide initiatives more clearly and opening up additional opportunities for cooperation in the area of sustainability. Within the business units, the responsibility lies ultimately with the Managing directors (MDs), with continuous improvements work being conducted within each business.

## Group-wide sustainability meetings

Online sustainability meetings are held quarterly. The purpose of these is to review sustainability KPIs, to inspire, to share experiences, to update participants on news in the area of sustainability and to steer the sustainability work. Each meeting focuses on different areas within, for example, energy, production, working environment and social responsibility. Knowledge in each area, is shared by large and small units alike. In addition to the quarterly meetings, the sustainability agenda and KPIs are followed up at Group Management meetings and Board meetings.

## Development in the business units

In 2022, the business units continued to develop their sustainability work and to implement their sustainability agendas. The focus is on implementing sustainable investments that make a difference for the environment, in the workplace or in the societies where the business units operate. Increased focus is now placed on safe workplaces, for example, through extended preventive efforts in which potential risks are noted and remedied. We are already beginning to see the results of these efforts, where the number of accidents is on a downward trend. At the same time, efforts in other areas are ongoing and Inwido can demonstrate that energy consumption and the Group's carbon footprint decreased in 2022 thanks to active efforts to increase efficiency and to select carbon dioxide neutral sources of energy.

Inwido's acquisitions are continuously included in the sustainability requirements specified by the Group and their alignment with Inwido's sustainability compass commences immediately upon acquisition. When a company has been part of the Group for 12 months it is included in Inwido's external sustainability reporting. Acquired companies are followed up internally as of the month in which they were acquired.

Efforts to recycle and recover materials were expanded over the year. Today, for example, metals from production are recirculated to suppliers and wood waste either becomes new products or is used to generate energy for the plant. In Sweden,

we embarked on a new collaboration in material recycling through Elitfönster På Plats (Elitfönster on site) in which we facilitate the recycling of windows through controlled dismantling and return of materials to the appropriate actor so that window glass can be recycled as new window glass. This represents a stage in achieving closed material loops for our products and will increase the opportunities to use recycled glass in windows, which also results in products with less impact on the environment and climate.

Several Inwido business units have already developed environmental product declarations, EPDs. Additional EPDs were launched in 2022. Additional business units are also being ISO certified. Third-party certified EPDs and ISO-certified business units provide increased transparency for customers and markets.

Inwido increased its share of window and door sales complying with the EU Taxonomy's criteria for making a significant contribution to climate change mitigation – from 61 percent in 2021 to 65 percent in 2022.

Among the awards presented at the annual management conference is Inwido's sustainability award, which goes to the unit having made a significant progress in sustainability. In 2022, the award went to the Pihla Group for its extensive sustainability work. Read more about their work on page 13.

## Annual cycle of Inwido's sustainability work

To drive and develop Inwido's sustainability work we have established an annual cycle divided into quarters as below.



## Science Based Targets initiative

In 2021, Inwido joined the Science Based Targets initiative to contribute to reducing greenhouse gases. In 2022, Inwido prepared the process for calculating our baseline and setting targets for Scope 3 by identifying our areas of materiality based on a general screening and prioritizing reducing our emissions in these areas. The screening resulted in a collaboration with suppliers to establish efficient methods for follow-up and for reducing climate impact. Accordingly, the targets will be followed up and scientifically validated by SBTi in the autumn of 2023.

## UN Global Compact\*



Since 2019, Inwido is affiliated with the UN Global Compact, meaning that the Company undertakes to work actively on sustainability issues and to report on this work to the UN. Inwido's policies are aligned with the UN Global Compact's 10 principles. The work is based on the Global Compact's ten basic principles, which build on internationally accepted conventions on human rights, labor rights, the environment and combating corruption. By becoming a member of UN Global Compact, Inwido commits to following the Ten Principles. They are:

### Human rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

### Labor law

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labor;

**Principle 5:** the effective abolition of child labor; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

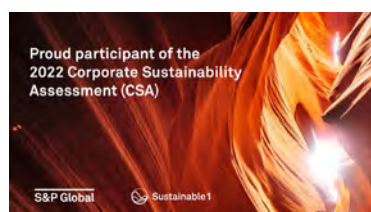
**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### Anti-corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Reference: <https://unglobalcompact.org/what-is-gc/mission/principles>

## Inwido reports within:



## Inwido focuses on the following seven UN goals



Our employees are our most valuable asset and their health and well-being is a priority. Two out of the three areas in our sustainability compass include our employees and our relationships with internal and external stakeholders. Our windows and doors also contribute to better health by creating a good indoor environment.



At Inwido, we consider it as something obvious that our workplaces offer equal opportunity and that conditions are fair and equal in terms of gender. Group Management and business unit management teams are followed up annually and we strive for continuous improvement. Our whistle-blower function ensures anonymous reporting of incidents. Rules for equal recruitment have been established for managerial positions.



Inwido works constantly to find new solutions for further reducing our carbon dioxide impact and to find renewable energy sources. Inwido targets lowering both its energy usage and carbon dioxide emissions.



Signing of the UN Global Compact and Inwido's own work for favorable working conditions is a cornerstone of the operations through dedicated work in the areas of health and safety. People are our most valuable assets and are a prerequisite for sustainable growth.



Inwido's windows and doors play an important role in a sustainable society. They are not only energy efficient and help reduce energy usage, they also account for a large part of the experience of a home, conveying a sense of security, well-being and enjoyment.



With the mantra "we give more than we take" Inwido shows the responsibility. Our products last a long time and can be dismantled and recycled. Our products are built to be durable and we mitigate the environmental and climate impact of our production through efficient sustainability targets.



As a manufacturing company, our climate impact represents a significant part of our responsibility. Inwido has quantified and mitigated its climate impact in terms of its Scope 1 and 2 emissions since 2015. In 2023, our Scope 1, 2 and 3 emissions will be validated by the Science Based Targets initiative. Our Scope 1 and 2 emissions decreased by roughly 50 percent up until 2022 and Inwido's ambition is to be carbon dioxide neutral by 2050. Through SBTi, Scope 3 emissions will also be included in our climate targets.





## EU Taxonomy

The EU taxonomy sets out criteria that determine whether an economic activity is classified as environmentally sustainable. Inwido's products fall within the manufacturing of energy efficient equipment and energy efficiency and the taxonomy has set clear requirements for windows and doors as well their installation. Accordingly, replacing obsolete windows and doors with energy-efficient ones is considered crucial in achieving Europe's climate goals. To be considered environmentally sustainable, a window must meet the U-value  $\leq 1.0$  and doors  $\leq 1.2$  W/m<sup>2</sup>, K. Inwido's ambition for 2030 is for at least 75 percent of its sales of windows and doors to be compatible with the taxonomy's criteria to significantly contribute to climate change mitigation. In 2022, 65 percent of Inwido sales met the taxonomy's review criteria to significantly contribute to climate change mitigation which is an increase from 2021 (61 percent).

In 2022, the criteria for do no significant harm and the criteria for minimum safeguards were also mapped. For 2022, the mapping resulted in Inwido reporting that 20 percent of its sales were fully aligned with the EU taxonomy's requirements for green investments. In 2023 and thereafter, the process of mapping and aligning our operations with the EU Taxonomy's criteria will continue. Read more about the EU Taxonomy on pages 97-102.

65%

of sales fulfil the criteria of significantly contributing to climate change mitigation

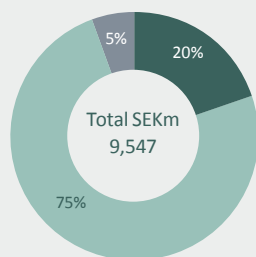
20%

of sales are fully aligned with the EU taxonomy criteria

### The extent to which Inwido is covered by the EU Taxonomy

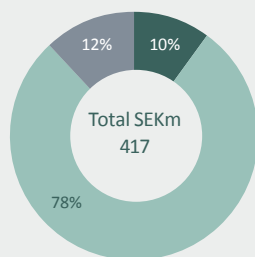
Figures reported for 2022 represent Inwido's share of net sales, capital expenses and operational expenditures compatible with the economic activities defined under the EU Taxonomy. The supplementary qualitative information related to these key figures can be found on pages 97-102.

Net sales



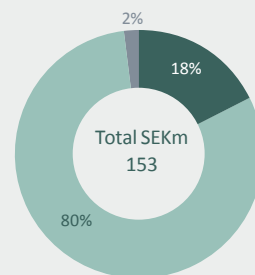
■ Aligned with the taxonomy (A.1)  
■ Eligible but not aligned with the taxonomy (A.2)  
■ Not covered by the taxonomy

Capital expenditure indicator



■ Aligned with the taxonomy (A.1)  
■ Eligible but not aligned with the taxonomy (A.2)  
■ Not covered by the taxonomy

Operating expenditure indicator

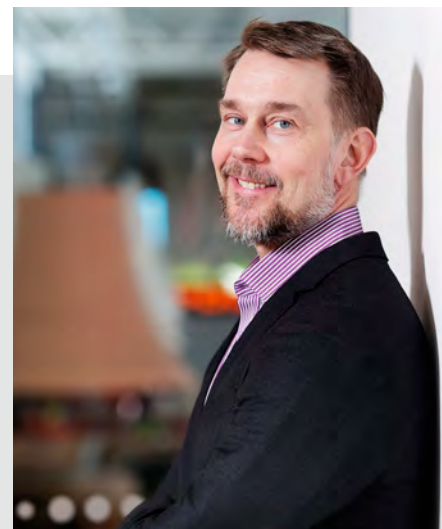


■ Aligned with the taxonomy (A.1)  
■ Eligible but not aligned with the taxonomy (A.2)  
■ Not covered by the taxonomy



# ” Being a sustainable company makes us more competitive

Pihla Group is Finland’s largest window and door business. Increased sustainability investment in recent years favors not only the planet – such investment also strengthens competitiveness, according to Marko Kohvakka, HR and Sustainability Director at Pihla Group.



Today, energy efficiency improvements are on the agenda at any company. For a long time, production at Pihla Group has been developed to be more energy efficient. Between 2015 and 2022, energy consumption per window wing decreased by 23 percent.

“For example, in our plants this has resulted in a continuous monitoring of our equipment to avoid compressor leaks, which can cause major energy losses.” We are also working currently to cut energy consumption at our offices by monitoring lighting and switching equipment off when it is not used.

An important step for Pihla Group was to certify its manufacturing in accordance with ISO 14001. Although this required considerable effort at the three plants, it proved to be a very good investment once in place.

“Major construction companies, in particular, are imposing ever stricter demands on their suppliers. For us, the certification has brought a considerable competitive advantage and was decisive in us winning several major contracts.

Being a good place to work is also an important part of Pihla Group’s sustainability work. Major investments on this front are especially made to develop the company’s managers. If they are good role models, are reliable and provide their employees with opportunities for growth, the foundation is laid for a great workplace. And being a good employer plays a major role, particularly at plants in smaller rural communities.

“We have a mutual relationship with the communities in which we operate. The plants create jobs, which bring in tax revenues to the community, while we, in turn, have a need for

new employees. Accordingly, the importance of being a good employer and demonstrating the opportunities we offer, even to high school students, is one of our priority areas. Our oldest plant has been in more or less the same location since 1939 and we want to remain there in the future.

Sustainability is not a separate area of our operations at Pihla Group, but rather a key element in our business strategy.

“For us, sustainability is about our desire to be a company that mitigates its impact on the environment and is a good employer. Equally important for us, however, is to be relevant for our customers and other stakeholders and to be a part of the community in which we operate. Being a sustainable company simply makes us more competitive,” Marko concludes.





# The results of our sustainability work

Inwido has established a number of indicators to evaluate how the sustainability work is progressing. How these indicators\* develop gives a clear picture of the progress we are making and what we should prioritize in our continued sustainability work.

Targets	Comments	Outcome 2022															
ENERGY CONSUMPTION																	
Inwido objective is to reduce energy usage from its own operations with on average 5 percent annually.	<p>Energy consumption per window wing decreased in line with our target of 5 percent. Although the warm winter contributed, active efficiency measures also gave results.</p> <p>In absolute terms, energy consumption has decreased by 3.5 percent since 2019.</p>	<p>kWh energy per window wing</p> <table><tr><th>Year</th><th>kWh energy per window wing</th></tr><tr><td>2019</td><td>53.7</td></tr><tr><td>2020</td><td>50.0</td></tr><tr><td>2021</td><td>51.1</td></tr><tr><td>2022</td><td>48.6</td></tr></table>	Year	kWh energy per window wing	2019	53.7	2020	50.0	2021	51.1	2022	48.6					
Year	kWh energy per window wing																
2019	53.7																
2020	50.0																
2021	51.1																
2022	48.6																
CO <sub>2</sub> -EMISSIONS (Scopes 1 and 2)																	
Inwido’s objective is to reduce CO <sub>2</sub> e-emissions from its proprietary operations by 5 percent annually.	<p>CO<sub>2</sub>e-emissions per window wing decreased by 22 percent in 2022. Accordingly, Inwido has reached one of its long-term targets of a 50-percent reduction within Scopes 1 and 2 by 2030. The decrease is attributable to switching active of energy supply choices to CO<sub>2</sub>-neutral sources to a greater extent.</p> <p>Inwido’s carbon footprint decreased by 53 percent in absolute terms since 2019.</p>	<p>CO<sub>2</sub>e kg per window wing</p> <table><tr><th>Year</th><th>CO<sub>2</sub>e kg per window wing</th></tr><tr><td>2019</td><td>4.9</td></tr><tr><td>2020</td><td>4.6</td></tr><tr><td>2021</td><td>2.8</td></tr><tr><td>2022</td><td>2.1</td></tr></table>	Year	CO <sub>2</sub> e kg per window wing	2019	4.9	2020	4.6	2021	2.8	2022	2.1					
Year	CO <sub>2</sub> e kg per window wing																
2019	4.9																
2020	4.6																
2021	2.8																
2022	2.1																
HAZARDOUS WASTE AND WASTE																	
Inwido objective is to reduce hazardous waste and waste from its own operations by 5 percent annually.	<p>Both waste and hazardous waste increased in 2022. This can be attributed to increased volumes at certain units, as well as to a major clean-up of waste having taken place.</p> <p>Inwido strives to reduce its waste and to thereby utilize resources more optimally.</p>	<p>kg waste and hazardous waste per window wing</p> <table><tr><th>Year</th><th>Waste</th><th>Hazardous waste</th></tr><tr><td>2019</td><td>3.47</td><td>0.31</td></tr><tr><td>2020</td><td>3.47</td><td>0.37</td></tr><tr><td>2021</td><td>3.37</td><td>0.30</td></tr><tr><td>2022</td><td>3.56</td><td>0.35</td></tr></table>	Year	Waste	Hazardous waste	2019	3.47	0.31	2020	3.47	0.37	2021	3.37	0.30	2022	3.56	0.35
Year	Waste	Hazardous waste															
2019	3.47	0.31															
2020	3.47	0.37															
2021	3.37	0.30															
2022	3.56	0.35															
WOOD FROM SUSTAINABLE FORESTRY																	
Inwido’s objective is to use 100 percent wood from certified suppliers who ensure traceability to legal and sustainable sources.	<p>In 2022, Inwido increased the proportion of wood from sustainable forestry used in its production.</p> <p>We are continuing our long-term efforts to ensure that our suppliers live up to our sustainability requirements.</p>	<p>Proportion of wood from certified sustainable forestry</p> <table><tr><th>Year</th><th>Proportion of wood from certified sustainable forestry</th></tr><tr><td>2019</td><td>95.4</td></tr><tr><td>2020</td><td>96.2</td></tr><tr><td>2021</td><td>97.0</td></tr><tr><td>2022</td><td>98.7</td></tr></table>	Year	Proportion of wood from certified sustainable forestry	2019	95.4	2020	96.2	2021	97.0	2022	98.7					
Year	Proportion of wood from certified sustainable forestry																
2019	95.4																
2020	96.2																
2021	97.0																
2022	98.7																
FATALITIES																	
Inwido’s objective is for zero fatalities to occur in its operations.	Inwido’s operations have not suffered any fatalities, neither at workplaces nor in connection with work.	<p>Number of fatalities</p> <table><tr><th>Year</th><th>Number of fatalities</th></tr><tr><td>2019</td><td>0</td></tr><tr><td>2020</td><td>0</td></tr><tr><td>2021</td><td>0</td></tr><tr><td>2022</td><td>0</td></tr></table>	Year	Number of fatalities	2019	0	2020	0	2021	0	2022	0					
Year	Number of fatalities																
2019	0																
2020	0																
2021	0																
2022	0																

\* When a company has been part of the Group for 12 months it is included in the calculation of Inwido's external sustainability indicators.



## Targets

## Comments

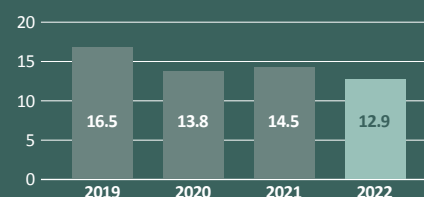
## Outcome 2022

### ACCIDENTS WITH LOST WORKING DAYS

Inwido's objective is for zero accidents to occur in its operations.

The number of accidents with lost working days decreased over the year and we could note a steady downward trend. The work with risk observations and associated measures yielded results together with a strong focus on safe workplaces in our day-to-day work.

Accidents, lost working days (per million hours worked)



### SICK LEAVE, SHORT AND LONG-TERM

Inwido's objective is for total short-term sick leave to be below 2 percent, and for total sick leave (both short-term and long-term) to be below 3 percent.

Both long- and short-term sick leave increased in 2022. This was attributable to new cases of Covid-19 and to seasonal influenza having arrived early at many sites. The long-term sick leave can be attributed to previously postponed surgeries now being performed.

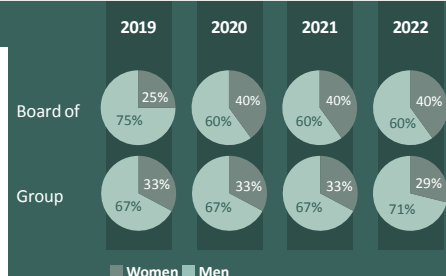
Sick leave



### EQUALITY IN MANAGEMENT

Inwido's objective is to maintain an even gender distribution in management groups and on the Board of Directors.

Inwido's long-term ambition is to achieve an even distribution between women and men on the Board of Directors and in management. In 2022, the proportion of women on the Board of Directors elected by the Annual General Meeting remained unchanged. Although the number of women on Inwido's management team remains unchanged, one individual has been added to the management team (a man).

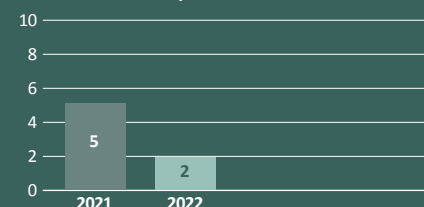


### DISCRIMINATION AND HARASSMENT

Inwido applies zero tolerance of discrimination and harassment.

This key performance indicator was measured for the first time in 2021. A total of two cases of discrimination and/or harassment were verified during the year and followed up with relevant measures. Inwido's Code of Conduct emphasizes zero tolerance of discrimination and harassment and continuously educates all employees in the practical significance of this.

Number of cases of discrimination and/or harassment

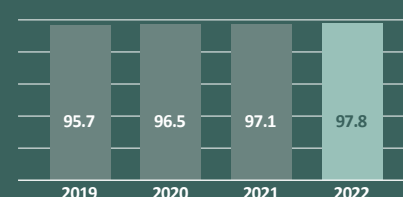


### SUPPLIER CODE OF CONDUCT

Inwido's target is for 100 percent of suppliers to comply with Inwido's Code of Conduct.

The proportion of suppliers of direct material having signed Inwido's Code of Conduct rose from 97.1 percent to 97.8 percent in 2022. The increase is due to continued rigorous efforts regarding suppliers' compliance with Inwido's requirements.

Supplier Code of Conduct





# Strong positions in our core geographies

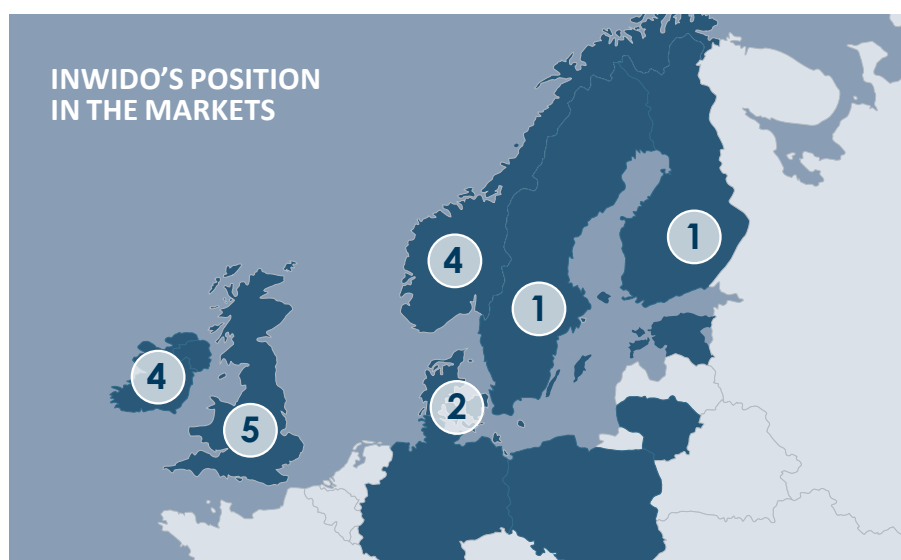
Inwido works continuously to strengthen its positions in its six main markets. This has been achieved both by our business units taking additional market shares, as well as by acquiring companies. Strong positions provide stability with a wide range of offerings targeting different market segments while, at the same time, offering potential for continued growth as well as further market consolidation.

In Sweden, Inwido holds a leading position in a relatively consolidated market. This is home to the largest business unit Elitfönster, which, with production facilities in Vetlanda and Lenhovda, accounts for about a fifth of Inwido's total sales. Strong premium brands, such as Hajom and SnickerPer are also based here. Over the year, positions in the Swedish market advanced further with the acquisition of Westcoast Windows in Trollhättan.

Inwido has an even stronger position in Finland than in Sweden, mainly through the business unit Pihla Group, which accounts for the lion's share of income. But there are several well-positioned smaller business units here too. Hyvinkään Puuseppien, for example, specializes in solid wooden doors and was acquired in May 2022. Business Area Eastern Europe also includes the Polish business unit Sokolka.

In Denmark, Inwido holds a strong and profitable second place in the market. The five business units are all active in the profitable segments of the Danish window market. In Denmark, more than 90 percent of income is generated by the Consumer market, which usually has higher margins and is less sensitive to macroeconomic trends.

In Norway, business unit Lyssand-Frekhaug has progressed from being a turn-around case a



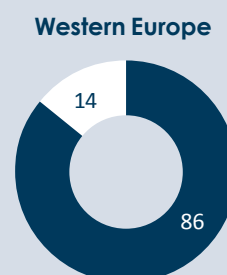
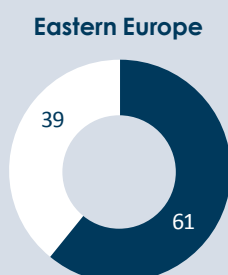
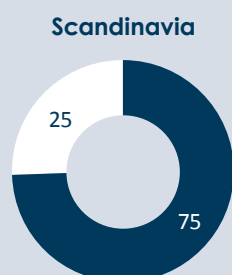
few years ago to now being a mature operation that is growing favorably and profitably. Its fourth place in the market means it has good opportunities for growth through acquisitions.

In the UK, Inwido is one of the players currently driving market consolidation. Over the year, we clearly strengthened our position by acquiring Dekko Window Systems. In Ireland, the Carlson business

unit is the leader in timber and aluminum-clad timber windows. There is, however, great potential for further consolidation of the market in both countries. Inwido also conducts e-commerce in seven countries through the Jabs group, read more on pages 20-21.

## Breakdown between Consumer/Industry by business area (percent)

■ Consumer ■ Industry



# Trends guiding consumers

The window and door market is characterized by companies that are almost always strongest in their home markets and that usually have a low percentage of export sales. This is partly attributable to national building standards and regulations and partly to consumers having different preferences and behaviors. This is confirmed in the consumer trend report “Future of homes in turbulent times” produced by Kairos Future on Inwido’s behalf at the end of 2022. Nearly 3,400 consumers in Denmark, England, Finland, Norway and Sweden participated. Some of the report’s conclusions are presented below.

## DENMARK

Consumers here know all about energy prices. Four out of ten monitor the price trend on a daily basis. It is mainly to save energy and money that Danes change their doors and windows. At the same time, inflation has yet to leave a deeper dent in Danish wallets, allowing investment in homes to continue. As concluded in previous studies, Danes will mainly hire craftsmen to do the work.

**40%**

monitor the price trend on a daily basis

## NORWAY

Historically, Norwegian consumers have spent a lot of money on their homes, but now many predict that they will cut back their home investments. At the same time, many state that they already have well-insulated homes with a renewable energy heat source, so their needs may therefore be lower. Over the next decade, one of the more important investments will be triple-glazed windows, in which they say they will invest. Sustainability is considered an issue for which politicians bear the greatest responsibility, which may be connected to substantial subsidies having been available when buying electric cars for example.

**38%**

are planning to invest in triple-glazed windows

## ENGLAND

Energy matters are also high on the agenda for consumers in England with 41 percent stating that their interest in home energy consumption is starting to resemble an addiction. They also state that they have greater renovation needs than Nordic consumers when it comes to energy. This involves switching to triple-glazed windows and replacing sources of heating. English consumers indicate climate footprint, biodiversity and recycling as important aspects of sustainability when investing in their homes.

**41%**

are interested in energy consumption

## SWEDEN

Many in Sweden state that their homes generally have good heating and insulation. Instead, the next step for most will be to produce their own energy using solar cells. More than one in two households believe they will have this installed within ten years. In terms of sustainability, consumers consider the materials in doors and windows to be crucial. At the same time, responsibility for the green transformation is considered to lie largely with politicians, while, of all markets studied, the sense of personal responsibility is lowest in Sweden.

**50%**

plan to have installed solar panels in ten years’ time

## FINLAND

Finnish consumers stand out with regard to sustainability. Fully 92 percent state that sustainability is crucial in renovating and purchasing items for their homes. They also take the view that responsibility for a sustainable society lies largely with consumers themselves. Key parameters of sustainability are the selection of materials, quality and products being “made in Finland”. Finnish households state that they are already relatively well-equipped with both renewable heat sources and energy-efficient windows and doors. Nonetheless, almost three quarters are concerned about rising energy prices, which they monitor through various apps.

**92%**

consider sustainability to be important







# Proven stability over economic cycles

Financial crisis, pandemic, inflation, energy crisis and war in Europe. Major events with severe impacts on the global economy also affect Inwido's operations. Although we do not yet know how the slowdown in the economy will affect the window and door market, we do know how to act when major demand fluctuations occur.

To start with, Inwido's size is a strength. In recent years, we have grown faster than the market while also improving our profitability, despite cost increases for input materials occurring at an unprecedented rate. Consequently, Inwido stands stronger than ever.

Historically, we have experienced major variations in demand. Since 2008, when consolidated sales were SEK 5.6 billion, sales have varied between SEK 4.3 billion and SEK 9.5 billion, while the profit margin has, at the same time, varied by only 4.4 percentage points over the same period.

The background to our operations being quick

to adapt to changes in demand is that the window and door market has always been characterized by major seasonal variations. Our high season extends through the spring, summer and autumn and our plants are at their busiest until October/November. As Christmas approaches, the pace slows and the first quarter is usually the off season. The seasonal pattern requires built-in flexibility in staffing. For example, it is not unusual for the cost of direct labor to be 30 percent lower in February compared with October. Inwido focuses mainly on the Consumer market, which is less sensitive to economic conditions and less volatile.

Costs for materials, installation and shipping account for almost half of the costs. These disappear at the same rate as demand falls. Furthermore, virtually all doors and windows are only produced once the order is confirmed, which means that there are very limited stocks of finished products.

Finally, Inwido's decentralized structure means that we have a relatively low cost base for Group functions. The business units are instead led by Managing Directors with an "ear to the ground" in their respective markets and therefore able to quickly adapt the operations to demand fluctuations in their particular markets.





## “ Since our IPO, sales have nearly doubled

Peter Welin, CFO and Deputy CEO, Inwido

**You have been with Inwido on its journey since the Group was formed and have witnessed several ups and downs in the economy. How would you describe the economic course of events in 2022?**

“The year started with substantial inflation that escalated with the war in Ukraine. This required us to gradually adjust our prices over the year. As this was achieved only with some delay, the margins were affected negatively. In the first half of the year, both the Consumer and Industry markets were favorable. In the second half of the year, however, a slowdown occurred and our organic order intake fell. This led to a decline in our previous record order backlog towards the end of the year.”

**Inwido’s income varies relatively greatly over the year. How are the operations adjusted for seasonal variations?**

“It is largely a matter of adapting the workforce to production needs. How we do this differs between countries but involves working hours varying with the season, training initiatives and temporary layoffs. In a few business units,

employees were also given notice of termination in the fourth quarter.”

**Historically, Inwido’s sales have varied by 100 percent, but the margin by only slightly more than 4 percentage points. How can that be?**

“Since our IPO, our sales have increased by 100 percent, both through acquisitions and by us having captured market shares in a market that has grown by a couple of percent annually on average. During that time, there were, however, no dramatic declines in the market. Following the financial crisis in 2008/2009, however, income fell by 20 percent. Even so, the operating EBITA margin decreased by only a couple of percentage points. The combination of 50 percent of our costs being variable and us being accustomed to adapting capacity to seasonal variations allows us to defend our margins even in a declining market.”

**With 32 business units – is it easier or more difficult to act on economic fluctuations?**

“I would say it is easier because the responsibility for protecting profit is local. This means that

the business units take the actions best suited to their market outlook. A central cost-cutting program, for example, would risk failure because we will likely have some business units that will perform strongly for a period while others will face a tougher market.”

**Inwido’s income originates mainly from the Consumer market, not from the Industry market. One of the advantages of this is that the Consumer market is less sensitive to economic conditions. Is it still true even though households are now more depressed than ever?**

“Yes, because there is still a need for renovation and, in addition, interest among households in saving energy is at a record high, which is positive because new energy-efficient doors and windows reduce our electricity bills.”





# A long-term e-commerce initiative

In general, e-commerce enjoyed a huge boost during the pandemic, with many people preferring online shopping to mitigate contagion. At the same time, with so many people having to work from home, interest in home improvements also grew. In 2022, the market was somewhat weaker, but long term there is no doubt that more and more consumers will buy windows and doors online.

Inwido is well equipped to increase its sales within the e-Commerce business unit in both existing and new markets. The basis for this is our e-commerce platform, which is unique for the industry. It builds on five key components:

1. Meeting the market with several brands – which creates opportunities to differentiate the offers and reach a larger overall market.
2. Being an industry leader in search engine optimization and keyword advertising, which is a success factor in a buying process where the customer often spends a lot of time on research before buying.
3. Dynamic pricing – appropriate pricing is extre-

mely important when the competition is just a click away. A proprietary price optimization tool is a key component.

4. Online stores with the customer in focus. We want to make buying windows and doors online as easy as possible and we are industry leaders in user-friendliness.
5. Omnichannel offering – different customers have different needs for support in connection with a purchase and the digital stores are therefore supplemented with physical showrooms.

In addition to the e-commerce-specific areas of expertise described above, the e-Commerce business unit also offers a product range adapted

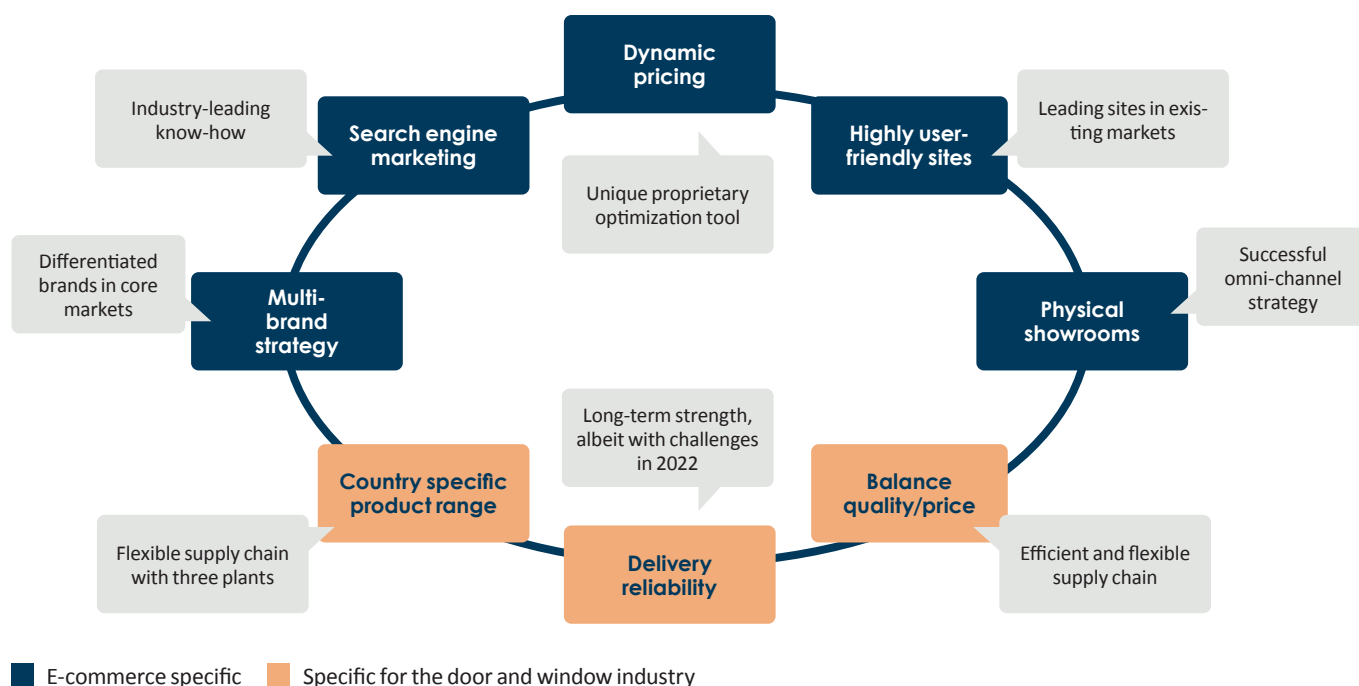
to each country and a low-cost supply chain, which is a prerequisite for maintaining the low-price profile that has been established. In 2022, major investments were also made in two of the business unit's three production facilities. Although the implementation was a challenge over the past year, we are entering 2023 at full capacity and with a shared platform that should enable increased capacity and improved efficiency, as well as fast and reliable deliveries to customers.

A scalable e-commerce platform provides favorable opportunities for continued growth, particularly in Sweden, Norway and Germany, as well as in new markets as soon as opportunities arise.





## Inwido's e-commerce platform



## Digital consumers increasingly seek AI assistance.

Digitization already impacts how consumers purchase windows and doors. People do not only expect to be able to shop online. They also want help with decorating and running their homes. To achieve this, many are prepared to submit data about themselves to an artificial intelligence.

The buying journey looks completely different with today's "digital consumer". For Inwido's business units, this means, of course, that relevant offerings must exist, regardless of the channel. Being physically present is also necessary, to offer advice, to explain and to simplify. For example, someone seeking to change a window in Denmark can access Outline's website, enter their address and quickly and directly learn about which windows are suited to a house like theirs. If a consumer wants to know what new windows will mean in terms of savings on their electricity bill, this can also be calculated using the energy calculators available on several of the business units' websites.

At the same time, our homes are becoming increasingly intelligent. As consumers, we have, in recent years, become increasingly obsessed with measuring. Apps measure energy consumption in the home, monitor our budget, guard our homes and control our music and entertainment. All of

this measuring generates enormous amounts of data that are not always easy to interpret. But even there we now receive help both with interpretation and making decisions.

According to the consumer survey conducted by Kairos Future on behalf of Inwido, almost half of consumers state that apps are a good way of maintaining control at home. Several different AI applications already exist, for example, to help you decorate your home. We are also seeing intelligent homes finally being standardized and today they can be controlled by Google's, Apple's and Amazon's digital assistants. The consumer survey from Kairos Future shows that a third of people among the younger generations can imagine using AI for decisions related to the home.

Who knows? Maybe we should prepare for a future in which Siri or Alexa will decide when it is time to change our windows or doors.





# Potential to drive the consolidation of the European market

Inwido is Europe's leading window and door group, built historically on more than 50 acquisitions. Since 2014, 14 acquisitions have been implemented, including JNA & Spar and Bedst & Biligst, which now forms part of Business Area e-Commerce. In 2022, three more companies were incorporated into the Group, which, at the end of the year comprised 32 business units, with operations in 11 countries.

Despite Inwido's increasingly strong position, the European market remains heavily fragmented, with most company's almost exclusively addressing their home markets. This generates considerable potential for Inwido to drive the consolidation of the market, which has to date been achieved predominantly in the Nordic Region and partly also in the UK.

In the area of acquisitions, the ambition is linked to the long-term sales target of SEK 20 billion by 2030. To achieve this, Inwido will need to add acquired growth of between 5 and 10 percent annually. The reason for growing through acquisitions is that it generates added value for our shareholders. This is noted most immediately through a positive multiple arbitrage and our capacity to quickly derive synergies, mainly through shared purchasing of input materials.

Continuous acquisitions of profitable companies generate growth, as well as contributing to positive cash flow. Through exposure to additional markets, the operations will also become less cyclical. A larger, more international group also generates higher valuation multiples over time. By applying Inwido's model for generating sustainable value on the acquired operations in the long term, including by coordinating purchasing to cut purchasing costs, value is generated immediately once an acquisition has been completed.

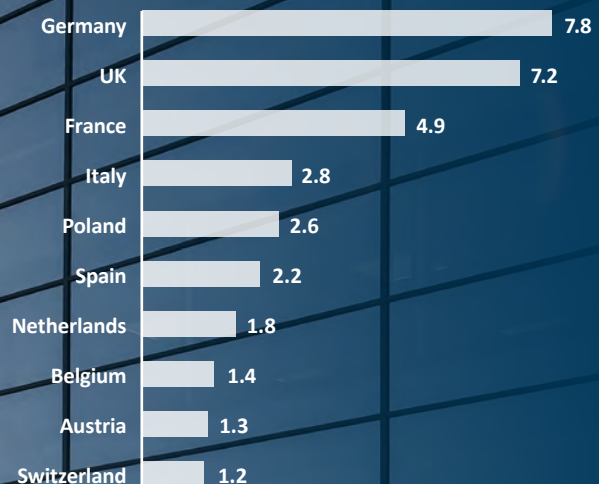
Inwido also drives favorable development in sustainability. The requirements made of the acquired companies are the same in this area too.

Although it is not possible to provide a timetable for when and where the next acquisition will occur, our ambition is to establish operations in another major European market through one large acquisi-

tion, or two or three medium-sized ones, while also continuing to grow through acquisitions in existing markets. The countries that are of interest to enter depend on criteria including per capita GDP, the proportion of single-family homes, housing prices, renovation needs, the size of the market and who its players are.

The country-specific criteria are also mapped against Inwido's general M&A criteria, which, among other things, mean that we acquire profitable companies with strong positions and preferably focusing on the renovation segment. We are also looking for well-managed companies, as determined through management audits, in which synergies can be derived and that offer favorable development potential.

Market value of windows by country



Estimate, EUR billion in 2022  
Source: Ceresana

# Three new companies in the Inwido family

In 2022, three more companies joined Inwido. At the beginning of March, the Group was joined by Dekko Window Systems in Manchester, England. On May 31, the acquisitions of Hyvinkään Puuseppien in Finland and Westcoast Windows in Sweden, were announced. Although the new business units differ in terms of both their size and offering, they are united in being profitable companies with strong positions that contributed to the Group's development from day one.



**Dekko Window Systems**

**The first and largest acquisition of 2022,** Dekko Window Systems became part of Business Area Western Europe. The company's plant for windows and doors – front, folding and patio doors in PVC, aluminium and composite materials – is located in Lancashire on the outskirts of the industrial city of Manchester. At the time of acquisition, these operations generated sales equivalent to about SEK 280 million and employed 200 people.

Dekko is a fast-growing company that was founded 2008 – since then increasing its sales sevenfold. This growth has been achieved by continuously developing the offering with new product series and today the company offers both PVC windows as well as the luxury Residence Collection timber effect window system and the exclusive aluminium series, Räum.

This innovative company will soon introduce another novelty – a window completely without visible welds, made possible by a multi-million pound investment in equipment.

"We are incredibly proud to be launching, with Inwido's support, our new completely seamless window, the first of its kind in the world. We are very much looking forward helping our customers get this exciting product out there in 2023. This takes aesthetics to a whole new level," says Gary Torr, MD of Dekko Windows.



**Westcoast Windows**

**From one historical industrial city to another.**

Located in Trollhättan, Sweden is Westcoast Windows, which manufactures windows, patio doors and timber and timber/aluminium sliding doors. Originally founded in 1995, the company was generating annual sales of SEK 164 million at the time of acquisition and joined Business Area Scandinavia.

As the name suggests, Westcoast Windows is strongest on Sweden's west coast, from Strömstad down to Malmö. This means that there is potential for collaborating with another Inwido business unit – ERA Fönster, which also has a strong footing in western Sweden. Accordingly, as of January 1, 2023, Dennis Grönroos, the MD of ERA Fönster, is also the MD of Westcoast Windows.

"Westcoast Windows is a profitable company with a strong brand. At the same time, I see great potential for accelerating this favorable trend through closer collaboration with ERA Fönster, which will benefit both business units," says Dennis Grönroos.



**Hyvinkään Puuseppien Oy**

**The acquisition journey in 2022 ended in Ridasjärvi, Finland.** This is where Hyvinkään Puuseppien is located, a specialist in solid timber doors and custom windows. The company was founded in 1958 by the father of the current MD and owner Ilkka Turpiainen. Hyvinkään Puuseppien has 16 employees and annual sales of SEK 40 million.

In addition to new doors and windows, which are manufactured with great craftsmanship, Hyvinkään Puuseppien also offers on-site renovation of doors and windows in older buildings. This service is entirely in line with Inwido's sustainability ambition of being an environmental friend.

Hyvinkään Puuseppien's doors and windows can be found in several famous buildings, such as Helsinki City Theatre and the Finnish National Theatre. An advantage to being part of the Inwido family is its shared purchasing of input materials.

"We have received a very warm welcome and feel appreciated as a new member of the Group. The collaboration with Pihla Group's purchasing department began immediately and we were already able to benefit from lower prices in July, particularly for timber, on which we saved tens of percent compared with previously," says Ilkka Turpiainen.

Hyvinkään Puuseppien is part of Business Area Eastern Europe.



# A home for strong market leaders

One of the key concepts in Inwido's strategy is decentralization. The strength of the strategy lies in making manufacturing and business decisions close to customers. So, why has Inwido not chosen to concentrate production in fewer but larger plants and to address the market with only a small number of brands?

The background is that a decentralized strategy is preferable for windows and door companies because the markets are extremely local. Window standards vary and are completely different even within countries, both in the Nordic Region as well as in other parts of Europe. This, in turn, imposes varying demands on the design of products. Purchasing patterns and choices of channel also vary extensively between different countries, making offerings appear very different. What people happily pay for in one market, others would not pay a single penny for in another market. Production is also steered by customer orders, meaning that product batches are small. For this reason, slightly smaller production facilities close the market are an advantage. A centralized plant structure would

instead be a disadvantage because the complexity would cancel out the efficiency gains.

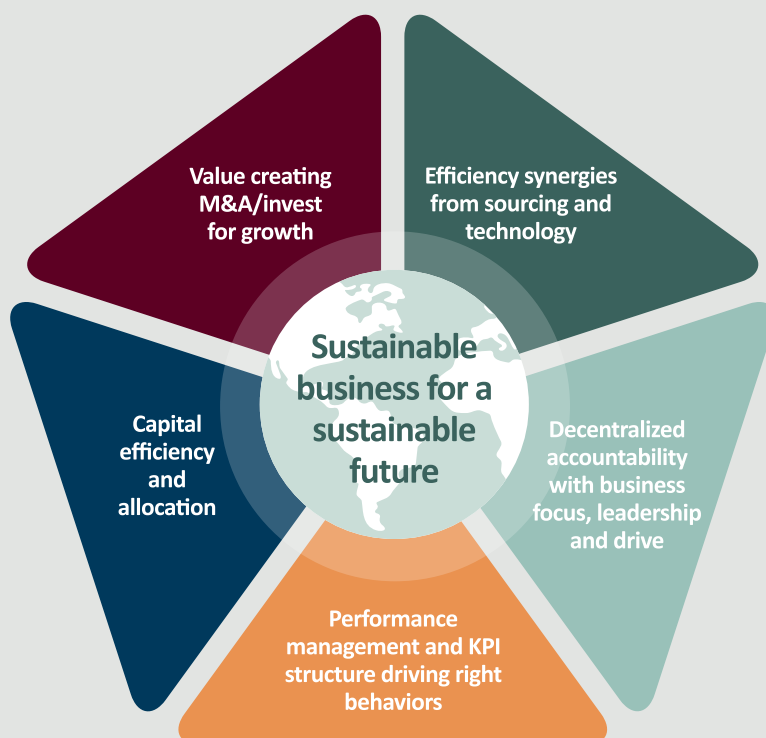
At the same time, the input materials are largely the same. Partnering to procure timber, aluminium, glass and fittings, for example, offers considerable advantages and enhances the profitability of the existing business units, while helping rapidly improve margins among the acquired companies.

It is also evident that a decentralized assumption of responsibilities, with a Managing Director for each business unit, generates focus, commitment and drive in the operations. Combined with performance-based leadership and clear targets, this fosters conditions both for growth and improved profitability. We also see a strength in the diversity of brands, which offers opportunities to

operate in multiple segments, thereby capturing a larger share of the overall market.

By virtue of Inwido's overall size, better financial conditions are also generated through increased capital efficiency. Centrally, growth is driven by acquisitions and major investments in existing operations, which strengthen our business units.

The strongest evidence favoring our strategy, however, is how it delivers value in the form of growth, profitability and shareholder value. From the IPO and up until 2022, sales increased by 94 percent, while operating EBITA more than doubled and earnings per shares rose by 340 percent. All of which was achieved by being the best home for numerous strong market leaders.







# A new record year – with reduced climate emissions

To say that 2022 turned out to be a turbulent year would be an understatement. As the pandemic began to subside in Europe, Russia commenced its full scale invasion of Ukraine, resulting in enormous human suffering and sharply increased energy prices. Despite numerous challenges, 2022 turned out to be Inwido's best year to date, with a greatly increased sales and record profit. At the same time, our climate emissions decreased and the proportion of our sales that are compatible with the EU taxonomy's review criteria increased.

## 1. The year 2022 broke the records in terms of sales and profits.

In 2022, net sales increased by 24 percent to SEK 9,547 million, of which organic growth accounted for 14 percent. This means that, over the year, Inwido has taken a major step towards its long-term target of SEK 20 billion by 2030. Operating EBITA for 2022 was SEK 1,090 million, which is the first time that profit has exceeded SEK 1 billion. The return on operating capital increased to 18.3 percent to compare with our financial targets of more than 15 percent.

## 2. Three new companies in the Inwido family.

The acquisition rate increased in 2022 and Inwido progressed from 29 to 32 business units. Dekko Window Systems was the first and largest acquisition of the year. The company joined Business Area Western Europe and has contributed strongly to increasing both sales and profit. On May 31, it was time again, with Westcoast Windows of Sweden and Hyvinkään Puuseppi of Finland joining the Group. Although these were two smaller acquisitions, considerable synergies are to be derived from collaborating with existing business units and through shared purchasing.

## 3. Greatly reduced carbon dioxide emissions.

Over the year, Scope 1 and 2 carbon dioxide emissions per unit decreased by 22 percent compared with 2021, meaning that we have now reduced our emissions by more than 50 percent since 2019 and thus already reached our climate ambition for 2030 in 2022. Our commitment with the Science Based Targets initiative, extends this responsibility to also include carbon dioxide emissions throughout the value chain. In 2022, the proportion of sales meeting the EU taxonomy's criteria also increased, significantly helping limit climate changes to 65 percent (61 percent 2021).

## 4. Rapid price adjustments to counter inflation on input materials.

In 2022, prices for all major input materials increased at an unprecedented rate. As a window company, this was most evident in glass prices, which are, in turn, strongly linked to the price of natural gas, which rose sharply following Russia's invasion of Ukraine. Inwido business units have been quick to adjust their prices towards their customers, which made it possible, despite this challenging environment, to defend the margins, even though this was achieved with a certain delay.

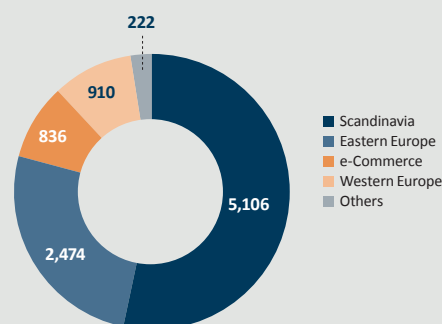
## 5. Four new MDs – all recruited internally.

With Inwido's highly decentralized business model, the performance of the MDs of the individual business units is crucial for the Group's success. Accordingly, Inwido invests in a well-developed training program for the business unit MDs, enabling them to improve further and to also provide them with the skills and tools to elevate their individual management teams. The best proof of this is that four new MDs were appointed in 2022 – all of them recruited internally within Inwido. Michael Dunne and Marek Anisko were sales managers who were appointed as the MDs of Carlson and Sokolka respectively. Thomas Haage, Deputy MD of Elitfönster, was appointed as the MD of Diplomat Dörrar and Dennis Grönroos, MD of Era Fönster, also became MD of Westcoast Windows.

## Inwido in figures 2022

In 2022, net sales grew by 24 percent to SEK 9,547 million. Operating EBITA for the year amounted to SEK 1,090 million (907) and the operating EBITA margin amounted to 11.4 percent (11.7).

External net sales by business area, SEKm



**9,547**  
Net sales, SEKm

**1,090**  
Operating EBITA, SEKm

**18.3%**  
Return on operating capital

**22%**  
Reduction of CO<sub>2</sub> emissions,  
Scope 1 and 2

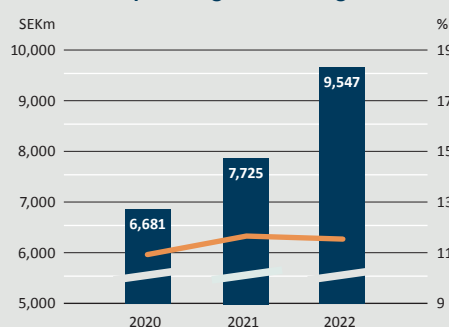




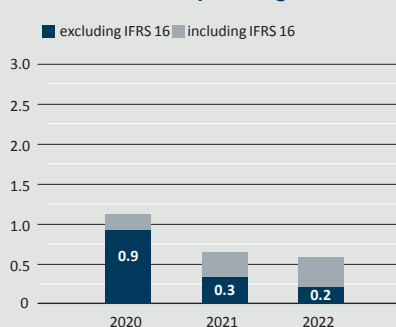
# TOP 5 key news items

- 1 Another record year in terms of sales and profit
- 2 Three new companies in the Inwido family
- 3 Achieved our climate objective for 2030 early, after more than halving our climate emissions
- 4 Rapid price adjustments to counter inflation on input materials
- 5 Four new Managing Directors were recruited internally

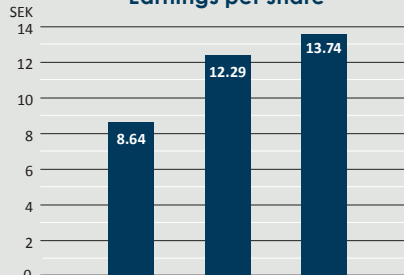
Net sales and operating EBITA margin



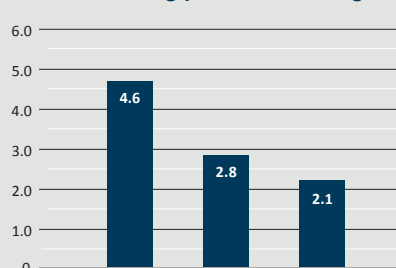
Indebtedness Net debt/operating EBITDA



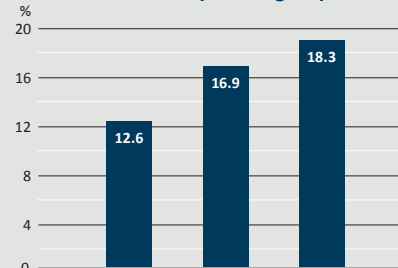
Earnings per share



CO<sub>2</sub>e kg per window wing



Return on operating capital



## Inwido's financial targets:

- **Growth:** Sales target SEK 20 billion in 2030
- **Profitability:** return on operating capital >15%
- **Capital structure:** Net debt in relation to operating EBITDA multiple of <2.5
- **Dividend:** About 50% of net profit

# Our targets and performance

Inwido's overarching objective is to generate a good return and long-term development of value for shareholders. The targets and corresponding outcomes for 2022, are presented and commented on below.

## INWIDO'S FINANCIAL TARGETS

Targets	Comments	Outcome 2022
<b>GROWTH</b>		
Inwido targets sales of SEK 20 billion by 2030.	Net sales increased to SEK 9,547 million (7,725), corresponding to growth of 24 percent, the highest since the stock exchange listing in 2014. Although the underlying market was favorable during the first half of the year, towards the end of the year demand from the Industry market declined, while the Consumer market remained stable. All of the year's acquisitions contributed to the good growth.	<b>24%</b> to SEK 9,547 million
<b>PROFITABILITY</b>		
Inwido's profitability target is to achieve a return on operating capital of more than 15 percent.	The return on operating capital rose to 18.3 percent compared with 16.9 percent in the preceding year. The improved return was a result of continued good profitability combined with less working capital being tied up.	<b>18.3%</b>
<b>CAPITAL STRUCTURE</b>		
Inwido's net debt in relation to operating EBITDA shall, excluding temporary deviations, not exceed a multiple of 2.5.	Inwido's net debt in relation to operating EBITDA amounted to a multiple of 0.6 (0.2 excluding IFRS 16). The continued strong balance sheet was explained by the improved operating profit, combined with a strong cash flow and successful efforts to reduce working capital.	<b>0.6x</b>
<b>DIVIDEND</b>		
Inwido aims to pay its shareholders an annual dividend that corresponds to approximately 50 percent of net profit. However, Inwido's financial status in relation to the target, cash flow and future prospects shall be taken into consideration.	In line with the dividend policy, the Board of Directors proposes that the dividend for the 2022 financial year be set at SEK 6.50 per share (6.15), corresponding to 47 percent of the reported profit for the year after tax. A dividend in line with the policy is made possible by a strong balance sheet at the same time as there are financial resources for value-generating acquisitions.	<b>47%</b> SEK 6.50 per share







# Industry's best Managing Directors – a success factor

In a decentralized group, the management of the business units is a critical success factor. Accordingly, Inwido devotes considerable resources to training and developing the Group's business unit Managing Directors (MDs), who then develop their employees, building successful business units.

The objective of Inwido's training of its business unit MDs is crystal clear – the 32 business units shall be headed by the best MDs in our industry. In 2022, Inwido was able to hold the trainings physically again. We view this as a great advantage because a tremendous benefit from these courses is the sharing of knowledge and best practice between the MDs. The shared experience and knowledge of running door and window companies combined within Inwido is one of the Group's major assets. By meeting in person, it is natural to share best practices and experiences, while cutting-edge expertise is contributed in areas such as strategy development, leadership, finance and sustainability.

Developing today's MDs is not enough. Inwido places great emphasis on identifying and developing talented individuals and having a clear plan of succession. Generally, but not always, a future business unit MD is already employed at Inwido. In 2022 for example, Marek Anisko, former Domestic Sales Manager at Solkolka, was appointed as the new MD of the business unit, and Diplomat Dörrar recruited its new MD, Thomas Haage, from Elitfönster, where he had been Head of Product & Supply and Deputy MD.

## Employee satisfaction survey

Long-term successful operations build on fulfilled and engaged employees who develop at their place of work. This is one of the reasons why, Inwido conducts a comprehensive annual employee satisfaction survey, in which all employees are rated on, among other things, the working environment, leadership, development and how they cooperate with colleagues and managers.

In 2022, the survey was conducted for the 12th time. For the first time since the surveys began, the total leadership and confidence index fell somewhat, from 74 percent to 73 percent. If the figures are adjusted of the acquisitions made in 2022, however, the outcome was at the same level as in 2021. The reason for adjusting the figures of the recently acquired companies is that they usually score lower as employees have not usually worked in as structured a manner with leadership and employmentship previously. The situation looked the same within Inwido as a whole when the employee satisfaction survey was

conducted for the first time in 2010. By focusing on a systematic development of employees and managers, employee satisfaction will be increased. Inwido will continue its efforts with the ambition of achieving a leadership and confidence index of at least 75 percent.

## Safe place to work

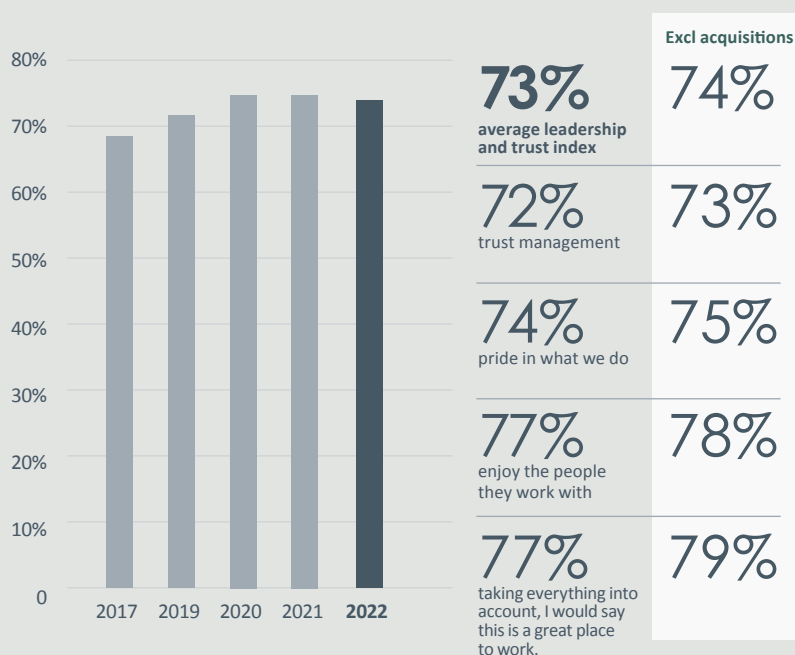
Being a good place to work is one of the three cornerstones of Inwido's sustainability compass. Several of the sustainability KPIs are linked to this. Many of the business units are manufacturing companies, imposing substantial demands on creating a safe workplace. Inwido's objective is to have zero workplace accidents. All accidents are reported centrally and we both report on, and follow up on, observations that could have led to an accident – so-called "near misses". Efforts to reduce accidents involve both building a safety-conscious culture and eliminating physical risks in production. This entails being a safe workplace

both physically and psychologically. The workplaces also conduct active efforts to reduce sick leave.

Employees at Inwido's business units are to be offered opportunities for personal development, and expertise, ambition and potential should determine the possibilities. The long-term objective is to continuously improve the balance, seeking an equal distribution of women and men in the business units and in the management teams. The Group applies zero tolerance of any form of harassment or discrimination and therefore reports this as a part of its sustainability work.

The Inwido Group maintains an anonymous whistle-blower service so that all employees can easily report violations of Inwido's Code of Conduct, in the form of, for example, discrimination, harassment, bribery and corruption, etc., or in the form of non-compliance with applicable laws and regulations. All reports are taken into account and must, if necessary, be investigated further. Inwido's whistle-blower function is of course anonymous.

## Leadership and trust index 2022



## Inwido's business unit Managing Directors



# The Inwido share

## Sales and trading

The share's ticker symbol is INWI and the ISIN code is SE0006220018. During 2022, a total of approximately 35 million shares were traded at a value of approximately SEK 4,231 million on the Nasdaq Stockholm exchange. An average of 136,623 shares was traded per trading day, which corresponds to a value of slightly less than SEK 17 million. During the period, an average of 1,132 trades were carried out per trading day.

## Share capital

At the end of 2022, Inwido's share capital amounted to SEK 231,870,112, distributed between 57,967,528 shares with a par value of SEK 4 per share. All shares carry equal voting rights and an equal share in the Company's profit and capital.

## Ownership structure

At year-end, Inwido had 16,687 shareholders. The largest single shareholder was NN Group, whose total share ownership amounted to 10.30 percent of the capital and votes in the Company. The ten largest shareholders accounted for about 49 percent of the capital and votes. Foreign shareholders' ownership totaled approximately 51 percent.

## Dividend

Inwido's long-term aim is to pay its shareholders an annual dividend that corresponds to approximately 50 percent of net profit. However, Inwido's financial status in relation to the target, cash flow and future prospects shall be taken into consideration. In line with the dividend policy and taking the capital structure into account, the Board of

Directors proposes that the dividend for the 2022 financial year be set at SEK 6.50 per share (6.15), corresponding to 47 percent of profit for the year after tax. The proposal will mean a total dividend payment of approximately SEK 377,788,932 million.

## Share price performance

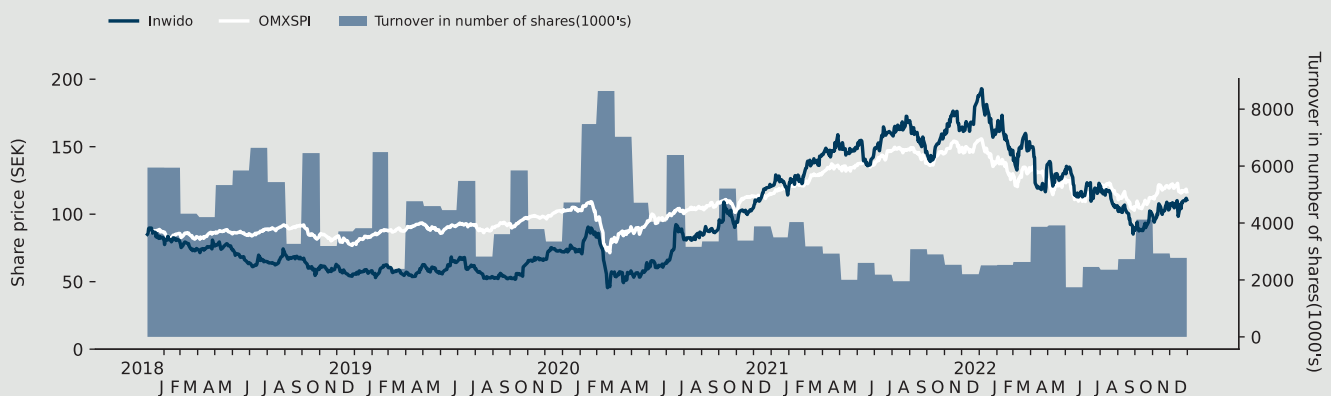
The closing rate for Inwido's share on December 31, 2022 was SEK 110.70, giving a market capitalization of approximately SEK 6,417 million. The average share price during the period was SEK 123.70. Over 2022, the share price fell by 42 percent. Over the same period, the OMX Stockholm PI rose by 25 percent.

## Facts about the Inwido share

Name:	Inwido AB (publ)	Beta (3-year period):	1.33
Exchange:	Nasdaq Stockholm	Currency:	SEK
Marketplace:	XSTO	Listing:	Sep 26, 2014
Segment:	Mid Cap	Price on December 31, 2022:	110.70
ISIN code:	SE0006220018	Highest price paid in 2022 (January 4):	193.00
Symbol:	INWI	Lowest price paid in 2022 (September 27):	85.25

Source: Nasdaq, Infront Analytics

## Share price performance and turnover in (2018 – 2022)



Source: Modular Finance



**Data per share**

SEK (unless otherwise stated)	2022	2021	2020	2019	2018
Earnings per share, before dilution, SEK	13.74	12.29	8.69	7.48	7.47
Earnings per share, after dilution, SEK	13.74	12.29	8.69	7.48	7.45
Dividend per share <sup>1)</sup>	6.50	6.15	4.50	-	2.50
Share price on December 31	110.70	187.20	120.50	72.10	55.60
Direct return, % <sup>2)</sup>	5.9%	3.3%	3.7%	-	4.5%
Shareholders' equity per share before dilution, SEK	91.25	80.08	71.68	65.13	60.31
Shareholders' equity per share after dilution, SEK	91.25	80.08	71.68	65.13	60.20

1) Proposed dividend for 2023

2) Dividend/share price at year-end

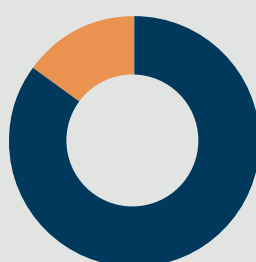
Source: Inwido and Nasdaq Stockholm

**Largest shareholders**

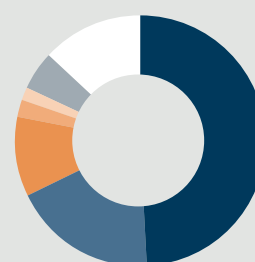
Name	Number of shares	Capital (%)	Votes (%)
NN Group N.V.	5,952,072	10.27%	10.27%
Fjärde AP-fonden	5,606,503	9.67%	9.67%
Swedbank Robur Fonder	4,789,247	8.26%	8.26%
Lannebo Fonder	3,068,335	5.29%	5.29%
Dimensional Fund Advisors	2,546,267	4.39%	4.39%
Capital Group	2,500,000	4.31%	4.31%
Spiltan Fonder	1,076,243	1.86%	1.86%
Avanza Pension	1,062,641	1.83%	1.83%
Eklund family	1,000,000	1.73%	1.73%
Holberg Fonder	1,000,000	1.73%	1.73%
Subtotal	<b>28,601,308</b>	<b>49.34%</b>	<b>49.34%</b>
Total, other shareholders	28,366,220	50.66%	50.66%
<b>Total</b>	<b>56,967,528</b>	<b>100%</b>	<b>100%</b>

**Proportion of votes and capital, Swedish and international shareholders**

■ Sweden 49%  
 ■ International 51%

**Proportion of votes and capital, institutional and private shareholders**

■ Institutions 85%  
 ■ Private 15%

**Proportion of votes and capital by geography**

■ Sweden 49.3%  
 ■ USA 18.7%  
 ■ Netherlands 10.3%  
 ■ Norway 2.1%  
 ■ Finland 1.7%  
 ■ Others 5.2%  
 ■ Anonymous 12.8%

# Five-year summary

SEK m (unless otherwise stated)	2018	2019	2020	2021	2022
<b>Income measures</b>					
Net sales	6,667	6,631	6,681	7,725	9,547
Gross profit	1,712	1,694	1,736	2,021	2,339
EBITDA	781	870	939	1,151	1,349
Operating EBITDA	797	876	956	1,136	1,352
EBITA	635	621	712	922	1,087
Operating EBITA	657	646	729	907	1,090
Operating profit (EBIT)	618	601	695	902	1,063
<b>Margin measures</b>					
Gross margin, %	25.7	25.5	26.0	26.2	24.5
EBITDA margin, %	11.7	13.1	14.1	14.9	14.1
Operating EBITDA margin, %	12.0	13.2	14.3	14.7	14.2
EBITA margin, %	9.5	9.4	10.7	11.9	11.4
Operating EBITA margin, %	9.9	9.7	10.9	11.7	11.4
Operating margin (EBIT), %	9.3	9.1	10.4	11.7	11.1
<b>Capital structure</b>					
Net debt	2,141	2,075	1,096	687	768
Net debt (excl. IFRS 16)	2,141	1,711	740	348	294
Net debt/operating EBITDA, multiple	2.7	2.4	1.1	0.6	0.6
Net debt/operating EBITDA, multiple (excl. IFRS 16)	2.7	2.2	0.9	0.3	0.2
Net debt/equity ratio, multiple	0.6	0.5	0.3	0.1	0.1
Interest coverage ratio, multiple	9.2	8.9	9.6	20.7	17.2
Equity	3,501	3,776	4,155	4,648	5,319
Equity/assets ratio, %	49	51	52	55	54
Operating capital	5,642	5,850	5,251	5,335	6,087
<b>Return measures</b>					
Return on equity, %	13.2	11.9	12.4	16.2	16.2
Return on operating capital, %	11.8	9.9	12.6	16.9	18.3
<b>Employees</b>					
Average number of employees	4,455	4,356	4,345	4,585	4,854
<b>Share data (number of shares, thousands)</b>					
Earnings per share, before dilution, SEK	7.47	7.48	8.64	12.29	13.74
Earnings per share, after dilution, SEK	7.45	7.48	8.64	12.29	13.74
Shareholders' equity per share before dilution, SEK	60.31	65.13	71.68	80.08	91.25
Shareholders' equity per share after dilution, SEK	60.20	65.13	71.68	80.08	91.25
Cash flow per share, before dilution, SEK	7.49	15.96	20.86	17.49	18.47
Cash flow per share, after dilution, SEK	7.47	15.96	20.86	17.49	18.47
Number of shares, before dilution	57,968	57,968	57,968	57,968	57,968
Number of shares after dilution	58,071	57,968	57,968	57,968	57,968
Average number of shares	57,968	57,968	57,968	57,968	57,968

## Calculation of alternative key ratios not defined by IFRS

### Income measures

Group, SEK m	2022	2021
Operating profit (EBIT)	1,063	902
Depreciation/amortization and impairment	285	249
Items affecting comparability, other items	3	-15
<b>Operating EBITDA</b>	<b>1,352</b>	<b>1,136</b>
Gross profit	2,339	2,021
Items affecting comparability, depreciation/amortization and other items	1	-22
<b>Operating gross profit</b>	<b>2,340</b>	<b>1,999</b>
Operating profit (EBIT)	1,063	902
Depreciation/amortization of acquisition-related intangible assets	23	21
<b>EBITA</b>	<b>1,087</b>	<b>922</b>
Items affecting comparability, depreciation/amortization and other items	3	-15
<b>Operating EBITA</b>	<b>1,090</b>	<b>907</b>
Items affecting comparability	-3	15
Amortization/depreciation	0	0
Other items	-3	15

### Capital structure

Group, SEK m	2022	2021
Cash and equivalents	-1,319	-1,073
Other interest-bearing assets	-19	-18
Interest-bearing liabilities, non-current	1,954	1,664
Interest-bearing liabilities, current	153	113
<b>Net debt</b>	<b>768</b>	<b>687</b>
Total assets	9,786	8,437
Cash and equivalents	-1,319	-1,073
Other interest-bearing assets	-19	-18
Non-interest-bearing provisions and liabilities	-2,360	-2,012
<b>Operating capital</b>	<b>6,087</b>	<b>5,335</b>



# Sustainable growth in a turbulent year

**The year 2022 will** definitely have a place in the history books. Russia's brutal war of aggression against Ukraine, which began on February 24, radically changed the circumstances again. It gave a new element of uncertainty for the Board of Directors to take into account in its work. The impact on Inwido has mainly been seen as continued sharp price increases for input materials and disruptions in the supply of components. The Group's capacity, despite these conditions, to achieve its strongest year to date, in terms of both sales and earnings, is indicative of stability and professional leadership.

**Inwido's growth target of** achieving annual sales of SEK 20 billion by 2030 assumes an annual average growth rate of 12 percent, which was exceeded in 2022 through a combination of organic growth and three acquisitions. This is positive because it is important for a growth-oriented group like Inwido

to safeguard the development of its existing operations while also integrating new companies effectively into the decentralized organization. In the short term, rapidly rising prices for input materials have brought pressure on margins, although Inwido were able to offset this by raising prices. The business units have demonstrated clearly their ability to adjust prices, with margins rising again in the fourth quarter.

**For shareholders, the clearest way** to summarize a year is through the share dividend, and we are pleased to propose to the Annual General Meeting that it be increased to SEK 6.50. This signals strong finances, as well as confidence in the future. While showing that we can build share holder value, we are also demonstrating that we have the resources to both invest in the existing operations while also continuing our journey of growth through acquisitions.

As the Chairman of the Board, it is my role to keep an eye on the objective of long-term growth, while that growth may not be achieved at the expense of profitability or through excessive indebtedness. In 2022, the return on operating capital increased to 18.3 percent and net debt amounted to a multiple of 0.6 on operating EBITDA, including leasing liabilities. This means that Inwido have more than delivered compared with the financial targets.

**As we enter 2023, the financial position** is stable, which is reassuring as I still see several challenges over the coming year. Historically, Inwido has dealt with market fluctuations well and we are well aware of, and prepared for, the possibility of a recession.

**With Europe** in the middle of its worst energy crisis in decades, it is inspiring to work with a company that reduces energy consumption with every product installed. Energy efficiency, where windows and doors play an important role, is part of

the part of the green transition and Inwido's products are well positioned for this shift. It is also gratifying to see the progress being made within the Group's sustainability work. In particular, I would like to highlight the reduction in carbon dioxide emissions, where Inwido's already achieved their objective of halving the Scope 1 and 2 emissions in 2022. Within the framework of the Science Based Targets initiative, new climate-based targets will be set out in 2023. During the year, the Board of Directors visited Elitfönster to participate in the business unit's professional safety program, and it was gratifying to see that the number of accidents has been decreased over the year.

**This is now** the second year in which I am leading the Board's work with well-functioning meetings with qualified members whose knowledge is both broad and relevant. Our role is to keep a clear eye on the long-term objectives, but also to be able to act quickly alongside Group Management on both the challenges and opportunities that arise. In partnership with Group Management, the Board of Directors ensures that the company is managed in a focused, efficient, ethical and sustainable manner, both during the year and in the future.

**In conclusion, I would like to** extend my warm thanks to the Board, to Group Management and to all of the Group's employees for a job very well done in this challenging year. Thank you for your hard work.

Malmö, March 2023  
**Per Bertland**  
 Chairman of the Board



” It is inspiring to work with a company that reduces energy consumption with every product installed.

# Corporate Governance Report

Good corporate governance forms the basis for ensuring for shareholders that Inwido is managed as sustainably, responsibly and efficiently as possible. In turn, this improves confidence in the Company in the capital market and among the general public – confidence that is essential if we are to have the liberty to realize our strategies so that we can generate value over the long term.

## Operations

Inwido improves people's lives indoors with windows and doors. As Europe's leading window group, Inwido's business concept is to develop and sell the market's best customized window and door solutions through a decentralized structure and with focus on the consumer-driven market, in order to create long-term sustainable growth, organically and through acquisitions. Inwido has been listed on the Nasdaq Stockholm exchange since 2014.

## Governance principles

Inwido AB (publ) ("Inwido" or "the Company") is a Swedish public limited company whose shares are listed on the Nasdaq Stockholm exchange. The governance of Inwido is based on the Company's Articles of Association, the Swedish Companies Act, other relevant Swedish and foreign regulations and legislation, and internal guidelines. Inwido's governance is also based on Nasdaq Stockholm's regulations for issuers, as well as the Swedish Corporate Governance Code ("the Code"). Inwido followed the Code in all respects in 2022.

This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code. Inwido's auditors have reviewed the report and an opinion from the auditors has been included. Corporate Governance Reports and other information on corporate governance are available from Inwido's website: [www.inwido.com](http://www.inwido.com).

Inwido strives to conduct its operations in a sustainable, responsible and efficient manner that generates value for our customers, shareholders, employees, suppliers, local communities and other stakeholders. Alongside the financial goals, the Company's strategy supports this focus. The Company's strategy, financial goals and sustainability ambitions

are described in the 2022 Annual Report.

The highest decision-making body in the Company is the General Meeting, which normally convenes once a year in the form of the Annual General Meeting, although, under certain conditions, it may also convene as an Extraordinary General Meeting. Although the Company prepares the Annual General Meeting, shareholders can influence and propose items for the Meeting's agenda.

## Share capital and shareholders

Inwido's shares have been traded on the Nasdaq Stockholm exchange since September 2014. At the end of 2022, share capital in Inwido amounted to SEK 231,870,112, distributed between 57,967,528 shares of a single class. The shares have a par value of SEK 4 each. Each share entitles the holder to one vote and equal entitlement to participation in the Company's assets and earnings.

## Insider trading and registration

Inwido has ambitious objectives in terms of proper ethical behavior. Inwido's Board of Directors has adopted an insider policy as part of efforts to maintain a high level of ethics and to safeguard that Inwido maintains a good reputation in the eyes of the general public and the capital market. The policy aims to reduce the risk of insider trading and other illegal acts and to create conditions for compliance with applicable rules.

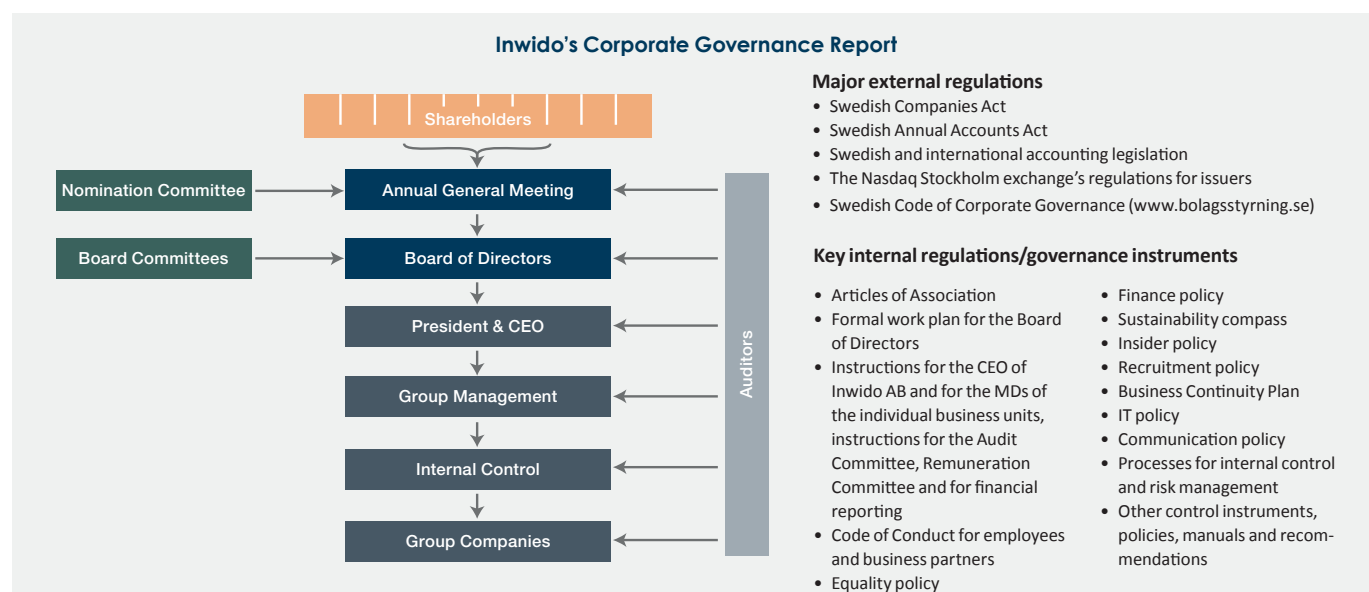
## Inwido's corporate governance structure

Shareholders' influence in the Company is exercised at the General Meeting, which is the Company's highest decision-making body. At the General Meeting, each shareholder is entitled to attend, in person or by proxy, and to vote in accordance with his/

her shareholding. At the Annual General Meeting, which is the regular General Meeting held annually, the shareholders elect the Board members, the Chairman of the Board and the auditors, and determine their fees. The Annual General Meeting resolves whether to adopt the income statement and balance sheet, to approve the distribution of profits and to discharge the Board members and the President and CEO from liability. The Annual General Meetings also decides on the principles for the Nomination Committee, as well as on principles for remuneration and other terms of employment for the President and CEO and other senior executives. The Annual General Meeting or Extraordinary General Meeting may also resolve to change the Articles of Association, increase or reduce the share capital, etc. Annual General Meetings are convened through a notice published in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on the Company's website. The fact that an Annual General Meeting has been convened will be published in Swedish national daily newspaper Dagens Industri.

On behalf of the shareholders, the Board is tasked with administering the Company's affairs in the interests of the Company and all of its shareholders.

The Chairman of the Board bears the specific responsibility for the work of the Board being well organized and efficient. The Audit Committee and Remuneration Committee are appointed by the Board of Directors. The Company's auditor is appointed by the General Meeting to audit the Company's annual report and accounts, as well as the administration of the Company by the Board of Directors and the President and CEO. The auditor reports to the shareholders at the Annual General Meeting by means of the audit report. The Board of Directors establishes a formal work plan



for the Board and instructions for the President and CEO. The Board appoints the President and CEO, who is to oversee the ongoing management of the Company. In turn, the President and CEO appoints the Group Management team.

### Nomination Committee

Each year, a Nomination Committee shall be appointed at the initiative of the Chairman, with the rules governing the composition of the Committee being adopted by the Annual General Meeting. The principle is that the Nomination Committee shall comprise representatives from the Company's largest shareholders and that it should consist of four members. The members of the Nomination Committee shall include one representative apiece for each of the three largest shareholders in terms of voting rights listed in the share register maintained by Euroclear Sweden as per August 31 of the year preceding the year in which the Annual General Meeting is held, plus the Chairman of the Board, who should also convene the Nomination Committee for its first meeting. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the Nomination Committee.

If, earlier than two months prior to the Annual General Meeting, one or more shareholders having nominated members of the Nomination Committee is no longer one of the three largest shareholders in terms of number of votes, members appointed by these shareholders shall make their seats available and the shareholder or shareholders that are among the three largest shareholders in terms of number of votes shall be entitled to appoint a representative each. In the event that a member steps down from the Nomination Committee before its work has been completed and the Nomination Committee finds it desirable that a replacement be appointed, that replacement shall be appointed by the same shareholder or, if that shareholder is no longer among the largest in terms of number of votes, the replacement should be appointed by the next shareholder in line in terms of size. Changes in the composition of the Nomination Committee are to be announced immediately.

Each year, a survey is conducted among the Board members regarding the work of the Board of Directors, its composition, qualifications, experience and efficacy. The survey forms the basis for the Committee's assessment of whether the Board ought to be strengthened with additional expertise or if there are other reasons to change the composition of the Board. Normally, the Nomination Committee also meets the President and CEO and sometimes individual Board members too. Proposed new Board members are interviewed by the Nominating Committee. In particular, the Nomination Committee shall take into account the requirement of diversity and breadth of the Board and to strive for balance in terms of gender. The Nomination Committee assesses the composition of the Board with respect to its independence, taking into account all proposals regarding the composition of the Board of Directors submitted to the committee that may have been received from other shareholders. The names of the Nomination Committee representatives and the shareholders they represent are to be announced no later than six months prior to the Annual General Meeting. Based on the ownership structure as of August 31, 2022, the three largest shareholders in Inwido were asked to participate in the nomination process for 2023. Together with the Chairman of the Board, Bo Lundgren, Swedbank Robur Fonder (Chairman of the Nomination Committee) Thomas Wuolikainen, Fourth

AP Fund and Charlotta Faxén, Lannebo Fonder were appointed. The Nomination Committee's proposals are to be presented in the notice to attend the Annual General Meeting and on Inwido's website. In connection with this, the Nomination Committee shall provide, on the Company's website, a reasoned opinion on the proposed composition of the Board with regard to the provisions in the Code regarding the composition of the Board of Directors. In particular, the proposal must be justified in view of the requirement that a balance should be sought with regard to gender. The opinion shall also contain a brief account of how the Nomination Committee has conducted its work and of the equal opportunities policy that the Committee has applied in preparing its proposal.

The Nomination Committee shall propose to the Annual General Meeting a chairman of the Meeting, the number of Board members, the Board of Directors, the Chairman of the Board, the auditor, Board remuneration (divided between the Chairman and the other members, as well as remuneration for committee work), auditor's fees and, to the extent considered necessary, amendments to the instructions for the Nomination Committee. The Nomination Committee shall submit its reasoned opinion on its proposals to the Annual General Meeting. Shareholders wishing to submit proposals to the Nomination Committee may send these by e-mail to [agm@inwido.com](mailto:agm@inwido.com) no later than two months prior to the meeting. The Nomination Committee's proposals are published in conjunction with or prior to the notice of the Annual General Meeting. The members receive no remuneration for their work on the Nomination Committee.

### Annual General Meeting for the 2021 financial year

The Annual General Meeting for the 2021 financial year took place on May 5, 2022 in Malmö, Sweden. At the Annual General Meeting, 51 percent of the total number of shares and votes was represented. The Chairman of the Board, Per Bertland, was elected Chairman of the Meeting.

The Annual General Meeting approved the presented income statement and balance sheet, as well as the consolidated statement of comprehensive income and statement of financial position. The Company's retained earnings and profit for the year were carried forward. The Meeting discharged the Board and CEO from responsibility.

In addition, the following principal decisions were made:

#### • Election of Board members and auditors

Per Bertland, Kerstin Lindell, Henriette Schütze, Christer Wahlquist and Anders Wassberg were re-elected as Board members. Per Bertland was re-elected as Chairman of the Board. KPMG was re-elected as auditor, with authorized public accountant Linda Bengtsson as principal auditor.

#### • Fees

Fees will be paid to the Board in the amount of SEK 325,000 to each Board member not employed by the Company and in the amount of SEK 750,000 to the Chairman of the Board. It was decided that the special fee of SEK 50,000 for committee work would remain unchanged and be paid to each member of the Audit Committee, SEK 130,000 to the chairman of the Audit Committee and SEK 25,000 to each member and the chairman of the Remuneration Committee. It was decided that fees would be paid to the auditor in accordance with a specific agreement in that regard.

#### • Dividend

In accordance with the proposal by the Board of Directors, the Annual General Meeting approved a dividend of SEK 6.15 per share.

#### • Approval of Remunerations Report

The Annual General Meeting approved the Remunerations Report proposed by the Board of Directors.

#### • Authorization for the Board of Directors to implement new share issues

In accordance with the proposal by the Board of Directors, the Annual General Meeting resolved to authorize the Board, up until the 2023 Annual General Meeting, to decide to issue at most 5,796,752 shares in the Company, corresponding to 10 percent of the Company's share capital. Shares may be issued with or without deviating from the preferential rights of existing shareholders and through cash payment, set-off or payment in kind. The purpose of the authorization is to strengthen the Company's opportunities to implement or finance company acquisitions, or, in connection with this, to strengthen the Company's capital base.

#### • Resolution approving long-term incentive program

The Annual General Meeting resolved in accordance with the proposal from the Board of Directors to establish a long-term incentive program, encompassing the issue and transfer of at most 160,000 warrants to some 20 senior executives and key individuals within the Inwido Group. The program mainly corresponds to the long-term incentive program adopted by the 2021 Annual General Meeting. Warrants are to be transferred at the market value at the time of transfer and allocations will be made according to the principles presented in the Board of Directors' proposal. Each warrant entitles the holder to subscribe for one new share in Inwido at a price corresponding to 125 percent of the volume-weighted average price for the Company's shares on the Nasdaq Stockholm's official price list during the period May 9, 2022–May 13, 2022. Subscription of shares supported by the warrants is to occur during the periods August 1, 2025–August 31, 2025, August 1, 2026–August 31, 2026 and August 1, 2027–August 31, 2027. If fully exercised, the maximum dilution effect of the program is approximately 0.28 percent of the shares and votes in the Company. The long-term incentive program adopted by the 2021 Annual General Meeting corresponds to a total dilution effect of approximately 0.40 percent, which means that the programs together can lead to a maximum dilution effect of approximately 0.68 percent.

### Annual General Meeting for the 2022 financial year

The Annual General Meeting will be held on May 4, 2023 at 3.00 p.m. CET in Malmö, Sweden.

### Composition of the Board of Directors

The Board of Directors of Inwido shall consist of three to ten members. The trade unions are entitled to appoint two members with voting rights and two deputies. The President and CEO is not a member of the Board but participates in all Board meetings on a co-opted basis. Other officers in the Group participate in Board meetings to present reports and to act as secretary. The 2022 Annual Report contains more information about the Board members.

### Procedures and responsibilities of the Board

In addition to its statutory meeting, the Board of



Directors shall hold three to six meetings per financial year. Additional meetings shall be held as necessary. Each year, the Board of Directors establishes written rules of procedure elucidating the responsibilities of the Board of Directors and governing the mutual division of labor between the Board and its committees including the role of the Chairman, the chain of command within the Board, the Board's meeting schedule, the convening of Board meetings, agendas and minutes, as well as the Board's work on accounting and auditing matters and financial reporting. The Board has also adopted a set of instructions for the President and CEO and other special policies. The Board continuously assesses the work of the President and CEO and the Board addresses this issue specifically once a year without senior management being present.

The responsibility of the Board includes monitoring the work of the President and CEO through the continuous review of operations over the year, safeguarding a structure for the appropriate management of Inwido's interests. The responsibility of the Board also includes determining strategies and objectives, preparing specific policies, making decisions on major acquisitions and divestments of operations, making decisions on other major investments, making decisions on investments and loans in accordance with the financial policy, issuing financial reports, evaluating operational management, as well as planning succession. The Board assures the quality of the financial reports by means of adopted control instruments and instructions to the President and CEO, and through its consideration of reports from the Audit Committee in the form of minutes and observations, as well recommendations and proposals for decisions and measures. The Board also safeguards the quality of the financial reports by addressing the appurtenant materials in detail during Board meetings. As part of its assurance of quality, the Board of Directors also meets the Company's auditor once a year without the attendance of the President and CEO or anyone else from senior management.

### Role of the Chairman of the Board

The Chairman organizes and manages the work of the Board, ensuring that it is conducted in accordance with the Swedish Companies Act, other legislation and regulations, as well as the Board's internal control instruments. The Chairman monitors opera-

tions through ongoing contacts with the President and CEO and is responsible for ensuring that the other members of the Board receive satisfactory information and data on which to make decisions. The Chairman is responsible for ensuring that the Board members continuously update and deepen their knowledge of Inwido and that they receives the training otherwise necessary to be able to conduct their work efficiently. The Chairman of the Board shall ensure that the Board's duties and working methods are assessed annually and discussed with the Board members, and that the Nomination Committee is informed of the results, with the purpose of developing the Board of Directors. Such an evaluation was carried out in 2022, primarily by means of a detailed questionnaire to the Board. The results of the evaluation were presented to the Nomination Committee, as well as for the Board of Directors in its entirety.

### Work of the Board in 2022

Over the year, the Board held a total of nine meetings. At the scheduled Board meetings, the President and CEO reported on the Group's earnings and financial position, including the outlook for the coming quarters. Beyond approving the annual and interim reports and adopting a business plan and associated financial plan, the following key issues were addressed by the Board of Directors during the year:

- Revision and adoption of the Company's policies
- Acquisitions
- Investments
- Refinancing
- Revised financial targets
- Risk assessment
- Product development
- Organization

### Audit Committee

Inwido's Board of Directors includes an Audit Committee. It shall consist of at least three Board members appointed by the Board. The Committee has no decision-making authority and members are appointed annually by the Board of Directors at the statutory Board meeting or when a committee member must be replaced. The Committee members appointed in May 2022 were Per Bertland (chairman), Henriette Schütze and Anders Wassberg. The work of the Audit Committee is regulated

by a special set of instructions adopted by the Board as part of its agenda. The Committee's work focuses on the quality and accuracy of the financial accounts and reports, efforts in internal financial control, the Group's adherence to applicable regulations and, where appropriate, transactions between the Group and related parties.

In addition, the audit committee maintains regular contact with the auditor for Inwido AB and the Group in order to engender an ongoing exchange of ideas and information between the Board and the auditor on audit issues. Furthermore, the Committee shall assess the auditor's work and set guidelines for the services, besides auditing, that Inwido may procure from its auditor.

The Audit Committee held four meetings in 2022. The meetings of the audit committee are minuted and reported verbally at Board meetings. Each month, consolidated accounts are prepared and submitted to the Board and Group Management.

External financial information is provided regularly in the form of:

- Year-end and interim reports.
- Annual Report.
- Press releases about important items of news that are believed to affect the assessment of Inwido.
- Presentations for financial analysts, investors and the media on the dates on which of year-end and interim reports are published.
- Meetings with financial analysts and investors.

### Remuneration Committee

Inwido's Board of Directors also includes a Remuneration Committee. It shall consist of two Board members appointed by the Board. The Chairman of the Board may chair the Remuneration Committee. Other members of the Remuneration Committee elected by the General Meeting shall be independent in relation to the Company and its senior management. In part, the Remuneration Committee has an advisory role and in part it prepares matters to be addressed and decided on by Inwido's Board of Directors. The Remuneration Committee operates under the rules of procedure adopted by the Board. The principal tasks of the Remuneration Committee are to prepare the Board's decisions regarding remuneration principles, remuneration and other terms of employment for company management, to monitor and assess programs of variable remuneration for company management, and to monitor and assess the application of the guidelines for remuneration to senior executives determined by the Annual General Meeting, applicable remuneration structures and remuneration levels within Inwido.

Each year, at the statutory Board meeting, or when a committee member must be replaced, the Board appoints the committee members. The Committee members appointed in May 2022 were Per Bertland (Chairman) and Anders Wassberg. The Remuneration Committee held two meetings in 2022. The meetings of the Remuneration Committee are minuted and reported verbally at Board meetings.

### Group Management

The President and CEO leads operations in accordance with the Companies Act and within the parameters set by the Board. In consultation with the Chairman of the Board, the President and CEO prepares the data and materials the Board requires to make its decisions, presents matters and explains

## The Board and its work in 2022

Name	Elected, year	Independent <sup>1)</sup>	Board meetings <sup>2)</sup>	Audit committee	Remuneration Committee	fees in SEK thousands <sup>3)</sup>
<b>Chairman of the Board:</b>						
Per Bertland	2021	Yes/Yes	9/9	4/4	2/2	905
<b>Board members:</b>						
Anders Wassberg	2009	Yes/Yes	9/9	4/4	2/2	400
Christer Wahlquist	2020	Yes/Yes	8/9	-	-	325
Henriette Schütze	2018	Yes/Yes	9/9	4/4	-	375
Kerstin Lindell	2020	Yes/Yes	9/9	-	-	325
<b>Employee representatives:</b>						
Robert Wernersson	2012	-	2/9	-	-	-
Tony Johansson	2016	-	9/9	-	-	-

1) Refers to independence in relation to the Company, its management and independent in relation to major shareholders in the Company.

2) Of which, two Board meetings were held per caput.

3) Including committee fees. Board fees relate to the period from the 2022 Annual General Meeting and until the 2023 Annual General Meeting.

proposed decisions. The President and CEO is also responsible for Inwido's commercial, strategic and financial development, leading and coordinating daily operations in line with the Board's guidelines and decisions. The President and CEO also appoints the members of Group Management in consultation with the Chairman of the Board.

Group Management holds regular meetings led by the President and CEO. Representatives from Group Management meet with the management of each company at local management group meetings on a rolling basis.

### External auditors

At the 2022 Annual General Meeting, authorized public accountant Linda Bengtsson of the KPMG AB firm of auditors was elected as the Company's auditor for the period extending until the end of the following Annual General Meeting. The auditor maintains regular contact with the Chairman of the Board, the audit committee and Group Management. Inwido's auditor shall review the annual report and accounts, as well as the President and CEO's management work. The auditor works according to an audit plan that takes into account comments submitted by the Board via the audit committee. The auditor reports her findings to the Board. Reporting takes place partly during the audit, and ultimately in connection with the annual report being issued and approved. The auditor also participates in one Board meeting per year, where she outlines the audit process and her observations in an audit report. Over the year, the auditor has also performed certain consulting assignments outside the scope of the audit – these have mainly involved advice on accounting matters.

The external audit is conducted in accordance with generally accepted accounting principles in Sweden. The auditing of documentation for the annual report for legal units outside Sweden is conducted in accordance with legal requirements and other applicable regulations in the relevant countries, in accordance with generally accepted accounting principles and

accompanied by audit reports where so required by local legislation.

### Internal audit

Inwido has developed systems for governance and internal control. Among other things, the central accounting unit performs an ongoing internal audit of the Group's companies. The Board of Directors and the Audit Committee follow up Inwido's assessment of internal control, including through contacts with Inwido's auditors, which perform annual audits of the internal control. Given the above, the Board has elected not to establish a specific internal audit unit.

### Internal control of financial reporting

The responsibility of the Board and the President and CEO regarding internal control is regulated by the Swedish Companies Act. The Board's responsibility is also regulated in the Code. In accordance with the Code, the Board shall describe how the internal control of financial reporting is organized, which is carried out through the Corporate Governance Report.

The principal purpose of internal control is to ensure the achievement of the Company's targets for appropriate and efficient operations, reliable reporting and adherence to applicable legislation and regulations. Internal control relating to financial reporting serves to provide reasonable security with regard to the reliability of external financial reporting and to ensure that external financial reports are prepared in accordance with legislation and applicable accounting standards. This report on internal control has not been reviewed by the Company's auditors. The starting point for internal control process is the regulatory framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

### Control environment

The Board bears the overall responsibility for internal control regarding financial reporting. To establish and maintain a functioning control environment, the Board has adopted a set of basic documents that

have a bearing on financial reporting, including, in particular, the formal work plan for the Board and instructions for the President and CEO. In addition, the Board has appointed an Audit Committee whose principal task is to ensure that the established principles for financial reporting are complied with and that appropriate relations are maintained with the Company's auditors. The responsibility for maintaining an effective control environment and for ongoing internal control efforts regarding financial reporting is delegated to the President and CEO, who reports regularly to the Board of Directors in accordance with established procedures. In addition, reports are provided by the Company's auditors.

The internal control structure also builds on a management system based on Inwido's organization with clearly defined roles, areas of responsibility and delegated authority. Operational decisions are made at the Company level while decisions regarding strategy, overarching financial matters, acquisitions and major investments are made by Inwido's Board and Group Management. Control documents addressing accounting and financial reporting represent crucial components in the control environment with regard to financial reporting. These documents are updated regularly in connection with changes in accounting standards and legislation.

### Risk assessment

The Group conducts continuous risk assessment to identify key risks relating to financial reporting. With regard to financial reporting, risk is primarily judged to involve significant errors in the accounts; for example when it comes to the reporting and valuation of assets, liabilities, revenues and expenses or other discrepancies. Fraud and losses through embezzlement represent another risk. Risk management is built into every process. Various methods are used to evaluate and limit risks and to ensure that the risks to which Inwido is exposed are managed in accordance with adopted policies, instructions and established monitoring procedures. These policies, instructions and procedures are intended to reduce

### The Board of Directors' work in 2022

#### December

- Business plan
- Impairment testing
- Assessment of the Board's work

#### October

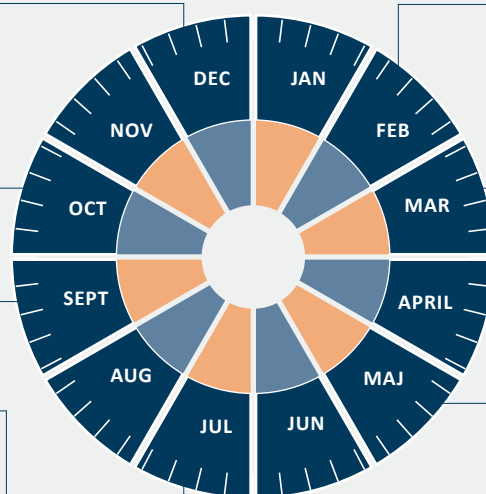
- Interim report for January to September

#### September

- Strategic plan review

#### July

- Interim report for January to June



#### February

- Year-end report
- Proposal for profit distribution
- Audit report
- HR and skills update

#### March

- Annual Report
- Proposals and statements to the Annual General Meeting

#### April

- Interim report for January to March
- Risk assessment

#### May

- Inaugural meeting; decisions on company signatories, election of Remuneration Committee and Audit Committee, election of Board representative on the Nomination Committee, decision on time and place for

possible risks and promote correct accounting, reporting and disclosure.

#### Control activities

The risks identified with regard to financial reporting are managed through the Company's control activities, such as authorization controls in IT systems and signature authentication. The control structure includes clear organizational roles that enable an efficient division of responsibilities for specific control activities serving to uncover or prevent the risk of errors arising in reports. Local controllers/finance managers participate in the assessment of their own reporting alongside the central controller function. The continuous analysis of financial reporting, like the analysis conducted at Group level, is highly important in ensuring that financial reports are free of material errors. The Group's finance function plays a key role in the internal control process and is responsible for ensuring that financial reports from each unit are submitted correct, complete and on time.

#### Information and communication

Inwido continually provides the market with information on the Group's development and financial position in relevant channels. Policies, guidelines and internal instructions regarding financial reporting ensure quality in external communication. The employees concerned are given access to and notified of regular updates and messages regarding changes in accounting principles, reporting requirements or other provision of information via the Group-wide intranet.

#### Follow-up

The President and CEO is responsible for internal control being organized and followed up in accordance with the guidelines adopted by the Board. The CEO is responsible for ensuring that independent and objective reviews are conducted with the aim of systematically assessing and proposing improvements to the Group's processes for governance, internal

control and risk management. Financial control is exercised by the Group's finance function. Financial data are reported each month, along with a forecast for the coming month. Inwido's management reviews results on a monthly basis, analyzing deviations from the financial plan and the preceding year. Deviations are investigated and evaluated for possible internal control activities. The monthly accounts are also discussed with the management of each company. The Board receives monthly financial reports and follows up on financial reporting at each of its meetings. The Board and Group Management review financial reporting ahead of the publication of the annual report and interim reports. The closing accounts for the period January–September, as well the year-end accounts are subject to a summary "review" by the Company's auditors. The Company's auditors present their observations to the Board. The auditors' duties also include monitoring internal control within the Group's subsidiaries on an annual basis.

**Malmö, March 31, 2023**

*The Board of Directors of Inwido AB (publ)*

## Auditor's report on the Corporate Governance Report

To the Annual General Meeting of Inwido AB (publ), corporate identity number 556633-3828

#### Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 37- 41 and that it has been prepared in accordance with the Annual Accounts Act.

#### The scope of the audit

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

#### Opinions

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

**Malmö, April 3, 2023**

**KPMG AB**

*Linda Bengtsson*

*Authorized Public Accountant*



# Board of Directors and auditor



**Per Bertland**  
*Chairman of the Board*

**Born:** 1957.

**Education:** MBA, Lund University.

**Other assignments:** Chairman of the Board of Dendera Holding, Chairman of the Board of Golven-treprenadgruppen i Skandinavien AB, Board of Beijer Ref AB, Lindab AB, Fortnox AB and IV Produkt AB. Partner and advisor at Small Cap Partners.

**Previous positions:** CEO, Beijer Ref AB. CFO, Indra AB and Ötab Sport AB within the Aritmos Group.

**Own holdings and holdings of related parties:** 16,000 shares.



**Anders Wassberg**  
*Board member*

**Born:** 1965.

**Education:** Graduate engineer, Chalmers University of Technology.

Member of the Board since: 2009.

**Other assignments:** President of Stena Adactum AB, Chairman of the Board of Ballingslöv International AB, Chairman of the Board of Kährs Holding AB, Chairman of the Board of Svedbergs i Dalstorp AB (publ), Chairman of the Board of Envac AB, Board member of Gunnebo AB. In addition, member of the Stena Sphere Coordination Group.

**Previous positions:** President and CEO of Ballingslöv International AB, President of AB Gustaf Kähr, President of Beijer Byggmaterial AB.

**Own holdings and holdings of related parties:** 10,000 shares.



**Henriette Schütze**  
*Board member*

**Born:** 1968.

**Education:** MBA Accounting and Auditing, Authorized Public Accountant in Denmark, EMBA.

Member of the Board since: 2018.

**Other assignments:** CFO GUBI, member of Dee4 Capital's investment advisory committee and Board member and chairman of the Audit Committee of 3Shape. Teaches on CBS Executive's board leadership program.

**Previous positions:** CFO Nordic Tankers, CFO Georg Jensen, CFO Cimber Sterling, VP DFDS A/S, VP ISS A/S, Manager Arthur Andersen.

**Own holdings and holdings of related parties:** 1,750 shares.



**Christer Wahlquist**  
*Board member*

**Born:** 1971.

**Education:** Graduate Engineer and MBA. Member of the Board since: 2020.

**Other assignments:** President and CEO of Nolato AB.

**Previous positions:** President of Nolato Medical, Head of Marketing and Sales at Nolato AB.

**Own holdings and holdings of related parties:** 3,900 shares.



**Kerstin Lindell**  
*Board member*

**Born:** 1967.

**Education:** Graduate Engineer, Licentiate of Technology and MBA. Honorary PhD Lund University. Member of the Board since: 2020.

**Other assignments:** Chairman of the Board of Bona AB, Board member of Hexpol AB, Peab AB and Indutrade AB.

**Previous positions:** President and CEO of Bona AB, Head of R&D at Akzo Nobel Industrial Wood Coatings.

**Own holdings and holdings of related parties:** 4,000 shares.



**Robert Wernersson**  
*Employee representative*

**Born:** 1965

Member of the Board since: 2012

**Other assignments:** Board member of Inwido Produktion AB and Elitfönster AB, Chairman of Unionen, Växjö.

**Own holdings and holdings of related parties:**  
0 shares



**Tony Johansson**  
*Employee representative*

**Born:** 1967

Member of the Board since: 2012

**Other assignments:** Board member of GS Section 2 Halland/Western Småland and Elitfönster Produktion AB.

**Own holdings and holdings of related parties:**  
0 shares



**Carin Kärrå**  
*Employee representative (deputy)*

**Born:** 1964

Member of the Board since: 2016

**Own holdings and holdings of related parties:**  
0 shares



**Linda Bengtsson**  
*Authorized Public Accountant, KPMG AB*

**Born:** 1974

**Principal auditor for Inwido AB since:** 2020

# Group Management



**Henrik Hjalmarsson**  
*President and CEO*

**Born:** 1976.

**Education:** MSc Mechanical Engineering and Technology Management, Lund University.

**Employed since:** 2017, member of Group Management since 2017.

**Other positions:** Chairman of the Board of Repasco AB and Board member of Scandi Standard AB (publ).

**Previous positions:** SVP Inwido Sweden-Norway (2017–2019), CEO Findus Nordic (2016–2017), CEO Findus Sweden and Denmark (2014–2016).

**Own holdings and holdings of related parties:** 21,000 shares.

**Warrants:** 40,000.



**Peter Welin**  
*CFO and Deputy CEO*

**Born:** 1973.

**Education:** MA Economics, Lund University.

**Employed since:** 1998, member of Group Management since 2004.

**Previous positions:** Business Area Manager for Inwido Sweden AB (2003–2004), President of Allmögöfönster in Sweden (2000–2003).

**Own holdings and holdings of related parties:** 141,528 shares.

**Warrants:** 20,000.



**Jonna Opitz**  
*Executive Vice President  
Communications & Premium*

**Born:** 1969.

**Education:** BA Media and Communications, Växjö University; Executive MBA, Lund University.

**Employed since:** 2009, member of Group Management since 2009.

**Other positions:** Board member of Nexam Chemical.

**Previous positions:** Information Manager for ReadSoft AB (2006–2009), Information Manager for PartnerTech AB (2001–2006).

**Own holdings and holdings of related parties:** 20,000 shares.

**Warrants:** 20,000.



**Antti Vuonokari**  
*Executive Vice President  
Eastern Europe*

**Born:** 1976.

**Education:** Masters degree in Administrative Sciences/Public Law from the University of Vaasa.

**Employed since:** 2006, member of Group Management since 2020.

**Other positions:** Member of the Board of the Finish carpentry industry.

**Previous positions:** Senior positions in sales and production at Pihla Group.

**Own holdings and holdings of related parties:** 9,375 shares.



**Lena Wessner**  
*Executive Vice President Human  
Resources, Organization & Sustainability*

**Born:** 1961.

**Education:** MBA, Lund University and various international management programs.

**Employed since:** 2010, member of Group Management since 2010.

**Previous positions:** HR Manager E.ON ES (2009–2010), Head of HR Operations Sony Ericsson Mobil Communication AB (2006–2009)

**Own holdings and holdings of related parties:** 12,500 shares.

**Warrants:** 15,000.



**Bo Overgaard Christensen**  
*Executive Vice President e-Commerce*

**Born:** 1972.

**Education:** Higher Commercial Examination, Tietgen Business College, Odense, Denmark

**Employed since:** 1992, member of Group Management since 2022.

**Other positions:** President JABS Group A/S.

**Previous positions:** President JNA, Sparvinduer, Bedst & Billigst and Inwido e-Commerce.

**Own holdings and holdings of related parties:** 10,000 shares.

**Warrants:** 0.



**Mads Storgaard Mehlsen**  
*Executive Vice President Scandinavia*

**Born:** 1971

**Education:** University degree in Art History and Economics, Aalborg University

**Employed since:** 2022, member of Group Management since 2022.

**Other positions:** Chairman of the Board of Celebert ApS.

**Previous positions:** SVP Jeld-Wen Europe and COO & MD Jeld-Wen Northern Europe (2021–2018), SVP Inwido Emerging Business Europe and SVP Inwido Denmark (2017–2009).

**Own holdings and holdings of related parties:** 0 shares.

**Warrants:** 10,000.











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# Directors' Report

The Board of Directors and the President and CEO of Inwido AB (publ), corporate identity number 556633-3828, domiciled in Sweden and with registered offices in Malmö, hereby present their Annual Report and consolidated annual accounts for the 2022 financial year.

## Group relationships

Inwido AB (publ) is the Parent Company for the Inwido Group. Inwido's shares are listed on the Nasdaq Stockholm exchange.

## Operations

Inwido improves people's lives indoors with windows and doors. As Europe's leading window group, Inwido's business concept is to develop and sell the market's best customized window and door solutions through a decentralized structure and with focus on the consumer-driven market, in order to create long-term sustainable growth, organically and through acquisitions.

Inwido consists of 32 business units with approximately 4,900 employees in 11 countries. In 2022 the Group achieved sales of SEK 9.5 billion with an operating EBITA margin of 11.4 percent.

Shares in Inwido AB (publ) have been listed on Nasdaq Stockholm since 2014 under the ticker "INWI".

## Seasonal variations

Inwido's operations are affected by seasonal fluctuations. The weakest period is the first quarter, which normally accounts for about 20 percent of annual sales. The second and third quarters are normally of equal strength and combined account for slightly more than 50 percent of annual sales, while the last quarter of the year is normally the strongest with slightly less than 30 percent of annual sales. The largest seasonal variations are within the Consumer market, although sales to the Industry market are also dependent on the season and weather.

## Financial targets

Inwido's operations are governed by four financial targets aimed at providing shareholders with good returns and long-term growth in value.

## Profitability

Inwido's profitability target is a return on operating capital of >15 percent.

## Sales growth

Inwido's target is to achieve annual sales of SEK 20 billion by 2030 through both organic and acquired growth.

## Capital structure

Inwido's net debt in relation to operating EBITDA shall, excluding temporary deviations, not exceed a multiple of 2.5.

## Dividend Policy

Inwido aims to pay its shareholders an annual dividend that corresponds to approximately 50 percent of net profit. However, Inwido's financial status in relation to the target, cash flow and future prospects shall be taken into consideration.

## Key performance indicators

See pages 103–104 for definitions of alternative ratios not defined by IFRS.

## Group development in 2022

Summing up 2022, it can be said that Inwido performed well in a turbulent year. The year is concluded by, for the first time, passing SEK 300 million in operating EBITA for an individual quarter, contributing to a full-year profit of more than SEK 1 billion by a margin. It was Inwido's best year to date. In 2022, net sales increased by 24 percent (14 percent organically). Operating EBITA for the year increased to SEK 1,090 million (907) and the operating EBITA margin amounted to 11.4 percent (11.7). Continued robust sales growth, combined with price increases being implemented did not fully offset increased costs for raw materials and energy during the year. Strong cash flow resulted in net debt decreasing to a multiple of 0.6 in

relation to operating EBITDA (0.2 excluding IFRS 16) and Inwido generated a return on operating capital of 18.3 percent (16.9).

At the end of the year, the order backlog amounted to SEK 1,583 million (1,856), an increase of 15 percent compared with the corresponding time in the preceding year (down 20 percent adjusted for acquisitions). Despite this, the order book was about 85 percent higher than at the start of the Covid-19 pandemic.

## Effects of Covid-19 and reporting of government subsidies

Central government subsidies and temporary deferrals of taxes and fees related to the Covid-19 pandemic were insignificant from the consolidated perspective.

## Consolidated net sales and profit

### Group

The Group's net sales amounted to SEK 9,547 million (7,725) in 2022, corresponding to growth of 24 percent (14 percent organically).

Consolidated EBITA rose to SEK 1,087 million (922) and the EBITA margin amounted to 11.4 percent (11.9). Operating EBITA, that is EBITA before items affecting comparability, rose to SEK 1,090 million (907) and the operating EBITA margin amounted to 11.4 percent (11.7). See "Items affecting comparability" below for additional information.

Net financial items for the period January–December amounted to an expense of SEK 50 million (17), with the change compared with the preceding year mainly being explained by slightly higher interest expenses combined with positive exchange rate effects in the corresponding period in the preceding year.

Consolidated profit before tax rose to SEK 1,013 million (885). Income taxes for 2022 amounted to SEK 205 million (172). Profit after tax rose to SEK 808 million (713). Earnings per share rose to SEK 13.74 (12.29).

### Business Area Scandinavia

Net sales for Business Area Scandinavia amounted to SEK 5,230 million (4,303), corresponding to an increase of 22 percent compared with the preceding year. The larger business units in Sweden, Finland and Norway showed favorable sales growth, as did the smaller premium brands. At the end of the year, Business Area Scandinavia's order backlog was 27 percent lower compared with the equivalent period in the preceding year. Operating EBITA rose to SEK 771 million (595) and the operating EBITA margin rose to 14.7 percent (13.8). Fruitful efforts to manage higher costs for input goods, combined with continued strong deliveries to the Consumer market helped improve earnings. Particularly noteworthy is the continued success of the Danish units in the Consumer market.

### Business Area Eastern Europe

Net sales for Business Area Eastern Europe rose to SEK 2,476 million (1,846), corresponding to an increase of 34 percent compared with the corresponding period in the preceding year.

At the end of the year, Business Area Eastern Europe's order backlog was 4 percent lower compared with the equivalent period in the preceding year. Operating EBITA rose to SEK 218 million (145) and the operating EBITA margin rose to 8.8 percent (7.8).

Implemented price increases, combined with good development in the recently acquired units, resulted in a higher operating margin.

### Business Area e-Commerce

Net sales for Business Area e-Commerce amounted to SEK 929 million (953), corresponding to a decrease of slightly more than 3 percent compared with the corresponding period in the preceding year. At the end of the year, Business Area South's order backlog was 11 percent lower compared with the equivalent period in the preceding year. Operating EBITA amounted to SEK 48 million (153) and the operating EBITA margin amounted to 5.2 percent (16.1).

It is particularly pleasing that a continued recovery in efficiency following major capacity investments at the largest plant, combined with improved supply chain stability, impacted margins positively compared with earlier in the year.

### Business Area Western Europe

Net sales for Business Area Western Europe amounted to SEK 910 million (587),

corresponding to an increase of slightly more than 55 percent compared with the corresponding period in the preceding year. At the end of the year, Business Area Western Europe's order backlog was 9 percent higher compared with the equivalent period in the preceding year. Operating EBITA rose to SEK 81 million (45) and the operating EBITA margin rose to 8.9 percent (7.7).

Dekko Window Systems, which was acquired in the first quarter of 2022, continues to deliver good results and contributed to the improved margin.

#### Items affecting comparability

Items affecting comparability that are non-recurring and have a significant impact on profit are important in understanding the underlying development of operations. Expenses relate primarily to acquisition-related expenses and restructuring measures during a consolidation phase, in which the company enhances efficiency through, for example, closures or reorganization of production facilities and sales units. These expenses primarily consist of impairment of assets, personnel costs and other external expenses.

For full-year 2022, items affecting comparability amounted to a net expense of SEK 3 million (income 15), mainly involving the net of acquisition-related expenses, non-recurring distributions of surplus within the collectively agreed AGS health insurance plan and the reversal of part of the provision for a contingent purchase consideration.

#### Cash flow

During 2022, cash flow from operating activities after changes in working capital amounted to SEK 1,071 million (1,014). A continued good profitability trend contributed to the improved cash flow.

Cash flow from investing activities amounted to an outflow of SEK 427 million (255). The deviation from the previous year is primarily explained by acquisitions.

Over the year, cash flow from financing activities was negative in the amount of SEK 461 million (839). The deviation from the preceding year is explained by higher repayment of debt that year, offset partially by a higher dividend in 2022 compared with the preceding year.

#### Gross investments, depreciation, amortization and impairment

Gross investments in tangible non-current assets amounted to SEK 184 million (188). Depreciation and impairment amounted to SEK 286 million (249).

#### Financial position and liquidity

Inwido's principal financing consists of bank loans based on bilateral, sustainability-related credit agreements expiring in the period 2025-2028. The aforementioned credit agreement includes financial covenants that are followed up on a quarterly basis. Inwido meets the terms of existing credit agreements.

The credit agreements are in line with Inwido's sustainability ambition of cutting its CO<sub>2</sub> emissions from its own operations by 50 percent by 2030 and of being CO<sub>2</sub> neutral by 2050. The KPIs are the core of Inwido's sustainability strategy and address ESG targets related to CO<sub>2</sub> emissions, a safe working environment and sales levels for windows and doors in accordance with the EU-Taxonomy's alignment. In 2022, Inwido achieved its targets regarding the three KPIs within the framework of sustainability-related financing.

The Group's net debt at the end of the year amounted to SEK 768 million (687) and to SEK 294 million (348) excluding IFRS 16.

At the end of the year, indebtedness, calculated as interest-bearing net debt/operating EBITDA, was 0.6 (0.6) and 0.2 (0.3) excluding IFRS 16. Consolidated cash and equivalents were SEK 1,319 million (1,073) at the end of the year. Available funds, including unutilized credit facilities, amounted to SEK 2,871 million (2,614).

#### Employees

There were an average 4,854 (4,585) employees in the Inwido Group during the year. See the section "Employees" and Note 8 for further information.

#### Sustainability Report

Inwido details its sustainability work as an integrated part of the Annual Report, the Corporate Governance Report and the Directors' Report. Presented on pages 8-15 is a summary of key sustainability information. Below follows an overview of where further information is contained in this publication.

#### Our stakeholders and our business model

Inwido's key stakeholders are customers, consumers (in their capacity as end-users of our products), investors, employees, suppliers and local decision makers in the markets where Inwido is active. For more information about our business model, how we generate value and our work with the environment and sustainability, see pages 8-15 and 24-25.

#### Our policy documents

Inwido has established policies and guidelines that govern the Group's work in the areas of the environment, ethics and human rights. See the description on pages 8-15 in the Annual Report and our Code of Conduct on [www.inwido.com](http://www.inwido.com).

#### Results of policies and guidelines

For the work carried out in 2022, see the section Financial targets on page 28 and Our strategic priorities on page 24.

#### Significant risks in these areas and how they are managed

See the Sustainability section on pages 8-15 and the Risk section on pages 50-53 of the Directors' Report.

#### Environment and sustainability

The Group ascribes great importance to adhering to and exceeding legal requirements in the area of the environment and conforming to the Group's Environmental Policy. Of the Group's total net sales in Sweden, a large proportion derive from activities requiring permits or compulsory registration. The production units have been inspected by environmental authorities and comply with environmental legislation and local environmental requirements.

The Swedish business units are affiliated with an active and targeted environmental program. The production units within Elitfönster, Hajom Skjutdörrar and SnickarPer are environmentally certified in accordance with ISO 14001. All production units within Elitfönster, Hajom Skjutdörrar and SnickarPer also conduct operations requiring permits or registration in accordance with Swedish environmental legislation. The obligation to undergo testing applies to the use of solvents and the operation of solid fuel furnaces.

In Sweden, Inwido conducts operations requiring permits at five operational locations: Lenhovda in Kronoberg County, Vetlanda, Hånger, Bankeryd and Sävsjö in Jönköping County. The permit for Lenhovda applies to the manufacture of windows and sealed glass panes. The permit for Vetlanda applies to the manufacture of windows. The permits for Hånger and Bankeryd apply to the manufacture of doors. The permit for Sävsjö applies to the pre-treatment and powder coating of aluminium profiles. Operations requiring registration are conducted at three sites: Vetlanda in Jönköping County, Hajom in Västra Götaland County and Steelform in Kronoberg County. The facilities for which permits are required adhere to the decisions made by the environmental committees of the relevant municipalities.

The operations primarily affect the environment through emissions of solvents and dust to the atmosphere as a result of surface treatment and impregnation, as well as the operation of solid fuel furnaces. Solvent-filtration plants have been installed in Lenhovda, Vetlanda, Hånger and Bankeryd. In Hajom, solvents are used to such a minor extent that filtration is not required. At a smaller plant in Vetlanda, Sweden, surface treatment is performed using water-soluble paints, meaning that no cleaning is required. Flue-gas filtration to reduce dust emissions has been installed on all solid fuel boilers. Current permits cover the production volumes expected in 2023.

Inwido is working purposefully to reduce the Group's energy consumption, CO<sub>2</sub> emissions and other emissions, as well as monitoring and controlling waste and materials with the objective of reducing negative environmental impact. Elitfönster has joined the Construction and Civil Engineering sector's "Roadmap 2045" with the target of achieving net zero emissions of greenhouse gases by 2045. Other key sustainability-related areas of focus for Inwido are sustainable products and transactions and a safe and stimulating work environment.

## Risks and risk management

The governance of Inwido is based on the company's Articles of Association, the Swedish Companies Act, other relevant Swedish and foreign regulations and legislation, and internal guidelines. Inwido's governance is also based on Nasdaq Stockholm's regulations for issuers, as well as the Swedish Corporate Governance Code ("the Code"). Inwido followed the Code in all respects in 2022. See the Corporate Governance Report in this Annual Report or Inwido's website, [inwido.com](https://www.inwido.com), for further information about the corporate governance principles applied by Inwido.

Inwido defines risk as something that can affect Inwido's achievement of targets negatively. Risk is a natural part of all business operations, but can be managed and it is the responsibility of Group management to ensure that risks are identified and managed. In turn, this requires an effective and structured risk management process. The overall objective of Inwido's risk management is to ensure a systematic approach to identifying risks and ensuring that they are managed from an early stage. The objective is also to make risk management a natural part of day-to-day operations by engendering a culture of risk awareness among all employees and a knowledge of how to manage risks to achieve business objectives. Inwido operates in 11 countries through 32 business units. This spread, combined with a large number of customers in different market segments and a large number of suppliers, limits the commercial risks.

The governing document for Inwido's risk management consists of a Corporate Risk and Insurance Policy. The purpose of this document is to define Inwido's view of risk by setting out objectives and responsibilities. The Board of Directors reviews and approves the Corporate Risk and Insurance Policy.

The President & CEO is ultimately responsible for the implementation and enforcement of the risk management process and for keeping the Board of Directors updated on an ongoing basis. The President & CEO is also responsible for the risk management process being developed, adapted and reviewed.

In the process of identifying risks that should either be eliminated and prevented, or simply identified and monitored, a "Risk Mapping Matrix" is prepared each year. The Managing Directors of each of the local business units are responsible for this mapping of risks and for assessing the probability of risks occurring and their potential effects – in monetary terms if possible. Inwido's Group management and the local management teams then define together what risks can be considered acceptable and how the risks that are unacceptable, should be managed (through plans of action) to make them acceptable. Each of the Managing Directors of the local business units is responsible for implementing risk management within each of their companies. Inwido divides risks between financial, operational and external risks.

The financial risks are managed primarily by the central finance department. The responsibility of the Board and President & CEO for internal control regarding financial reporting is regulated by the Swedish Companies Act. The Board's responsibility is also regulated in the Code. In accordance with the Code, the Board shall describe how the internal control of financial reporting is organized, which is carried out through the Corporate Governance Report.

The principal purpose of internal control is to ensure the achievement of the company's targets for appropriate and efficient operations, reliable reporting and adherence to applicable legislation and regulations. Internal control relating to financial reporting serves to provide reasonable security with regard to the reliability of external financial reporting and to ensure that external financial reports are prepared in accordance with legislation and applicable accounting standards. See the Corporate Governance Report in this Annual Report or Inwido's website, [inwido.com](https://www.inwido.com), for further information on internal control regarding financial reporting.

Operational and external risks are managed by the local business units supported by the central functions.

The overview below shows the overall risks within each risk category and how Inwido manages those risks.

### Financial risks

#### RISK

#### Management/Exposure

#### Financial credit risks

Credit risks in financial management relate primarily to the probability of financial losses resulting from counterparties' incapacity to meet contractual obligations arising from financial transactions or instruments.

Financial credit risks are limited by engaging counterparties with a high credit rating who chiefly participate in the Group's mid-term and long-term financing. In 2022, no credit losses were incurred as a consequence of investments in cash equivalents or financial instruments.

#### Currency risks

##### Transaction exposure

The Group is exposed to currency risk in the form of transaction exposures arising through purchases and sales of goods and services in currencies other than each Group company's local currency.

The Group applies a Finance Policy adopted by the Board of Directors. Transaction exposure shall primarily be minimized through internal measures such as matching of flows and choice of invoicing currency. Currency clauses can be used if contractually transparent and possible to follow up, ensuring that the Group is not exposed to any hidden currency risks. Secondly, currency risks are to be mitigated by means of financial instruments.

Currency hedging is arranged with maturities of up to 12 months and is based on the latest estimates available. Currency hedges must meet the following conditions with an accuracy of about +/- 20 percentage points:

Hedge horizon	Degree of hedging
1–3 months	70%
4–6 months	60%
7–9 months	40%
10–12 months	20%

Contracted future payments for non-current assets in foreign currency may be secured up to the full cost.

No hedging is required if the net exposure to any single currency is less than the equivalent of EUR 1 million annually.

##### Translation exposure

When the business units' balance sheets in local currency are translated into SEK, a translation difference arises as a consequence of the current year being translated at a different closing rate than the previous year. The income statement is translated at the average exchange rate for the year while the balance sheet is translated at the exchange rate as per 31 December. The translation exposure forms the risk represented by the translation difference as the change in shareholders' equity.

The Group does not hedge this risk. An annual analysis is made of the translation exposure trend and the related risks. See Note 2.



### Interest rate risks

Interest rate risk represents how changes in market interest rates affect cash flow and the Group's earnings, as well as the value of financial instruments.

The management of the Group's interest exposure is centralized, meaning that the central finance function is responsible for identifying and managing this exposure in accordance with the Finance Policy adopted by the Board of Directors. Inwido strives to achieve a good spread of interest maturities to avoid fixing of interest rates at the same time for large loan volumes.

Inwido's short-term interest rate exposure (aggregated positions with a residual weighted average length of <1 year) should be between 50 and 80 percent of the total debt portfolio, excluding short-term seasonal debt.

The average period of fixed interest on the Group's gross borrowing, including the effects of interest rate derivatives, may not exceed three years.

### Financing and liquidity risks

Financing and liquidity risks represent the risk that it will be difficult or costly to refinance loans reaching maturity or that it will not be possible to meet payment obligations due to insufficient liquidity or difficulties in obtaining external financing.

Inwido seeks to achieve good planning and foresight with regard to funding issues with the objective of Inwido always being offered cost-effective financing on favorable market terms for comparable borrowers. To safeguard adequate payment capacity, Inwido's objective is to secure sufficient liquidity or credit facilities. The Group's debt/equity ratio and forecasts of its liquidity are followed up on an on-going basis. See Note 2.

### Operational Risks

#### RISK

#### Management/Exposure

#### Risk of losses on trade receivables

The risk that the Group's customers fail to meet their payment obligations for trade receivables constitutes a customer credit risk.

Inwido reduces counterparty risks relating to customers by applying the Group's Credit Policy. Credit checks are performed on the Group's customers with information regarding their financial status being obtained from various credit information agencies. The risk of credit losses is also limited through credit insurance, which covers the majority of Inwido's insurable receivables. Bank guarantees or other sureties are required of customers with low credit ratings or insufficient credit history. Trade receivables are subjected to on-going age analysis. The assessment of credit risk is primarily managed by each subsidiary. As per the balance sheet date, there were no significant concentrations of customer credit exposures. See Note 2.

#### Refund and product liability risks

Inwido could incur expenses in correcting faults in delivered products and, in certain cases installation, and could be found liable for damages to individuals or property.

Inwido seeks to limit these risks by following locally adapted procedures for quality assurance and through extensive testing of the Group's products. In 2022, compensation expenses incurred as a consequence of complaints amounted to approximately 1.8 percent (2.0) of net sales.

#### Human capital risk

It is important for Inwido to be able to attract and retain qualified employees. The loss of key individuals could negatively affect the Group's earning capacity.

Inwido works actively to safeguard regeneration and identify future leaders. Senior executives are regularly assessed to identify needs vis-à-vis on-going in-service training and competence development. In addition to applying a market-based salary structure, Inwido also uses various forms of incentives for key individuals within the Group.

#### Risk of operational interruptions

Inwido could be affected by operational interruptions due to equipment failure, fire, strikes or natural disasters, for example.

Together with its insurance advisors, Inwido conducts regular risk inspections of its production units. The results of these inspections are used to implement preventative measures to reduce the risk of disruptions and accidents in operations. Inwido is, to a certain extent, able to transfer production to other units, mainly within each respective market, in the event that a unit becomes inoperative.

Inwido also strives to maintain well-functioning cooperation with local trade union organizations, thereby reducing the risk of conflicts and strikes.

#### Risk associated with product development

Inwido's sustained earnings and competitive vigor is to some extent dependent on its capacity to develop and sell new innovative products and solutions demanded by customers. In recent years, market requirements have increased, including in terms of the products' energy performance. Extensive and successful product development by competitors could entail risks in the form of weaker sales for Inwido, and that Inwido must invest significant additional amounts in its own product development in the future. Furthermore, companies currently working in adjacent fields may decide to establish themselves in Inwido's area of operations.

Through Inwido's strong market presence, shifts, trends and new requirements from customers and other stakeholders are caught, providing a basis for the focused, on-going development of the product portfolio. An important part of Inwido's strategy is to develop new products in the areas it considers important for continued growth and to retain its market share.

**Operational risks, cont.****Business development risks**

Risks associated with business development such as acquisitions and the Group's long-term strategic focus.

In connection with acquisitions, there is a risk that business risks associated with the acquired companies arise. Establishing operations in new markets may also bring unexpected costs for Inwido. In addition to company-specific and geographic risks, the acquired company's relationships with key personnel, customers and suppliers may be adversely affected. There is also a risk that integration processes could take longer than expected, be more costly than anticipated and that expected synergies totally or partially fail to materialize. This may mean that the asset values attributable to the acquisitions (goodwill) cannot be realized and consequently that it may be necessary to recognize impairment in those values.

Inwido has developed procedures for the analysis, implementation, review and integration of acquisitions, including due diligence. Risks associated with the Group's long-term planning are primarily addressed once a year when the Board adopts the Group's strategic plan.

**Corporate governance and policy risks**

These are risks associated with Group executives making decisions that do not agree with Inwido's strategy, internal guidelines and policy documents. Furthermore, employees at Inwido and others with a close relation to Inwido, as well as its customers and suppliers, could commit acts that are unethical, illegal (for example, in violation of applicable corruption and bribery legislation) or that otherwise contravene applicable legislation and regulations or Inwido's internal guidelines and policies.

If Inwido's internal controls and other measures to safeguard compliance with laws, regulations, internal guidelines and policy documents prove insufficient, Inwido's reputation may be damaged and its operations, financial position and earnings could be negatively affected.

Inwido develops internal control procedures on an on-going basis. Examples of these are the division of labor between the Board of Directors and the CEO, instructions for the Managing Directors of the local companies, reporting instructions and Inwido's Code of Conduct.

**Insurance risks**

Insurance risk involves the expenses that Inwido could incur due to inadequate insurance cover for products, property, disruptions, liability, the environment, transport, life and pensions.

The Group applies a coordinated program for insurance and secures insurance policies to the extent that this is considered commercially motivated. At the same time, continuous efforts are made to minimize risks in operations through proactive measures. Insurance cover is also maintained for Inwido's senior executives and Board members. Inwido takes the view that its insurance protection is appropriate for the risks normally associated with its operations. There is naturally no guarantee that Inwido will not incur losses beyond the scope of its insurance cover.

**Risk associated with IT systems**

Inwido's capacity to conduct its business efficiently and safely is dependent on Inwido's IT systems and processes functioning well and without disruption. For example, an incident on financial IT systems can affect Inwido's ability to report and ensure correct earnings figures.

The risks linked to the area of cyber security are increasing, which can also have a significant impact on Inwido's operations.

Data that is not handled correctly risks being shared with unauthorized persons, being lost or altered. In addition, the EU's data protection regulation (GDPR) sets requirements for the processing of personal data.

For Inwido to be able to safeguard the accessibility, integrity and confidentiality of the operations, Inwido applies a risk-based approach and management system for information security (ISMS), as well as a combination of policies and guidelines based on the requirements in ISO 27001.

Programs to check compliance with policies and guidelines and provide practical support for systematic information security work complement mandatory e-learning for awareness of cyber security risks.

Inwido conducts continuous improvement work to increase its preparedness to quickly detect and respond to an intrusion.

A forum for cybersecurity and personal data processing has been established to share experiences and coordinate the activities necessary to ensure regulatory compliance.

**Risk associated with suppliers**

Inwido's products consist of components from several different suppliers. To be able to manufacture, sell and deliver products, Inwido is dependent on external suppliers meeting agreed requirements regarding volumes, quality and delivery times for example. Deliveries from suppliers that are inaccurate, delayed or that fail to materialize may mean, in turn, that Inwido's deliveries are delayed or must be canceled, or are deficient or incorrect.

Inwido does not have full insight into its suppliers' operations and consequently it has only a limited capacity to ascertain that its efforts to ensure that suppliers operate in a sustainable and responsible way have an impact. Therefore, Inwido is also exposed to the risk that suppliers act in a manner that could harm Inwido's reputation and brands.

Inwido has close partnerships with leading suppliers within each component group and also reduces the risk of a possible dependence by sourcing through alternative suppliers. Furthermore, Inwido has pre-established contingency plans for the most critical supplies of components, and these plans are reviewed annually. To safeguard supply and to increase its control of the value chain, the Inwido Group also includes a number of companies that produce sealed window panes and fittings and refine aluminium profiles.

Inwido is committed to responsible business and has the ambition that this approach should permeate the entire value chain. As part of this, Inwido requires all major suppliers to acquaint themselves with and sign Inwido's code of conduct for business partners.

## External risks

RISK	Management/Exposure
<b>Market risk</b>	
Demand for Inwido's products is affected by activity in the housing market and overall consumer confidence, among other factors. The new building market is more cyclical than the renovation market. In a general economic downturn with lower building activity, demand for Inwido's products and services could decrease. Political decisions can also influence customer demand independently of economic trends (see Political decisions below).	Inwido maintains a presence in a large number of countries and in different market segments, thereby balancing, to a certain extent, various country-specific risks. In addition, most of Inwido's sales take place in the less cyclical consumer market. Inwido's operations are also affected favorably by the debate on climate change and increasing demands for energy-efficient housing, which are not particularly affected by economic trends.
<b>Competition</b>	
Inwido operates in markets that primarily comprise a large number of local competitors but that also include companies that operate internationally.	Inwido is Europe's leading supplier of windows and doors, with a strong market position in most of its markets. Inwido's size allows it to derive economies of scale and benefit from best practices in areas including purchasing, product development, production and processes. Inwido constantly strives to meet customer needs with new, innovative, energy-efficient and attractively designed products. This is one of the most important prerequisites for the Group's future competitiveness.
<b>Prices for raw materials</b>	
Inwido relies on ongoing deliveries of wood, glass, aluminium, fittings, etc. Inadequate supply could entail increased expenses and, in certain cases, disrupted production. Normally, there is a certain displacement between purchase and sales price adjustments due to agreements entered with suppliers and customers. Altered price levels affect Inwido's purchasing prices with a delay of up to six months.	Inwido has built up its relations with key suppliers over many years. Inwido's central purchasing organization coordinates purchases of the major material categories. By centralizing its purchasing, Inwido is able to enhance its negotiating position and cut costs for materials.
<b>Political decisions</b>	
Political decisions can affect demand positively or negatively. Political decisions include changes in tax legislation in countries where Inwido operates. Changes in taxation and subsidies for homes and residential building can, in the long term, affect demand for Inwido's products and services. In addition, changed standards and regulations regarding residential building can impose requirements for changes in the product range in specific markets.	The Group mostly operates in countries where the risk of political decisions that would drastically change its market conditions is judged to be relatively low. In addition, Inwido is active in local industrial organizations that often provide Inwido with early insight into external changes that may affect its business operations.
<b>Risk of legal disputes</b>	
This risk involves the expenses that the Group could incur as a consequence of pursuing legal processes, expenses associated with settlements and expenses for any damages it is required to pay.	Inwido's assessment is that there are currently no disputes that could have a material impact on the Group's financial position. Where necessary, Inwido makes provisions for perceived risks of possible losses.
<b>Tax risks</b>	
Inwido conducts operations in several countries. Operations, including the implementation of transactions between Group companies, are conducted in accordance with Inwido's interpretation of applicable tax laws, tax agreements and other regulations in the area of tax law and the requirements of the relevant authorities. It is not certain that Inwido's interpretation of the aforementioned laws, agreements, other regulations and requirements is correct in all regards.	Inwido works according to the guidelines in the Group's internal pricing policy.
<b>Climate risks</b>	
Inwido's operations are located in different countries with varying degrees of exposure to climate risks. The climate is changing, bringing new conditions for the built environment, which may require the operations to adapt to climate conditions.	Inwido has observed certain direct climate risks and implemented climate adaptation measures where the risks are deemed significant. Although Inwido does not operate in known high-risk areas, a changing climate brings new conditions. This work will be further deepened and compliance with the requirements of the EU Taxonomy for climate adaptation is in progress.



**Significant events after the end of the financial year**

There have been no significant events to report following the end of the financial year.

**Parent Company**

The Parent Company is a public limited company with registered offices in Sweden. The Parent Company, Inwido AB (publ), is purely a holding company with no operations of its own. The Parent Company's profit mainly reflects the net of revenues for joint Group services and deductions for wages, other remunerations and interest expenses.

**The share and ownership**

On September 26, 2014, Inwido's shares were listed on the Nasdaq Stockholm exchange in the Mid-Cap segment. On 31 December 2022, Inwido AB's paid and registered share capital was SEK 231,870,112 and there was a total of 57,967,528 issued and registered shares. The company has one (1) class of shares. Each share entitles the holder to one vote at general meetings. See "The Inwido share" on pages 32–33 for more information on the share and shareholders.

**Guidelines for remuneration and other terms of employment for Group management 2022**

See Note 8.

**The Board of Directors of Inwido AB's proposed guidelines for remunerations to senior executives**

The Board of Directors of Inwido AB (publ) does not propose any changes to the guidelines on remunerations for senior executives for the year 2023 (see Note 8).

**Corporate governance report**

See separate Corporate Governance Report on pages 37–41.

**Proposed treatment of profit**

The following funds in the Parent Company are at the disposal of the Annual

General Meeting:

Share premium reserve	893,455,411
Accumulated profit	6,939,299
Profit for the year	903,955,170

<b>Total, SEK</b>	<b>1,804,349,880</b>
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The Board of Directors and President and CEO propose that the profit at the disposal of the Annual General Meeting be distributed in the following manner:

Dividend to shareholders, SEK 6.50 per share	376,788,932
Brought forward to new account	1,427,560,948
<b>Total, SEK</b>	<b>1,804,349,880</b>

In line with the dividend policy and taking the capital structure into account, the Board of Directors proposes that the dividend for the 2022 financial year be set at SEK 6.50 per share (6.15). The proposed record date for entitlement to dividends is May 8, 2023. If the Annual General Meeting approves the proposal, it is anticipated that the dividend will be paid on May 11, 2023.

**Outlook for 2023**

We enter 2023 with an order backlog that is back to a more normal level following the effects of the pandemic, while order intake is stable overall. We are, however, seeing clearly weaker demand from the industrial segment. At the same time, high energy prices have increased consumers' interest in energy-efficient windows and doors, even though disposable incomes are falling. In the long term, we are also optimistic regarding the Industry market, as the need for new housing remains high, while many older properties will need to be renovated to become more energy efficient, reduce emissions and offer a better indoor environment.



# Consolidated income statement

Jan 1, – Dec 31, SEKm	Note	2022	2021
Net sales	3	9,546.8	7,724.9
Cost of goods sold	10	-7,208.1	-5,704.1
<b>Gross profit</b>		<b>2,338.7</b>	<b>2,020.8</b>
Other operating income	6	35.4	19.9
Selling expenses	10	-720.2	-620.8
Administrative expenses	9, 10	-536.8	-474.5
R&D expenses	10	-36.6	-33.2
Other operating expenses	7	-19.4	-12.6
Participations in the earnings of associated companies	15	2.1	2.4
<b>Operating profit</b>	8, 23	<b>1,063.3</b>	<b>901.9</b>
Financial income	11	12.2	28.4
Financial expenses	11	-62.5	-45.0
<b>Net financial items</b>		<b>-50.3</b>	<b>-16.6</b>
<b>Profit before tax</b>		<b>1,013.1</b>	<b>885.3</b>
Tax	12	-205.4	-172.4
<b>Profit for the year</b>		<b>807.6</b>	<b>712.9</b>
<b>Profit for the year attributable to:</b>			
Parent Company shareholders		796.4	712.6
Non-controlling interest		11.3	0.3
<b>Profit for the year</b>		<b>807.6</b>	<b>712.9</b>
<b>Earnings per share</b>			
Before dilution (SEK)	19	13.74	12.29
After dilution (SEK)		13.74	12.29

# Consolidated report of other comprehensive income

Jan 1, – Dec 31, SEKm	Note	2022	2021
<b>Profit for the year</b>		<b>807.6</b>	<b>712.9</b>
<b>Other comprehensive income</b>			
<b>Items that have or can be reallocated to profit for the year</b>			
Translation differences, foreign operations		320.8	63.7
<b>Other comprehensive income for the year</b>		<b>320.8</b>	<b>63.7</b>
<b>Comprehensive income for the year</b>		<b>1,128.4</b>	<b>776.6</b>
<b>Comprehensive income for the year attributable to:</b>			
Parent Company shareholders		1,116.2	776.2
Non-controlling interest		12.2	0.4
<b>Comprehensive income for the year</b>		<b>1,128.4</b>	<b>776.6</b>



# Consolidated statement of financial position

As per Dec 31, SEKm	Note	2022	2021
<b>Assets</b>	2		
Intangible non-current assets	13	5,088.1	4,590.3
Tangible non-current assets	14	1,575.8	1,331.0
Participations in associated companies	15	16.6	14.5
Financial investments	2	4.9	4.2
Deferred tax assets	12	60.8	55.9
Other non-current assets	2	56.2	36.8
<b>Total non-current assets</b>		<b>6,802.6</b>	<b>6,032.7</b>
Inventories	17	783.4	613.1
Current tax assets		134.6	130.4
Trade receivables	2	613.6	493.2
Prepaid expenses and accrued income		41.4	35.6
Other receivables	2	91.3	58.8
Cash and equivalents	2, 18	1,319.0	1,073.4
<b>Total current assets</b>		<b>2,983.3</b>	<b>2,404.6</b>
<b>Total assets</b>		<b>9,785.8</b>	<b>8,437.2</b>
<b>Shareholders' equity</b>	19		
Share capital		231.9	231.9
Other contributed capital		948.8	947.3
Other reserves		489.6	169.8
Profit brought forward including profit for the year		3,619.4	3,293.1
<b>Shareholders' equity attributable to Parent Company shareholders</b>		<b>5,289.6</b>	<b>4,642.1</b>
<b>Non-controlling interest</b>		<b>29.3</b>	<b>5.9</b>
<b>Total shareholders' equity</b>		<b>5,319.0</b>	<b>4,648.0</b>
<b>Liabilities</b>	2		
Non-current interest-bearing liabilities	2, 20	1,576.0	1,402.0
Non-current lease liabilities	23	377.7	262.4
Deferred tax liabilities	12	142.4	128.5
Other liabilities	2	16.4	9.4
<b>Total non-current liabilities</b>		<b>2,112.5</b>	<b>1,802.3</b>
Other current interest-bearing liabilities	2, 20	54.1	34.9
Current lease liabilities	23	98.7	78.3
Other provisions	21	42.5	40.4
Accounts payable	2	1,207.1	1,020.9
Tax liabilities		173.9	135.4
Other liabilities	2	264.2	222.7
Accrued expenses and deferred income	22	513.8	454.4
<b>Total current liabilities</b>		<b>2,354.4</b>	<b>1,986.9</b>
<b>Total liabilities</b>		<b>4,466.9</b>	<b>3,789.2</b>
<b>Total shareholders' equity and liabilities</b>		<b>9,785.8</b>	<b>8,437.2</b>

Information on the Group's pledged assets and contingent liabilities, see Note 24.

# Consolidated statement of changes in equity

## Shareholders' equity attributable to Parent Company shareholders

2021, SEKm	Share capital	Other capital contributions	Translation reserve	Profit brought forward	Total	Non-controlling interests	Total shareholders' equity
<b>Equity, opening balance, Jan 1, 2021</b>	231.9	946.0	106.1	2,871.0	4,155.0	0.0	4,155.1
<b>Profit for the year</b>				<b>712.6</b>	<b>712.6</b>	<b>0.3</b>	<b>712.9</b>
<b>Other comprehensive income</b>							
Change in translation reserve for the year (exchange rate difference)			63.6		63.6	0.0	63.7
<b>Other comprehensive income for the period</b>			<b>63.6</b>		<b>63.6</b>	<b>0.0</b>	<b>63.7</b>
<b>Total comprehensive income for the period, excluding transactions with the company's owners</b>			<b>63.6</b>	<b>712.6</b>	<b>776.2</b>	<b>0.4</b>	<b>776.6</b>
<b>Transactions with the Group's owners</b>							
Option premium		1.3			1.3	-	1.3
Dividends paid to Parent Company shareholders				-260.9	-260.9	-	-260.9
Acquisition/divestment of participation in non-controlling interests					-	5.5	5.5
Issued put option / forward				-29.4	-29.4	-	-29.4
Other changes in net wealth				-0.2	-0.2	-	-0.2
<b>Total Transactions with the Group's owners</b>	<b>-</b>	<b>1.3</b>	<b>-</b>	<b>-290.4</b>	<b>-289.1</b>	<b>5.5</b>	<b>-283.6</b>

	Shareholders' equity attributable to Parent Company shareholders						
2022, SEKm	Share capital	Other capital contributions	Translation reserve	Profit brought forward	Total	Non-controlling interests	Total shareholders' equity
<b>Equity, opening balance, Jan 1, 2022</b>	231.9	947.3	169.8	3,293.1	4,642.1	5.9	4,648.0
<b>Profit for the year</b>				<b>796.4</b>	<b>796.4</b>	<b>11.3</b>	<b>807.6</b>
<b>Other comprehensive income</b>							
Change in translation reserve for the year (exchange rate difference)			319.8		319.8	0.9	320.8
<b>Other comprehensive income for the period</b>			<b>319.8</b>		<b>319.8</b>	<b>0.9</b>	<b>320.8</b>
<b>Total comprehensive income for the period, excluding transactions with the company's owners</b>			<b>319.8</b>	<b>796.4</b>	<b>1,116.2</b>	<b>12.2</b>	<b>1,128.4</b>
<b>Transactions with the Group's owners</b>							
Option premium		1.5			1.5	-	1.5
Dividends paid to Parent Company shareholders				-356.5	-356.5	-	-356.5
Acquisition/divestment of participation in non-controlling interests					-	11.2	11.2
Issued put option / forward				-113.6	-113.6	-	-113.6
<b>Total Transactions with the Group's owners</b>	<b>-</b>	<b>1.5</b>	<b>-</b>	<b>-470.1</b>	<b>-468.7</b>	<b>11.2</b>	<b>-457.5</b>
<b>Equity, closing balance, Dec 31, 2022</b>	<b>231.9</b>	<b>948.8</b>	<b>489.6</b>	<b>3,619.4</b>	<b>5,289.6</b>	<b>29.3</b>	<b>5,319.0</b>

# Consolidated cash flow statement

Jan 1, – Dec 31, SEKm	Note	2022	2021
<b>Operating activities</b>			
Profit before tax	27	1,013.1	885.3
Depreciation/amortization and impairment of assets		286.2	249.1
Adjustment for items not included in cash flow	27	-20.5	-20.6
Income tax paid		-184.7	-161.1
<b>Cash flow from operating activities before changes in working capital</b>		<b>1,094.0</b>	<b>952.5</b>
<b>Cash flow from changes in working capital</b>			
Increase(-)/decrease(+) in inventories		-113.6	-158.3
Increase(-)/decrease(+) in operating receivables		-50.1	-84.9
Increase(-)/decrease(+) in operating liabilities		140.6	304.8
<b>Cash flow from operating activities</b>		<b>1,070.9</b>	<b>1,014.1</b>
<b>Investing activities</b>			
Acquisitions of tangible non-current assets		-183.7	-188.3
Divestments of tangible non-current assets		1.2	2.7
Acquisitions of intangible non-current assets		-7.4	-5.3
Acquisitions of subsidiary companies/businesses, net effect on liquidity		-234.7	-68.1
Change of financial assets		-2.3	3.6
<b>Cash flow from investing activities</b>		<b>-426.8</b>	<b>-255.4</b>
<b>Financing activities</b>			
Dividends paid to Parent Company shareholders		-356.5	-260.9
Option premium		1.5	1.3
Change in interest-bearing liabilities	27	-106.1	-579.4
<b>Cash flow from financing activities</b>		<b>-461.2</b>	<b>-839.0</b>
Cash flow for the year		182.9	-80.4
Cash and cash equivalents at the start of the year		1,073.4	1,132.7
Exchange rate difference in cash and equivalents		62.6	21.0
<b>Cash and cash equivalents at the end of the year</b>	18	<b>1,319.0</b>	<b>1,073.4</b>



# Income Statement, Parent Company

Jan 1, – Dec 31, SEKm	Note	2022	2021
Net sales	3	67.2	61.3
<b>Gross profit</b>		<b>67.2</b>	<b>61.3</b>
Administrative expenses	9	-69.9	-67.2
Other operating income	6	2.3	0.6
Other operating expenses	7	-3.5	-
<b>Operating profit</b>	<b>8</b>	<b>-3.9</b>	<b>-5.2</b>
<b>Result from financial items:</b>			
Profit/loss from participations in Group companies	11	799.0	123.6
Profit from participations in associated companies	15	-	-
Other interest income and similar profit/loss items	11	41.8	53.9
Interest expense and similar profit/loss items	11	-34.4	-22.4
<b>Profit after financial items</b>		<b>802.5</b>	<b>149.9</b>
<b>Appropriations</b>			
Difference between depreciation/amortization according to plan and reported depreciation/amortiza-		-0.2	0.1
Group contributions received		244.4	164.4
Group contributions paid		-113.7	-40.2
<b>Profit before tax</b>		<b>933.1</b>	<b>274.1</b>
Tax	12	-29.1	-31.2
<b>Profit for the year</b>		<b>904.0</b>	<b>242.9</b>

## Statement of comprehensive income, Parent Company

<b>Items reallocated to, or that can be reallocated to profit for the year</b>			
Profit for the year		904.0	242.9
Other comprehensive income for the year		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Comprehensive income for the year</b>		<b>904.0</b>	<b>242.9</b>

# Balance Sheet, Parent Company

As per Dec 31, SEKm	Note	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible non-current assets	13	0.1	0.2
Tangible non-current assets	14	1.0	1.3
<i>Financial non-current assets:</i>			
Shares in Group companies	26	2,525.7	2,324.4
Participations in associated companies	15	1.0	1.0
Receivables from Group companies	16	1,243.5	1,314.6
Deferred tax assets	12	7.2	8.3
Other receivables		15.9	0.2
<b>Total financial non-current assets</b>		<b>3,793.3</b>	<b>3,648.5</b>
<b>Total non-current assets</b>		<b>3,794.4</b>	<b>3,650.0</b>
<b>Current assets</b>			
<i>Current receivables:</i>			
Receivables from Group companies	16	75.7	67.1
Prepaid expenses and accrued income		2.6	3.5
Other receivables		0.5	0.0
<b>Total current receivables</b>		<b>78.8</b>	<b>70.5</b>
Cash and equivalents	18	1,150.6	961.7
<b>Total current assets</b>		<b>1,229.4</b>	<b>1,032.2</b>
<b>Total assets</b>		<b>5,023.8</b>	<b>4,682.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity:</i>			
Share capital (57,968,000 shares)		231.9	231.9
Statutory reserve		55.3	55.3
<i>Non-restricted equity:</i>			
Share premium reserve		893.5	892.0
Accumulated profit		6.9	120.5
Profit for the year		904.0	242.9
<b>Total shareholder's equity</b>		<b>2,091.5</b>	<b>1,542.6</b>
<b>Untaxed reserves</b>			
Accumulated depreciation/amortization in addition to plan		0.3	0.1
<b>Total untaxed reserves</b>		<b>0.3</b>	<b>0.1</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	20	1,429.6	1,369.2
Liabilities to Group companies		1,449.2	1,726.3
Deferred tax liabilities	12	3.3	-
Other liabilities		6.8	7.9
<b>Total non-current liabilities</b>		<b>2,888.9</b>	<b>3,103.4</b>
<b>Current liabilities</b>			
Liabilities to Group companies		0.3	0.3
Accounts payable		8.2	6.4
Current tax liabilities		6.4	3.5
Other liabilities		8.8	7.8
Accrued expenses and deferred income	22	19.3	18.0
<b>Total current liabilities</b>		<b>43.1</b>	<b>36.0</b>
<b>Total equity, untaxed reserves and liabilities</b>		<b>5,023.8</b>	<b>4,682.2</b>

# Statement of changes in equity, Parent Company

2021, SEKm	Restricted shareholders' equity		Unrestricted shareholders' equity			
	Share capital	Statutory reserve	Share premium reserve	Accumulated profit	Profit for the year	Total shareholders' equity
<b>Equity, opening balance, Jan 1, 2021</b>	231.9	55.3	890.7	347.4	34.0	1,559.3
Profit for the year					242.9	242.9
Other comprehensive income for the year					-	-
<b>Comprehensive income for the year</b>					<b>242.9</b>	<b>242.9</b>
Appropriation of profit				34.0	-34.0	-
<b>Transactions with the Group's owners</b>						
Option premium			1.3			1.3
Dividend				-260.9		-260.9
<b>Equity, closing balance, Dec 31, 2021</b>	<b>231.9</b>	<b>55.3</b>	<b>892.0</b>	<b>120.5</b>	<b>242.9</b>	<b>1,542.6</b>

2022, SEKm	Restricted shareholders' equity		Unrestricted shareholders' equity			
	Share capital	Statutory reserve	Share premium reserve	Accumulated profit	Profit for the year	Total shareholders' equity
<b>Equity, opening balance, Jan 1, 2022</b>	231.9	55.3	892.0	120.5	242.9	1,542.6
Profit for the year					904.0	904.0
Other comprehensive income for the year					-	-
<b>Comprehensive income for the year</b>					<b>904.0</b>	<b>904.0</b>
Appropriation of profit				242.9	-242.9	-
<b>Transactions with the Group's owners</b>						
Option premium			1.5			1.5
Dividend				-356.5		-356.5
<b>Equity, closing balance, Dec 31, 2022</b>	<b>231.9</b>	<b>55.3</b>	<b>893.5</b>	<b>6.9</b>	<b>904.0</b>	<b>2,091.5</b>



# Cash flow statement, Parent Company

Jan 1, – Dec 31, SEKm	Note	2022	2021
<b>Operating activities</b>			
Profit after financial items	27	802.5	149.9
Depreciation/amortization and impairment of assets		0.4	0.4
Adjustment for items not included in cash flow	27	-7.9	-26.4
Income tax paid		-21.9	-23.7
<b>Cash flow from operating activities before changes in working capital</b>		<b>773.2</b>	<b>100.2</b>
<b>Cash flow from changes in working capital</b>			
Increase(-)/decrease(+) in operating receivables		94.2	116.3
Increase(-)/decrease(+) in operating liabilities		-39.2	-93.8
<b>Cash flow from operating activities</b>		<b>828.2</b>	<b>122.7</b>
<b>Investing activities</b>			
Acquisitions/divestments of intangible non-current assets		-	-
Acquisitions/divestments of tangible non-current assets		-	-
Investments in financial assets		-201.3	-69.1
Divestments of financial assets		230.2	-
<b>Cash flow from investing activities</b>		<b>28.9</b>	<b>-69.1</b>
<b>Financing activities</b>			
Option premium		1.5	1.3
Dividends paid		-356.5	-260.9
Change in interest-bearing liabilities	27	-367.4	106.7
<b>Cash flow from financing activities</b>		<b>722.4</b>	<b>-152.9</b>
Cash flow for the year		134.6	-99.3
Cash and cash equivalents at the start of the year		961.7	1041.1
Exchange rate differences in cash and equivalents		54.3	19.8
<b>Cash and cash equivalents at the end of the year</b>		<b>1,150.6</b>	<b>961.7</b>

## NOTE 1

## Accounting principles

**Agreement with standards and legislation**

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups has also been applied.

**Valuation principles applied in the preparation of the consolidated financial accounts.**

Assets and liabilities are reported at historical cost with the exception of certain financial assets and liabilities, which are reported at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments, unlisted shares and conditional purchase considerations.

**Functional currency and reporting currency**

The functional currency of the Parent Company is SEK and this is also the reporting currency of the Group. Consequently, the financial accounts are presented in SEK. All amounts are rounded off to the nearest thousand unless otherwise stated.

**Assessments and estimates in the financial accounts**

Preparation of the financial accounts in accordance with IFRS requires management making assessments, estimations and assumptions that affect the application of the accounting principles and the figures reported for assets, liabilities, income and expenses. The actual outcome may deviate from these estimations and assessments. The estimations and assessments are reviewed regularly. Changes in estimations are reported in the period in which they are made if they only affect that period, or in the period in which they are made and future periods if they affect both the period concerned and future periods. Assessments made by management in the application of IFRS that have a significant effect on the financial statements and estimates that may cause material adjustments to the financial statements of the ensuing year are described in greater detail in Note 29.

**Amended accounting principles necessitated by new or amended IFRS**

No changes to IFRS applicable as of 1 January, 2022 have had any material effect on the Group's reporting.

**New IFRS yet to be applied**

The IASB has amended IAS 1 Presentation of Financial Statements relating regarding the disclosures on accounting principles that must be provided in annual reports. The changes came into effect as of 1 January 2023, and have been adopted by the EU. The changes to IAS 1 are expected to mean that the presentation of accounting principles in Inwido's Annual Report for 2023 and thereafter will be significantly shortened compared with the current design, because the changes in IAS 1 mean that disclosures need only be regarding accounting principles of substantial significance and not regarding significant accounting principles in accordance with the current wording of the standard.

The IASB has additionally amended IAS 1 regarding the classification of liabilities as current or non-current in the statement of financial position where liabilities are subject to covenants. The IASB has clarified that covenants that a company must meet after the balance sheet date do not affect whether the liability is to be classified as current or non-current, which does not in itself entail any change compared with existing rules in IAS 1. The IASB has, however, increased the requirements regarding the disclosure of any covenants and the conditions associated with them. The changes will come into effect as of 1 January, 2024, but have yet to be adopted by the EU.

Other new and amended IFRS for future application are not expected to have any significant impact on the consolidated accounts.

**Operating segment reporting**

Operating segments are parts of the Group that conduct operations from which it can generate income and incur expenses and for which independent financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision maker. The highest executive decision maker is the function responsible for allocating resources and assess-

sing the performance of the operating segments. In this context, the Group has identified the President and CEO and Group management as the highest executive decision maker. Inwido's operating segments comprise Scandinavia, Eastern Europe, e-Commerce and Western Europe. See Note 4 for further details of the operating segments.

In the segment reporting, IAS 17 is still applied for leases rather than IFRS 16, which is a difference between the accounting principles applied in the consolidated accounts and those applied for the segments.

**Classification**

Non-current assets essentially consist of amounts that are expected to be recovered or paid more than 12 months after the balance sheet date, while current assets essentially consist of amounts that are expected to be recovered or paid within 12 months of the balance sheet date. Non-current liabilities essentially consist of amounts that Inwido is unconditionally entitled to choose to pay later than 12 months after the end of the reporting period. If Inwido has no such entitlement at the end of the reporting period – or if the liability is expected to be settled within the normal business cycle – the amount is reported as a current liability.

**Consolidation principles***Subsidiaries*

Subsidiaries are companies over which Inwido AB has a controlling influence. A controlling influence exists if the Parent Company has an influence over the target of the investment, is exposed or has rights to variable returns on its commitment and can exercise its influence over the investment to affect the return. In assessing whether a controlling influence exists, shares potentially conveying voting rights are taken into account as is the existence of de facto control.

*Acquisitions*

Subsidiaries are reported in accordance with the acquisition method. The method entails acquisitions of subsidiaries being viewed as transactions through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value of the acquired identifiable assets and assumed liabilities, as well as any possible non-controlling interests on the date of acquisition. Transaction expenses that arise, with the exception of transaction expenses attributable to the issue of equity instruments or liability instruments, are recognized directly in profit/loss for the year.

For business combinations for which payment made, possible non-controlling interests and fair value of previously owned participations (in the event of gradual acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are recognized separately, the difference is recognized as goodwill. When the difference is negative, what is known as a bargain purchase, this is recognized directly in profit for the year. Payment made in connection with the acquisition does not include payments that relate to the settlement of previous business connections. This type of settlement is recognized in profit.

Conditional purchase prices are recognized at fair value at the point of acquisition. In cases where the conditional purchase price is classified as an equity instrument, no revaluation or settlement is carried out under equity. Other conditional purchase prices are revalued on each report date and the change is recognized in profit/loss for the year.

Acquisitions that do not relate to 100 percent of the subsidiary give rise to non-controlling interests. There are two options for reporting non-controlling interests. The two options are to recognize the percentage of non-controlling interests that makes up proportional net assets, or to recognize non-controlling interests at fair value, which means that non-controlling interests form a percentage of goodwill. The choice between the two alternatives for recognizing non-controlling interests can be made on a case by case basis. For acquisitions that are made in stages, goodwill is determined on the day the controlling interest arises. In transactions with non-controlling interests, in connection with acquisitions or on other occasions, the company has chosen to apply the Present Access Method (PAM) for those transactions in which non-controlling interests remain exposed to the return associated with their holding. This represents a selection of accounting policies for such transactions. PAM entails a liability being recognized at the present value of the amount for which the shares will be redeemed. The item is offset against shareholders' equity attributable to Parent Company shareholders (retained earnings). For futures and equity relating to options, subsequent changes in the carrying amount of the liability are recognized in the income statement.

*Acquisitions from non-controlling holdings*

Acquisitions from non-controlling interests are recognized as transactions under shareholders' equity, i.e. between the Parent Company's owner (under profit brought forward) and non-controlling interests. Consequently no goodwill arises

as a result of these transactions. The change in non-controlling interests is based on their proportional share of net assets.

#### *Sales to non-controlling interests*

Sales to non-controlling interests where a controlling interest remains are recognized as transactions under shareholders' equity, i.e. between the Parent Company's owner and non-controlling interests. The difference between proceeds received and the non-controlling interest's proportional share of acquired net assets is reported under retained profit.

#### *Associated companies*

Associated companies are those in which Inwido has a significant, but not controlling, influence over operational and financial control, commonly through holdings corresponding to between 20 and 50 percent of votes. From the point at which a significant influence is obtained, holdings in associated companies are reported in the consolidated accounts in accordance with the equity method. The equity method entails the value of holdings in associated companies reported in the consolidated accounts being equivalent to the Group's share of the associated companies' equity, as well as consolidated goodwill and any other consolidated surplus. In the consolidated income statement, participations in the earnings of associated companies include the Group's participations after tax in the net earnings of associated companies, adjusted for possible amortization/depreciation and impairment or reversal of acquired surpluses. Dividends received from an associated company decrease the reported value of the investment.

#### *Foreign currency*

##### *Transactions in foreign currencies*

Transactions in foreign currencies are translated into the functional currency at the exchange rate in force on the transaction date. The functional currency is the currency of the primary economic environments in which the business units carry out their business. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate in force at the balance sheet date. Exchange rate differences arising from the conversions are recognized in profit/loss for the year. Non-monetary assets and liabilities recognized at their historical costs are translated at the exchange rate applicable at the time of the transaction. Non-monetary assets and liabilities recognized at fair value are converted to the functional currency at the rate in effect at the time of the fair value assessment.

#### *Foreign businesses financial statements*

Assets and liabilities in foreign businesses, including goodwill and other group-wise surplus or deficit values, are translated from the foreign operation's functional currency into the Group's reporting currency, SEK, at the exchange rate applicable on the balance sheet date. Income and expenses in a foreign operation are translated into SEK at an average exchange rate approximating the currency exchange rates applicable on the relevant transaction dates. Translation differences arising in connection with the translation of foreign operations are reported in other comprehensive income and accumulated in a separate component in equity titled translation reserve.

#### *Income*

##### *Sales of windows and doors*

The Group's sales consist mainly of sales doors and windows manufactured based on a specific customer order where the customer has specified the model, dimensions, color, materials, type of glass in windows, etc. Inwido is also entitled to full payment even if customers cancel their orders. Accordingly, the criteria for revenue recognition in accordance with IFRS 15 are met in principle. The manufacturing time for each individual order is, however, very short, meaning that Inwido, for practical reasons, does not recognize the revenue until the goods have been delivered to the customer, because the difference between revenue recognition over time and revenue recognition on delivery would not give rise to a significant difference in the Group's recognition of revenue from sales of windows and doors. Revenues are recognized after deductions for any discounts and volume-based customer bonuses.

##### *Sales of windows and doors with installation*

On installation of windows and/or doors in the customer's property, the criteria for revenue recognition over time in IFRS 15 are fulfilled because Inwido's performance improves a property controlled by the customer. The degree of completion is measured based on the number of windows or doors installed in relation to the total number of doors or windows to be installed.

#### *Leases*

When an agreement is entered into, the Group assesses whether the agreement is, or contains, a lease arrangement. An agreement is, or contains, a lease arrangement if it transfers the right to determine the use of an identified asset for a certain period in exchange for compensation.

At the start of the lease or when reviewing a lease containing several components – leasing and non-leasing components – the Group distributes the compensation, in accordance with the agreement, between each component based on the stand-alone price. However, for leases of buildings and surrounding land where the Group is a lessee, the Group has chosen not to distinguish non-leasing components and recognizes leasing and non-leasing components paid in fixed amounts as a single leasing component.

#### *Leasing agreements where the Group is the lessee*

The Group recognizes a right-of-use asset and a lease liability on the commencement date of the lease. The right-of-use asset is initially valued at cost, which consists of the initial value of the lease liability plus leasing fees paid on or before the commencement date plus any initial direct expenses. The right-of-use asset is depreciated on a straight-line basis from the commencement date until the end of the asset's useful life or the end of the lease period, whichever is sooner, which, for the Group, is normally the end of the lease term. In rarer cases, where the cost of the right-of-use asset reflects the Group's intention to exercise an option to purchase the underlying asset, the asset is depreciated until the end of its useful life.

The lease liability – which is divided between long-term and short-term – is initially valued at the present value of the remaining lease fees over the assessed term of the lease. The lease period is the non-cancelable period plus additional periods in the agreement if it is deemed reasonably certain on the commencement date that these will be utilized. The Group leases buildings and surrounding land for warehouses and production units. These leases normally have a maturity of between 10 and 25 years. Some leases include an option to renew the lease at the end of its term with an additional term of the same length. Some leases include leasing fees based on fluctuations in local price indexes. Certain leases include extension and termination options that the Group may opt to exercise or not up to one year before the end of the non-cancellation period. Whether it is reasonably certain that an extension option will be exercised is determined on the commencement date of the lease. The Group is reviewing whether it is reasonably certain that an extension option will be exercised if there is an important event or significant change in circumstances within the Group's control. For the Group's leased production units, extension options are considered reasonably safe to exercise if they can be exercised within a ten-year period, provided that the operations are conducted normally. The Group's leases for office premises and showrooms consist mainly of non-cancellation periods of three to five years, which are extended by additional periods of three to five years if the Group does not terminate the lease within a notice period of 9 to 12 months. In most cases where offices are concerned, the Group makes the assessment that it is not reasonably certain that the contracts will be extended beyond the initial period – that is, the term of the lease is usually deemed to be a single period. The Group leases vehicles and forklifts with lease terms of three to five years. In some cases, the Group has an opportunity to purchase the asset at the end of the lease term. In other cases, the Group guarantees the residual value of the leased asset at the end of the lease term. Extension options exist only to an insignificant extent.

Leasing fees are normally discounted at the Group's marginal borrowing rate, which, in addition to the Group's/Company's credit risk, reflects the term of each lease, the currency involved and the quality of the underlying asset as collateral. However, in cases where the implicit interest rate of the lease can easily be determined, that interest rate is applied, which is the case for some of the Group's vehicle leases.

The lease liability consists of the present value of the following fees over the assessed term of the lease.

- fixed fees, including any explicitly referred to as such,
- variable leasing fees linked to an index or price ("interest-linked (including fees tied to STIBOR or EURIBOR rates)"), initially valued using the index or price ("rate") applicable on the commencement date,
- any residual value guarantees expected to be paid,
- the exercise price for a call option that the Group is reasonably certain that it will be able to exercise and
- Penalties payable on termination of the lease agreement if the estimated term of the lease suggests that such termination will occur.



The value of the liability is increased by the interest expense for each period and reduced by the lease payments. Interest expense is calculated by multiplying the value of the liability by the discount rate.

The lease liability for the Group's premises with indexed rent is calculated based on the rent applicable at the end of each reporting period. At this time, a corresponding adjustment is made in the liability as is made in the carrying amount for the right-of-use asset. Correspondingly, the values of the liability and the asset are adjusted in connection with the re-assessment of the term of the lease. This is performed when the termination date of the previously assessed term of the lease has passed, when significant events occur or when circumstances under the Group's control change significantly, affecting the applicable assessment of the term of the lease.

The Group presents right-of-use assets and lease liabilities as separate items in the statement of financial position.

For leases with a term of 12 months or less, or with an underlying asset of low value (less than SEK 50,000), no right-of-use asset or lease liability are reported. Leasing fees for such leases are expensed on a straight-line basis across the term of the lease.

### Financial income and expenses

Financial income consists of interest income on invested funds, dividend income, interest expenses on leases, as well as gains on changes in the value of financial assets/liabilities measured at fair value through the Income Statement. Interest income from financial instruments is recognized according to the effective interest method. The effective interest rate is the interest rate that precisely discounts the estimated future deposits and disbursements across the expected maturity of the financial instrument at the reported gross value of a financial asset or the accrued acquisition value of a financial liability. Financial expenses consist of interest expenses on loans, the effect of the resolution of present value calculations for provisions, value losses on financial assets/liabilities valued at fair value via profit and the impairment of financial assets. Borrowing expenses are recognized in profit/loss applying the effective interest method, except where they are directly attributable to the acquisition, construction or production of assets that take considerable time to complete for their intended use or for sale, in which case they are included in the cost of the assets. No interest is currently expensed, since, in the Group's assessment, it does not have any assets that qualify in accordance with IAS 23. Exchange rate gains and losses are reported net.

### Taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognized in profit or loss unless the underlying transaction is recognized in other comprehensive income or in shareholders' equity, whereby the associated tax effect is recognized outside profit or loss. Current tax is tax due for payment or receipt in respect of the financial year, using tax rates decided or virtually decided upon on the balance sheet date. Adjustment of current tax related to earlier periods is also included. Deferred tax is calculated in accordance with the balance sheet method, proceeding on the basis of temporary differences between the carrying amounts and taxable values of assets and liabilities. Temporary differences are not taken into consideration that arise on initial recognition of goodwill or of assets and liabilities that are not business combinations affecting reported or taxable profit at the time of the transaction. Nor are temporary differences taken into account that are related to investments in subsidiaries and associated companies which are not expected to be reversed in the foreseeable future. The valuation of deferred tax provided is based on how carrying amounts of assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and regulations decided or virtually decided upon at the balance sheet date. Deferred tax receivables for tax-deductible temporary differences and loss carry-forwards are recognized only to the extent it is likely that these items will be able to be utilized. The value of deferred tax receivables is derecognized when it is no longer deemed likely that they can be utilized. Any additional income tax arising from a dividend is recognized at the same time as the dividend is recognized as a liability.

### Financial instruments

Financial instruments reported in the statement of financial position include, on the asset side, cash and cash equivalents, trade receivables, unlisted shares, derivatives and other receivables. On the liability side, there are accounts payable, loan liabilities, derivatives and liabilities for conditional purchase considerations.

### Recognition and measurement on initial accounting

Trade receivables and debt instruments issued are reported when issued. Other financial assets and financial liabilities are recognized when the Group becomes

party to the contractual terms of the instrument. Financial instruments are initially recognized at fair value with additions/deductions for transaction expenses, except for instruments measured at fair value on an ongoing basis through the Income Statement, for which transaction expenses are instead expensed as they arise. Trade receivables (without a significant financing component) are initially valued at the transaction price determined in accordance with IFRS 15.

### Classification and subsequent valuation of financial assets

Under IFRS 9, a financial asset is classified on initial recognition as valued either at amortized cost, at fair value through other comprehensive income (debt instrument investment), at fair value through other comprehensive income (equity investment), or fair value through the Income Statement. The following describes how Inwido's various holdings of financial assets have been classified:

### Holdings of shares and participations in unlisted companies

The Group's holdings of shares and participations in unlisted companies are valued at fair value through the Income Statement.

### Derivatives

Derivatives are reported at fair value through the Income Statement as Inwido does not apply hedge accounting.

### Other financial assets

All other financial assets, which constitute the majority of the Group's financial assets, are reported at amortized cost. This is because they are held within the framework of a business model that has the objective of receiving the contractual cash flows while the cash flows from the assets consist solely of payments of principal and interest.

### Classification and subsequent valuation of financial liabilities

Financial liabilities are classified as measured at amortized cost or measured at fair value through profit or loss. The financial liabilities that are measured at fair value through the Income Statement consist of conditional purchase considerations for business combinations and derivatives of negative fair value for Inwido. All other financial liabilities are reported at amortized cost applying the effective interest method.

### Derecognition of financial assets and financial liabilities

The Group derecognizes a financial asset from the statement of financial position when the contractual right to cash flows from the financial asset ceases or if the Group transfers the right to receive the contractual cash flows through a transaction whereby all material risks and benefits of ownership are transferred. A financial liability is derecognized from the statement of financial position when the commitments specified in the contract are fulfilled, canceled or cease to apply. The Group also derecognizes a financial liability when the contractual terms are modified and the cash flows from the modified liability are significantly different. In that case, a new financial liability is recognized at fair value based on the modified terms.

### Impairment

Carrying amounts of the Group's assets are reviewed at each balance sheet date to assess whether there is any indication of impairment. IAS 36 is applied in impairment testing for assets other than financial assets which are tested in accordance with IFRS 9, inventories and deferred tax assets. For the exceptions stated above, the carrying amount is assessed according to the relevant standard.

Impairment tests for tangible and intangible assets, and holdings in subsidiaries, associated companies, joint ventures, etc. If a need for impairment is indicated, the recoverable amount of the assets calculated in accordance with IAS 36 (see below). The recoverable amount for goodwill, other intangible assets with indefinite useful lives and intangible assets that are not yet ready for use is calculated annually. If, in connection with impairment testing, largely independent cash flows cannot be established for an individual asset, assets are grouped at the lowest level at which largely independent cash flows can be identified – this is known as a cash generating unit. Impairment is recognized when an asset's or cash generating unit's carrying amount exceeds the recoverable amount. Impairment is charged to the statement of comprehensive income. Impairment of assets attributable to a cash generating unit is primarily allocated to goodwill. After this, a proportional impairment of all other assets included in the unit is implemented.

The recoverable amount is the higher of fair value less expenses to sell and value in use. Upon calculating the value in use, future cash flows are discounted at a discount rate that takes into account risk-free interest and the risk associated with the specific asset.

Impairment is reversed if there is an indication that it is no longer necessary, and there has been a change in the assumptions which formed the basis of the calculation of the recoverable amount. However, impairment of goodwill is never reversed. A reversal is only made to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that the asset would have had, with a deduction for amortization, if no write-down had been carried out.

#### Impairment of financial assets

For the financial assets that are valued at amortized cost, a provision for expected loan losses is calculated and recognized. The provision for credit losses is initially calculated and reported based on expected credit losses over a 12-month period. If the credit risk has increased significantly since the financial asset was first recognized, a provision is calculated and recognized for credit losses based on expected credit losses for the entire remaining maturity of the asset. For trade receivables not including a significant financing component, a simplified method is applied and the provision for credit losses is calculated and recognized on the basis of expected credit losses for the entire remaining term, regardless of whether the credit risk has increased significantly or not. The calculation of expected credit losses is based mainly on data from historical losses for similar receivables and counterparties. The historical data is evaluated and adjusted continuously based on the current situation and the Group's expectation of future events.

#### Tangible non-current assets

##### Owned assets

Tangible non-current assets are stated in the Group at cost less accumulated depreciation and any write-downs. The cost includes the purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Borrowing expenses directly attributable to the purchase, construction or production of assets that take considerable time to complete for the intended use or for sale are included in cost. Accounting principles for impairment are described on the following page. The cost of non-current assets manufactured in-house includes expenses for materials, expenses for employee benefits, if applicable, other manufacturing expenses considered directly attributable to the non-current asset and estimated costs of dismantling and removing the asset and restoring the site or area where they are located. Tangible assets comprising parts with different useful lives are treated as separate components of tangible assets. The carrying amount for a tangible non-current asset is derecognized from the statement of financial position on scrapping or sale, or when no future economic benefits are expected from the use, scrapping or sale of the asset. Gains or losses arising from the sale or scrapping of an asset constitute the difference between the sale price and the asset's carrying amount less direct sales costs. Gains and losses are recognized as other operating income/expense.

##### Subsequent expenses

Subsequent expenses are only added to the cost if it is probable that the future economic benefits associated with the asset will flow to the company and the cost can be measured reliably. All other subsequent expenses are expensed in the period they arise. The question of whether a subsequent expense is attributable to the replacement of identified components, or parts thereof (whereby such expenses are capitalized) plays a decisive role in determining if that expense should be added to cost. Even in cases where new components are constructed, the expense is added to the cost. Any non-depreciated carrying amounts for replaced components, or parts of components, are scrapped and derecognized in connection with replacement. Repairs are expensed as they are incurred.

##### Depreciation principles

Depreciation is carried out on a linear basis over the asset's estimated useful life. The Group applies the component approach, whereby the component's assessed useful life forms the basis for depreciation.

##### Estimated useful lives:

• Buildings	25–50 years
• Land improvements	20–27 years
• Machinery and technical plant	10 years
• Equipment, tools, fixtures and fittings	3–5 years

Land is not depreciated. Depreciation methods used and the residual value and useful life of assets are reviewed at each year-end.

#### Intangible non-current assets

##### Goodwill

Goodwill represents the difference between the cost of the business combination and the fair value of acquired assets, assumed liabilities and contingent liabilities. Goodwill is stated at cost less any accumulated impairment. Goodwill is distributed to cash generating units and is tested annually to determine possible impairment needs. Goodwill arising from acquisitions of associated companies is included in the carrying amount for participations in associated companies. For business combinations where the cost is less than the net value of the acquired assets and assumed liabilities and contingent liabilities, the difference is recognized directly in profit or loss.

##### Product development expenses

Development expenses, where research results or other knowledge are applied to achieve new or improved processes, are recognized as an asset in the statement of financial position if the product or process is technically and commercially feasible and the company has sufficient resources to complete development and to then use or sell the non-current asset. Most of the Group's product expenses pertain to unique customer adaptations or updating existing products in line with technical advances. For such expenses, the criteria for capitalization stipulated by IAS 38 are not considered to have been met and the expenses are recognized as expenses against profit/loss for the year in which they are incurred.

##### Market and customer-based assets

Market and customer-based assets primarily include valued customer relationships and brands identified in connection with acquisitions. Customer relations are recognized at cost less accumulated amortization and impairment. Brands acquired by the Group are recognized at cost less accumulated depreciation (see below) and any impairment alternatively considered to have an indefinite useful life where they are recognized at cost less accumulated impairment. For brands with an indefinite useful life, impairment testing is performed at least once annually.

##### Other intangible non-current assets

Other intangible assets mainly include customer agreements and software acquired by the Group. These assets are recognized at cost less accumulated amortization and impairment. Expenses for internally generated goodwill and internally generated trademarks are recognized in profit or loss as they are incurred.

##### Subsequent expenses

Subsequent expenses for capitalized intangible assets are only recognized as assets in the statement of financial position if they increase the future economic benefits for the specific assets to which they refer. All other expenses are expensed as they are incurred.

##### Depreciation principles

Amortization is charged to statement of comprehensive income on a linear basis over the intangible assets' estimated useful lives, provided the useful life is not indefinite. The useful lives of assets are reassessed at least once per year. Goodwill and brands with an indefinite useful life or that are not yet ready for use are tested for possible impairment annually and as soon as indications arise that the asset in question has decreased in value. Intangible assets with a definite useful life are depreciated from the point at which they are available for use.

The estimated useful lives are:

• Customer agreements	5 years
• Software	5–10 years
• Development expenditure generated internally	5–10 years
• Customer relations	5–15 years
• Brands	Indefinite useful life

#### Inventories

Inventories are stated at the lower of cost and net realizable value. The cost for inventories is based on the first-in first-out principle (FIFO) and includes costs arising upon acquisition of the inventories and their transport to their current location and condition. For manufactured goods and work in progress, the purchase value includes a reasonable proportion of indirect expenses based on normal capacity. Net realizable value is the estimated sales price in the ordinary course of business, less estimated expenses for completion and bringing about a sale.

## Share capital

### Dividends

Dividends are recognized as a liability once approved by the Annual General Meeting.

## Employee benefits

### Defined contribution plans

For salaried employees in Sweden, defined benefit pension commitments for retirement and family pension under the ITP 2 plan are secured through an insurance policy with Alecta.

Consequently, the ITP2 pension plan insured through a policy with Alecta is recognized as a defined contribution plan. Other pension plans in the Group are defined contribution pension plans. Defined contribution pension plans are those for which the Group only pays fixed fees and is under no obligation to pay additional fees if plan assets are insufficient. Consequently the employee bears the risk regarding future pension levels. Obligations regarding defined contribution plans are recognized as an expense in the statement of comprehensive income at the rate at which they are earned by employees performing services for the company.

### Remuneration on termination of employment

An expense for remuneration in connection with termination of employment for employees is recognized only if the company is demonstrably obliged in a formal detailed plan to terminate employment ahead of the normal point in time, with no realistic possibility of a retraction. When remuneration is paid as an incentive for voluntary departure, an expense is recognized when the offer has been made and can no longer be withdrawn. The amount is calculated based on a probability calculation regarding the number of employees who will accept the offer.

### Short-term employee benefits

Current employee benefits are calculated without discounting and are expensed as the relevant services are received. Expected expenses for profit sharing and bonus payments are recognized as liabilities when the Group has a present legal or constructive obligation to make such payments as a consequence of services being received from employees and that obligation can be calculated reliably.

### Incentive program

Inwido has a warrants program whereby warrants have been sold to senior executives. The options have been sold at a price equal to the estimated fair value on the acquisition date, meaning that there are no amounts to report as share-based compensation in the balance sheet or in the income statement under IFRS 2.

## Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the effect of the timing of the payment is important, provisions are calculated by discounting the expected future cash flow at a pre-tax interest rate which reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability.

### Guarantees

A provision is made for guarantees when the underlying products or services are sold. The provision is based on historical data regarding guarantees and a total appraisal of conceivable outcomes in relation to the probabilities with which those outcomes are associated.

### Restructuring

Restructuring provisions are recognized when the Group has adopted a detailed formal restructuring plan and the restructuring has been commenced or publicly announced. No provisions are made for future operating expenses.

## Parent Company's accounting principles

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 2 of the Swedish Financial Accounting Standards Council, on Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board are also applied.

RFR 2 means that the Parent Company in the Annual Report for the legal entity shall apply all EU-approved IFRS standards and statements as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act

(tryggandelagen) and taking into consideration the relationship between accounting and taxation. The recommendation stipulates which exceptions and additions to IFRS shall be applied.

## Changes in accounting principles

Changes to IFRS or RFR 2 applicable as of 1 January, 2022 have had no material effect on the Parent Company's financial statements. Nor are any upcoming changes to IFRS or RFR 2 assessed to have any material effect on the Parent Company's financial statements.

## Differences between the Group's and Parent Company's accounting principles

The differences between the Group's and Parent Company's accounting principles are shown below. The accounting principles shown below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

### Classification, presentation and layout

For the Parent Company, an Income Statement and a Statement of comprehensive income are presented, For the Group, and Income Statement and a Statement of total comprehensive income are presented. The titles 'balance sheet' and 'cash flow statement' are used for the Parent Company for statements that for the Group are titled 'consolidated statement of financial position' and 'consolidated statement of cash flows' respectively. The Parent Company Income Statement and Balance Sheet have been prepared in accordance with regulations stipulated in the Annual Accounts Act, while the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, Summary of changes in equity and Cash flow statement are based on IAS 1 or IAS 7 respectively. The differences compared with the consolidated statements that are evident in the Parent Company's income statement and balance sheet comprise mainly the reporting of financial income and expenses, non-current assets and equity.

## Subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are accounted for in the Parent Company in accordance with the cost method. This means that transaction expenses are included in the carrying amount for holdings in subsidiaries, associated companies and joint ventures. In the consolidated accounts, transaction expenses attributable to subsidiaries are recognized directly in profit/loss as they are incurred. Conditional purchase prices are valued based on the likelihood that the purchase price will be paid. Possible changes in the provision receivable are added to reduce the cost. In the consolidated accounts, conditional purchase prices are recognized at fair value with changes in value over profit/loss.

## Untaxed reserves

Untaxed reserves including deferred tax liability are recognized in the Parent Company. In the consolidated accounts however, untaxed reserves are divided into deferred tax and equity.

## Group contributions

Group contributions received by the Parent Company from its subsidiaries are reported in the Parent Company according to the same principles as normal dividends from subsidiaries, in other words, as a financial income item in the income statement. Group contributions paid by the Parent Company to its subsidiaries are recognized as an appropriation in the income statement.

## Leases

In accordance with the exemption provided in RFR 2, the Parent Company does not apply IFRS 16. As a lessee, leasing fees are expensed on a straight-line basis across the term of the lease, with no right-of-use assets or lease liabilities therefore being recognized in the Balance Sheet. In the same way as in the consolidated financial statements, leases on buildings are not broken down into leasing and non-leasing components. For underlying assets of this kind, leasing and non-leasing components are instead reported as a single leasing component.

## Financial guarantees

The Parent Company's financial guarantee contracts consist of guarantees on behalf of subsidiaries. The Parent Company applies a relief rule permitted by the Swedish Financial Reporting Board compared with the rules in IFRS 9 and reports financial guarantee agreements as a provision in the Balance Sheet when it is likely that the company will have to meet that commitment.



## NOTE 2

## Financial risks and policy

**Through its operations, the Group is exposed to various kinds of financial risks.**

Financial risks are those involving fluctuations in the Group's earnings and cash flow as a consequence of changes in exchange rates, interest rate levels, and refinancing- and credit risks.

The Group's Financial Policy for the management of financial risks has been designed by the Board of Directors and provides a framework of guidelines and regulations in the shape of risk mandates and limits for financing activities. To read more about the company's financial risks, please see the Financial Risks section in the Directors' Report.

Responsibility for the Group's financial transactions and risks is managed centrally by the Parent Company's finance department. The overarching objective for risk management efforts is to provide cost effective financing and to minimize the negative effects of market fluctuations on the Group's earnings.

#### Liquidity risks

Financing and liquidity risks represent the risk that it will be difficult or costly to refinance loans reaching maturity or that it will not be possible to meet payment obligations due to insufficient liquidity or difficulties in obtaining external

financing.

To ensure that the Group always has access to external financing, the finance department shall make sure that commitments to grant credit, both short and long-term, are available. Efforts shall be made to maintain the highest level of cost efficiency possible within the set framework. Inwido's principal financing consists of bank loans based on credit agreements expiring in the period 2025-2028. The aforementioned agreement includes financial covenants that are followed up on a quarterly basis. Inwido meets the terms of existing credit agreements.

At the end of the period, consolidated cash and equivalents were SEK 1,319 million (1,073). The Group's cash and equivalents are deposited in banks with credit ratings in the range AA- to BBB- (Standard & Poor's). Available liquidity, including unutilized credit facilities, amounted to SEK 2,871 million (2,614).

Consolidated borrowings from banks, excluding lease liabilities and utilized overdraft facilities, amounted to a nominal amount of SEK 1,432 million at year-end, with the maturity structure of the loan debt being shown in the table below. At the end of 2022, the average remaining time to maturity on Inwido's long-term financing was about 3.6 years.

#### Maturity structure, financial and operational liabilities – undiscounted cash flows

	2022						2021					
SEKm	Nominal amount, functional	0–6 months	7–12 months	1–5 years	5 years or later	Total	0–6 months	7-12 months	1–5 years	5 years or later	Total	
Bank loans	1,432.1	29.3	29.2	866.6	765.3	1,690.5	15.0	14.9	1,135.6	324.8	1,490.3	
Overdraft facility	25.8	26.4	0.6	3.8	1.3	32.0	32.9	0.2	1.0	0.3	34.5	
Derivatives	0.5	0.5				0.5	0.4	1.6			2.0	
Accounts payable	1,207.1	1,207.1				1,207.1	1,020.9				1,020.9	
Lease liabilities	476.5	44.8	59.4	252.4	187.6	544.1	35.1	46.4	178.7	120.7	380.9	
Other liabilities	307.2	263.6	33.2	11.3	9.9	318.0	220.5	0.7	2.9	7.5	231.6	
Total		1,571.6	122.5	1,134.1	964.1	3,792.3	1,324.8	63.7	1,318.2	453.4	3,160.1	

#### Interest rate risk

Interest rate risk represents how changes in market interest rates affect cash flow and the Group's earnings, as well as the value of financial instruments. The fixed interest period is the factor that most affects the interest rate risk. Management of the Group's interest rate risk is centralized, meaning that the central finance department is responsible for identifying and managing interest rate risk in accordance with the Finance Policy adopted by the Board of Directors. Derivative instruments, such as interest rate swaps, are used to manage interest rate risk by allowing interest rates to be switched from fixed to floating or vice versa. Interest swap contracts are recognized in the Group company whose interest-bearing liabilities are hedged. Net interest paid regarding interest swap agreements is recognized as an interest expense, while net interest received is recognized as interest income.

Essentially, net interest risk in the Group is associated with the Group's interest-bearing financial liabilities, which are listed in the table in Note 20. As per 31 December 2022, the fair value of the swaps amounted to a positive net of SEK 15.9 million (0.2). The underlying nominal debt amounted to SEK 334 million (511).

As per 31 December 2022, interest-bearing liabilities, excluding financial leasing and overdraft facilities, amounted to SEK 1,432 million (1,374) and the average period of fixed interest, excluding derivatives was approximately 4 months (4). The average period of fixed interest, including derivatives was approximately 9 months (9).

#### Sensitivity analysis – interest risk

If interest rates had been 1 percentage point higher/lower, with all other variables remaining constant, the interest expense for the year before tax would have been SEK 14 million higher/lower calculated on the average interest-bearing debt in 2022 and without taking existing interest rate derivatives outstanding per 31 December 2022 into account.

If interest rates had been 1 percentage point higher/lower, with all other variables remaining constant, the interest expense for the year before tax would have been SEK 11 million higher/lower, calculated on the average interest-bearing debt in 2022 and taking existing interest rate derivatives outstanding per 31 December 2022 into account.

Interest rates with different maturities and in different currencies can fluctuate differently. These calculations are based on all yield curves shifting in parallel by one percentage point.

The Group has a seasonal debt for which the interest rate risk is not calculated due to its short term nature.

#### Credit risks in trade receivables

The risk that the Group's customers fail to meet their obligations, that is, that no payment is obtained for trade receivables, constitutes a customer credit risk. Credit checks are performed on the Group's customers with information regarding their financial status being obtained from various credit information agencies. Bank guarantees or other sureties are required for customers with low credit ratings or insufficient credit history. The Group holds global customer credit insurance, meaning that most of the Group's insurable trade receivables are covered. The credit quality of non-provisioned trade and other receivables is deemed to be good.

As per the balance sheet date, there were no significant concentrations of credit exposures. At the end of 2022, 17 (18) of the Group's 20 largest insured customers were fully insured and the Group had an acceptance rate of more than 82 (80) percent with the insurance company. The maximum exposure for credit risk is the same as the gross value of the trade and other receivables in the balance sheet.

## Note 2, cont.

## Specification of trade receivables

SEKm	Group 2022		
	Carrying amount, invoices	Provisions for losses on trade receivables	Carrying amount
Not overdue	508.4	-	508.4
Overdue 0–60 days	98.8	-8.8	89.9
Overdue 61–180 days	22.8	-13.4	9.4
Overdue 181–365 days	10.7	-7.3	3.4
More than 1 year	17.8	-15.3	2.5
<b>Total trade receivables</b>	<b>658.5</b>	<b>-44.9</b>	<b>613.6</b>

SEKm	Group 2021		
	Carrying amount, invoices	Provisions for losses on trade receivables	Carrying amount
Not overdue	393.8	-0.4	393.4
Overdue 0–60 days	81.2	-3.1	78.1
Overdue 61–180 days	25.4	-6.2	19.3
Overdue 181–365 days	7.4	-4.7	2.8
More than 1 year	10.5	-10.9	-0.4
<b>Total trade receivables</b>	<b>518.3</b>	<b>-25.1</b>	<b>493.2</b>

## Provision account for impairment of trade receivables

Group, SEKm	2022	2021
Opening balance	-25.1	-25.4
Acquired opening balance	-2.2	-
Impairment for the year	-26.1	-11.4
Reversal of previous impairments	10.2	12.3
Translation differences	-1.7	-0.7
<b>Closing balance</b>	<b>-44.9</b>	<b>-25.1</b>

## Currency risks

## Transaction exposure

The Group applies a Finance Policy adopted by the Board of Directors. Transaction exposure shall primarily be minimized through internal measures such as matching of flows and choice of invoicing currency. Currency clauses can be used if contractually transparent and possible to follow up, ensuring that the Group is not exposed to any hidden currency risks. Secondly, currency risks are to be mitigated by means of financial instruments. Currency hedging is arranged with maturities of up to 12 months and is based on the latest estimates available. Currency hedges must meet the following conditions with an accuracy of about +/- 20 percentage points.

## Hedging horizon Degree of hedging

• 1–3 months	70%
• 4–6 months	60%
• 7–9 months	40%
• 10–12 months	20%

Contracted future payments for non-current assets in foreign currency may be secured up to the full cost.

If the net exposure to a single currency is less than the equivalent of EUR 1 million annually, hedging is not necessary.

The table below shows the net flows and hedge volumes that the business units have had in each currency during each relevant year.

Group, SEKm	2022		2021	
	12 months net flows	Total hedges*	12 months net flows	Total hedges*
SEK	-309.5	207.5	-244.7	143.9
EUR	-387.2	277.0	-334.3	241.7
NOK	-0.2	0.0	2.4	0.0
DKK	-63.5	10.2	-38.8	3.0
GBP	52.5	0.0	3.6	0.0
PLN	-119.2	68.4	-101.0	61.0
USD	-27.7	0.0	-18.2	0.0

\* Net flows in EUR and DKK have been adjusted for exposure against DKK and EUR respectively due to the currency peg between these currencies.

## Translation exposure

The hedging of translation exposure is guided by the Group's Finance Policy. Translation exposure is not currently hedged as the risk is relatively limited. However, an analysis of these risks is made once a year to ensure that they do not increase. Foreign net assets in the Group are mainly distributed among the following currencies:

Group Currency, SEKm	2022			2021	
	Local currency	SEK	%	SEK	%
SEK	2,509.2	2,509.2	47.4	1,834.6	39.5
NOK	-80.3	-79.4	-1.5	-116.3	-2.5
DKK	1,118.3	1,781.4	33.7	1,733.3	37.3
EUR	119.4	1,328.6	25.1	1,350.6	29.1
GBP	-26.1	-340.4	-6.4	-220.6	-4.8
PLN	38.2	86.5	1.6	61.3	1.3
RON	3.2	3.8	0.1	-0.8	0.0
<b>Total</b>		<b>5,289.6</b>	<b>100</b>	<b>4,642.1</b>	<b>100</b>

A 10 percent strengthening of the SEK against other currencies as of 31 December 2022 would entail a negative change in shareholders' equity of SEK 268.6 million (277.4) and a negative change in profit of SEK 64.2 million (57.4). This sensitivity analysis is based on all other factors (e.g. interest rates) remaining unchanged. The same conditions were applied for 2021.

## Accounts payable

The Group maintains a program of reverse factoring for suppliers (so-called "Supply Chain Finance") under which suppliers can opt for early payment of their invoices by the bank participating in the program. The Group then makes payment to the bank at a later date.

The main purpose of the program is to make it possible for the suppliers choosing to participate in the program to sell their invoices (issued to the Group) before the due date. This offers opportunities for the Group to strengthen its relations with its key suppliers under favorable supplier conditions. Of the total trade and other payables of SEK 1,207 million as of December 31, 2022, approximately SEK 570 million were debts included in the Group's reverse factoring program. In the cash flow analysis, payments to the bank are included in the cash flow from current operations because the cash flows are part of the Group's normal business cycle and refer to payments for purchased goods and services.

## Fair value

In all instances, fair value corresponds to the financial instrument's carrying amount. In all material respects, the carrying amounts for assets and liabilities recognized at their carrying amounts are equivalent to their fair value.

Fair values and carrying amounts are detailed in the balance sheet below:

	Financial assets valued at amortized cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Total carrying amount	Fair value
<b>Group 2022, SEKm</b>						
Financial investments		4.9			4.9	4.9
Other non-current assets	40.4	15.9			56.2	56.2
Trade receivables	613.6				613.6	613.6
Other current receivables	87.5	3.8			91.3	91.3
Cash and equivalents	1,319.0				1,319.0	1,319.0
<b>Total</b>	<b>2,060.4</b>	<b>24.7</b>	<b>-</b>	<b>-</b>	<b>2,085.1</b>	<b>2,085.1</b>
Non-current interest-bearing liabilities				1,576.0	1,576.0	1,576.0
Other non-current liabilities				16.4	16.4	16.4
Other current interest-bearing liabilities			27.1	27.0	54.1	54.1
Accounts payable				1,207.1	1,207.1	1,207.1
Other current liabilities			0.5	263.7	264.2	264.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27.6</b>	<b>3,090.2</b>	<b>3,117.8</b>	<b>3,117.8</b>
<b>Group 2021, SEKm</b>						
Financial investments		4.2			4.2	4.2
Other non-current assets	36.8				36.8	36.8
Trade receivables	493.2				493.2	493.2
Other current receivables	58.8				58.8	58.8
Cash and equivalents	1,073.4				1,073.4	1,073.4
<b>Total</b>	<b>1,662.2</b>	<b>4.2</b>	<b>-</b>	<b>-</b>	<b>1,666.4</b>	<b>1,666.4</b>
Non-current interest-bearing liabilities				1,402.0	1,402.0	1,402.0
Other non-current liabilities				9.4	9.4	9.4
Other current interest-bearing liabilities				34.9	34.9	34.9
Accounts payable				1,020.9	1,020.9	1,020.9
Other current liabilities			2.2	220.6	222.7	222.7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>2,687.7</b>	<b>2,689.9</b>	<b>2,689.9</b>

Investments in shares and participations classified as available for sale and not quoted in an active market and whose value cannot be measured reliably are valued at cost.

#### Disclosures regarding determination of fair value

Group, SEKm	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-current investments – shares and participations	-	-	4.9	4.9	-	-	4.2	4.2
Long-term receivable – derivative	-	15.9	-	15.9	-	0.2	-	-
Current receivable – derivative	-	3.8	-	3.8	-	-	-	-
<b>Total</b>	<b>-</b>	<b>19.7</b>	<b>4.9</b>	<b>24.7</b>	<b>-</b>	<b>0.2</b>	<b>4.2</b>	<b>4.4</b>
Current liability – derivative	-	0.5	-	0.5	-	2.2	-	2.2
Current liability – conditional purchase consideration	-	-	27.1	27.1	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.5</b>	<b>27.1</b>	<b>27.6</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>2.2</b>

**Level 1:** According to prices noted in an active market for the same instrument

**Level 2:** Based on directly or indirectly observable market data not included in Level 1

**Level 3:** Based on input data not observable in the market

The Group enters into derivative contracts under the International Swaps and Derivatives Association's (ISDA) master netting agreement. According to these agreements, when counterparty fails to settle its obligations under all transactions, the agreement is canceled and all outstanding balances are settled with a net amount. No derivatives have been offset in the balance sheet.

The table below presents a reconciliation of opening and closing balances for financial instruments recognized at fair value in the statement of financial position using valuation techniques based on non-observable in-data (level 3).

Group, SEKm	Financial investments – shares and participations	Acquisition-related liabilities – contingent purchase consideration
Fair value Jan 1, 2022	4.2	-
Acquisitions, cost	0.6	34.9
Business combinations	-	-
Translation difference	0.2	-0.5
Settlement of contingent purchase consideration	-	-
Total recognized gains and losses:		
– recognized in profit for the year*	0.0	-7.3
<b>Fair value Jan 12, 2022</b>	<b>4.9</b>	<b>27.1</b>
Fair value Jan 1, 2021	2.3	-
Acquisitions, cost	0.2	-
Business combinations	1.7	-
Translation difference	0.0	-
Settlement of contingent purchase consideration	-	-
Total recognized gains and losses:		
– recognized in profit for the year*	0.0	-
<b>Fair value Jan 12, 2021</b>	<b>4.2</b>	<b>-</b>

\* Acquisition liability recognized as other operating income in profit for the year



## Note 2, cont.

**Calculation of fair value**

The following is a summary of the main methods and assumptions used to establish the fair value of the financial instruments presented in the table above.

**Derivative instruments**

For foreign exchange forward contracts, fair value is determined on the basis of quoted prices where available. If these are not available, fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be signed on the balance sheet date for the remaining contract period. Discounting is applied at a risk-free interest rate based on government bonds.

For interest rate swaps, fair value is based on the valuation made by the mediating credit institute, with the fairness of this being tested by discounting calculated future cash flows in accordance with the terms and maturity dates of the contract based on market interest rates for similar instruments on the balance sheet date.

Where discounted cash flows are applied, future cash flows are calculated based on company management's best assessment. The interest rate applied in discounting is based on market rates for similar instruments on the balance sheet date. Where other valuation methods have been applied, input data are based on market related data on the balance sheet date.

**Interest-bearing liabilities**

For financial liabilities that are not derivative instruments, fair value is calculated by discounting future cash flows on principals and interest applying market interest rates on the balance sheet date.

**Financial lease liabilities**

Fair value is based on the present value of future cash flows discounted at market interest rates for similar lease agreements.

**Contingent purchase consideration**

The fair value of contingent purchase considerations is based on forecast EBITA in the acquired companies at the future agreed date. These values are discounted at the current market interest rate at the time of acquisition.

**Trade receivables and trade payables**

For trade and other receivables and payables with a remaining maturity of less than six months, the carrying amount is considered to reflect fair value. Trade receivables and accounts payable with a maturity of more than six months are discounted in connection with the determination of fair value.

**Parent Company**

The Parent Company conducts certain Group-wide services and is therefore not exposed to any substantial financial risks.

## NOTE 3

## Distribution of income

Distribution of income from contracts with customers in principal geographic markets. Consolidated income from contracts with customers coincide with recognized net sales.

Net sales by country, SEKm	2022	2021
Sweden	2,774.2	2,397.7
Denmark	2,588.4	2,267.8
Norway	552.3	475.8
Finland	2,362.9	1,762.4
Poland	111.2	88.8
UK	736.2	404.3
Ireland	246.5	193.3
Germany	112.1	93.6
Other	63.1	41.2
	<b>9,546.8</b>	<b>7,724.9</b>

The table below provides a reconciliation of income distribution in market segments and the Group's operating segments (see Note 4).

**Net sales distribution between market segments by operating segment**

	Consumer		Industry		Other		Internal sales		Group	
SEKm	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Net sales</b>	<b>6,870.4</b>	<b>5,452.8</b>	<b>2,295.6</b>	<b>1,959.0</b>	<b>380.7</b>	<b>313.1</b>	<b>0.0</b>	<b>0.0</b>	<b>9,546.8</b>	<b>7,724.9</b>
Scandinavia	3,775.2	2,991.3	1,224.6	1,154.7	105.8	57.3	124.1	99.3	5,229.7	4,302.6
Eastern Europe	1,485.0	1,119.8	944.2	689.7	44.8	34.3	1.9	2.2	2,475.8	1,846.0
e-Commerce	827.6	869.4	0.0	0.0	8.7	8.5	92.3	75.4	928.5	953.3
Western Europe	782.7	472.3	126.9	114.6	0.0	0.0	0.0	0.0	909.6	587.0
Group-wide eliminations and other	0.0	0.0	0.0	0.0	221.5	213.0	-218.3	-176.9	3.2	36.1

**Contract balances**

Information on receivables, contract assets and contract liabilities from contracts with customers is summarized below.

Group, SEKm	2022	2021
Receivables included in "trade receivables and other receivables"	613.6	493.2
Contract assets	60.1	33.8
Contract liabilities	72.6	54.8

Contract assets relate primarily to the Group's right to remuneration for work performed but not invoiced per the balance sheet date for major projects where revenue recognition takes place over time in accordance with IFRS 15. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities relate primarily to advances received from customers for the manufacture of customized products. The SEK 55 million reported as a contractual liability at the beginning of the period was recognized as income on 31 December 2022.

No information is provided if the remaining performance commitments have, as of 31 December 2022, an original expected term of at most one year, which is permitted in accordance with IFRS 15.

To all material purposes, the Parent Company's contract balances consist of trade receivables.

The Group has no remaining performance commitments that, per 31 December, had an original expected maturity of less than one year. Accordingly, details of remaining performance commitments are not provided.

## NOTE 4

## Segment reporting

Inwido's operations are divided into business areas based on the parts monitored by the company's highest executive decision makers. Inwido's operations are organized so that Group management monitors the Operating EBITA, EBITA, return and cash flow generated by the Group's business areas. The principal measure of profit followed up by Group management is operating EBITA. Since decisions are made regarding the allocation of resources on the basis of the business areas, these constitute the Group's segments. Consequently, the Group's internal reporting is structured so that Group management can monitor all business areas' performance and earnings. As of 1 January 2022, Inwido divides the business into four operating segments. The four segments are Scandinavia, Eastern Europe, e-Commerce and Western Europe. The new segmentation aims

to increase transparency and clarity regarding development and business results within the Group's various areas. By highlighting growth segments, Inwido also seeks to signal a clearer focus on growth. Other mainly includes companies that conduct coating operations and produce aluminium components for windows and doors, for example, which are sold internally within the Group. The effect of IFRS 16 is not allocated per business area but recognized separately. Group-wide expenditures derive from shared Group projects and functions such as central management, the finance department, purchasing, IT, HR and eliminations of internal profits.

Sales and purchases within the Group are priced and allocated in accordance with the Group's transfer pricing documentation. Other transactions within the Group are priced on market terms. For receivables from, and liabilities to, Group companies, terms are in line with the market.

Group 2022, SEKm	Scandinavia	Eastern Europe	e-Commerce	Western Europe	Group-wide, eliminations and other	IFRS 16 effect	Total
External sales	5,105.6	2,473.9	836.2	909.6	221.5	-	9,546.8
Internal sales	124.1	1.9	92.3	0.0	-218.3	-	-
<b>Total net sales</b>	<b>5,229.7</b>	<b>2,475.8</b>	<b>928.5</b>	<b>909.6</b>	<b>3.2</b>	<b>-</b>	<b>9,546.8</b>
Gross profit/loss	1,306.4	566.3	225.6	182.0	49.0	10.4	2,339.6
Operating EBITDA	870.6	255.8	66.2	91.5	-30.7	98.3	1,351.7
Operating EBITA	771.2	218.4	48.3	80.8	-42.5	13.6	1,089.8
EBITA	772.2	217.7	43.8	85.2	-45.8	13.6	1,086.7
Of which, EBITA in associated companies	2.1	-	-	-	-	-	2.1
EBIT							1,063.3
Financial items							-50.3
<b>Profit before tax</b>							<b>1,013.1</b>
Intangible and tangible non-current assets	3,468.7	1,420.2	672.3	475.2	175.1	452.4	6,663.9
Acquisitions of non-current assets	183.6	52.0	28.6	194.3	12.9	201.8	673.2
<b>Group 2022, SEKm</b>		<b>Denmark</b>	<b>Sweden</b>	<b>Finland</b>	<b>Others</b>	<b>IFRS 16 effect</b>	<b>Total</b>
Intangible and tangible non-current assets		2,244.8	1,601.9	1,397.4	967.5	452.4	6,663.9
Acquisitions of non-current assets		58.9	137.6	51.8	223.1	201.8	673.2

Group 2021, SEKm	Scandinavia	Eastern Europe	e-Commerce	Western Europe	Group-wide, eliminations and other	IFRS 16 effect	Total
External sales	4,203.3	1,843.8	877.9	586.9	213.0	0.0	7,724.9
Internal sales	99.3	2.2	75.4	0.0	-176.9	0.0	0.0
<b>Total net sales</b>	<b>4,302.6</b>	<b>1,846.0</b>	<b>953.3</b>	<b>587.0</b>	<b>36.1</b>	<b>0.0</b>	<b>7,724.9</b>
Gross profit/loss	1,071.8	449.3	308.6	116.3	43.8	9.3	1,999.2
Operating EBITDA	684.9	179.7	164.8	53.2	-31.6	84.8	1,135.8
Operating EBITA	594.7	144.7	153.0	45.2	-42.4	12.2	907.4
EBITA	610.2	142.2	153.0	44.7	-39.8	12.2	922.5
Of which, EBITA in associated companies	2.3	-	-	-	0.0	-	2.4
EBIT							901.9
Financial items							-16.6
<b>Profit before tax</b>							<b>885.3</b>
Intangible and tangible non-current assets	3,232.8	1,306.9	608.9	284.9	172.5	315.3	5,921.3
Acquisitions of non-current assets	82.3	109.2	43.9	13.2	17.5	59.5	325.4
<b>Group 2021, SEKm</b>		<b>Denmark</b>	<b>Sweden</b>	<b>Finland</b>	<b>Others</b>	<b>IFRS 16 effect</b>	<b>Total</b>
Intangible and tangible non-current assets		2,051.5	1,530.3	1,285.3	738.9	315.3	5,921.3
Acquisitions of non-current assets		44.4	57.0	109.0	55.6	59.5	325.4

## NOTE 5

## Business acquisitions

On March 1, 2022, Inwido acquired 70 percent of the shares and votes in UK company Dekko Window Systems Ltd. Dekko has some 200 employees, a production facility on the outskirts of Manchester and achieved sales equivalent to about SEK 260 million in 2021. The company primarily sells its products to the Consumer market through local window installers and retailers. The company is part of Business Area Western Europe. Inwido has issued a put option for the remaining 30 percent of the shares, held primarily by senior executives in Dekko. The put option entitles, but does not oblige, minority shareholders to sell their shares to Inwido during the period March 1–April 30, 2025. Inwido also has a call option entitling, but not obliging the company, to acquire any outstanding shares during the period May 1–June 30, 2025. The purchase consideration for the remaining 30 percent of the shares will be based on Dekko's future financial development. The acquisition agreement states that a contingent purchase consideration shall be paid to the sellers based on the improvement in earnings in 2022 compared with 2021. At the time of acquisition, the contingent purchase consideration was estimated at SEK 35 million. As of December 31, 2022, the estimated purchase price was reduced to SEK 27 million, the difference has been booked over the year's profit.

On May 31, Inwido acquired all shares and votes in Westcoast Windows AB with operations in Sweden and the UK. Westcoast Windows was founded in 1995 and manufactures windows, window doors and sliding doors in wood and wood/aluminium at its plant in Trollhättan, Sweden. Today, the company mainly sells its products through DIY chains, with homeowners and tenant-owner associations being major customer groups. Some production is exported to the UK, where the company maintains its own sales organization. The operations, which employed 80 people and achieved sales of SEK 164 million in 2021, are part of Inwido's Business Area Scandinavia.

On May 31, Inwido acquired 65 percent of the shares and votes in Hyvinkään Puuseppien OY in Finland, which specializes in solid wood doors and custom windows. The acquisition adds another successful operation to Inwido's Business Area Eastern Europe. Hyvinkään Puuseppien has 16 employees and maintains a production facility in Ridasjärvi, Hyvinkää, north of Helsinki. In 2021, the company achieved sales of approximately SEK 40 million. Hyvinkään Puuseppien was founded in 1958 and today sells its products mainly to tenant-owner associations, property companies, construction companies and construction contractors. Inwido has issued a put option regarding the remaining 35 percent of the shares, which are held by the MD of Hyvinkään Puuseppien. The put option entitles, but does not oblige, the minority shareholder to sell his shares to Inwido during the period March 1–April 30, 2024. Inwido also has a call option entitling, but not obliging the company, to acquire any outstanding shares during the period March 1–April 30, 2024. The purchase consideration for the remaining 35 percent of the shares will be based on Hyvinkään Puuseppien's future financial development.

These three acquisitions have in common that the companies continue to operate as independent companies within the relevant business areas, while also benefiting from synergies with Inwido's central purchasing organization and other local business units in the relevant markets. The total purchase consideration for the three aforementioned acquisitions amounts to SEK 290 million, excluding the value of put/call options. Put/call options have been reported in equity and as other non-current liabilities in the amount of approximately SEK 115 million and are calculated at their value at the point in time at which the balance sheet item was established. Goodwill includes the value of market knowledge and future purchasing synergies. No part of goodwill is expected to be tax deductible. During the period that the companies were owned up until December 31, 2022, they contributed SEK 409 million to the Group's external income and affected profit for the year by SEK 34 million. If the acquisitions had occurred as of January 1, 2022, management estimates that the external income of the acquired companies would have been SEK 540 million and that their profit for the period would have been SEK 44 million. Acquisition-related costs amounted to SEK 7 million in the form of consulting costs in connection with the acquisition process. These consulting costs have been reported as other operating expenses in the statement of comprehensive income and are excluded from consolidated operating EBITA. The acquisitions were financed through available cash and equivalents and each had a marginally positive impact on Inwido's earnings per share in 2022. The purchase considerations for the acquisitions are in line with Inwido's normal multiples.

## The acquired company's net assets at the time of acquisition:

Amount in SEKm	Dec 2022
Intangible non-current assets	1.5
Tangible non-current assets	22.9
Inventories	46.2
Trade and other receivables	104.1
Cash and equivalents	22.0
Interest-bearing liabilities	-4.6
Non-interest-bearing liabilities	-144.5
Deferred tax liabilities	-2.5
<b>Net identifiable assets and liabilities</b>	<b>45.1</b>
Non-controlling interest	-11.4
Consolidated goodwill	256.2
<b>Transferred consideration</b>	<b>289.9</b>
<b>Transferred consideration comprises:</b>	
Cash and equivalents	255.0
Contingent purchase consideration	34.9
	<b>289.9</b>

## Acquisitions in 2021

On April 16, Inwido acquired the Finnish company Metallityö Välimäki Oy (MV Center). With the acquisition of family company MV Center, which specializes in aluminium and steel doors, as well as windows and glass facades, Inwido added a successful company and a new, exciting product range to Business Area Eastern Europe. The company has about 45 employees and its operations are located in Nokia, near Tampere. In 2020, the company generated sales of slightly more than SEK 100 million.

The acquisition of MV Center was financed through available cash and will have a marginally positive impact on Inwido's earnings per share. The purchase consideration is in line with Inwido's normal multiples. The former owners will retain a 25-percent shareholding for a period of at least three years. The purchase consideration for the remaining shares will be based on the future financial performance of MV Center.

## NOTE 6

## Other operating income

Group, SEKm	2022	2021
Rental income	1.3	1.2
Gain on sale of non-current assets	1.5	1.6
Insurance compensation	0.2	0.1
Revaluation of acquisition-related liabilities	7.3	-
Government grants	5.2	4.8
Assets and liabilities valued at fair value	4.0	-
Other	15.9	12.1
<b>Total</b>	<b>35.4</b>	<b>19.9</b>
<b>Parent Company, SEKm</b>		
Exchange gains on operating receivables/liabilities	2.3	0.6
<b>Total</b>	<b>2.3</b>	<b>0.6</b>



## NOTE 7

## Other operating expenses

Group, SEKm	2022	2021
Loss on sales of non-current assets	0.2	0.1
Exchange losses on operating receivables/liabilities	9.5	5.1
Acquisition-related expenses	7.0	3.4
Other	2.7	4.0
<b>Total</b>	<b>19.4</b>	<b>12.6</b>
Parent Company, SEKm	2022	2021
Other	3.5	-
<b>Total</b>	<b>3.5</b>	<b>-</b>

## NOTE 8

## Employees and personnel expenses

Group, SEKm	2022	2021
Wages, remunerations, etc.	1,889.8	1,681.0
(Of which, wages and remunerations to the Board of Directors, CEO, senior executives and other key individuals)	(66.5)	(63.4)
(Of which, bonuses to the Board of Directors, CEO, senior executives and other key individuals)	(17.7)	(15.8)
Pension expenses, defined contribution plans	174.3	151.4
(Of which, to the Board of Directors, CEO, senior executives and other key individuals)	(12.4)	(12.1)
Social security contributions	281.1	246.2
	<b>2,345.2</b>	<b>2,078.6</b>

Senior executives comprise members of Group Management. Other key individuals comprise key positions within Inwido AB and the Managing Directors of the local business units. In 2022, there were an average 38 senior executives (35), including the CEO, senior executives and other key individuals.

## Average number of employees

	2022	of whom, women	2021	of whom, women
Parent Company (Sweden)	13	31%	13	23%
<b>Total, Parent Company</b>	<b>13</b>	<b>31%</b>	<b>13</b>	<b>23%</b>
Subsidiary				
Sweden	1,556	33%	1,505	33%
Denmark	906	26%	919	26%
Finland	791	25%	806	25%
UK	539	14%	288	14%
Poland	502	37%	485	34%
Estonia	208	38%	218	41%
Romania	155	47%	157	44%
Norway	118	44%	114	46%
Lithuania	49	55%	60	58%
Ireland	16	44%	20	45%
Germany	1	0%	-	-
<b>Total in subsidiaries</b>	<b>4,841</b>	<b>30%</b>	<b>4,572</b>	<b>31%</b>
<b>Group, total</b>	<b>4,854</b>	<b>30%</b>	<b>4,585</b>	<b>31%</b>

The calculation of the average number of employees has taken into account the number of months that acquired companies have been included in the Group over the year.

## Gender distribution in executive management

	2022	2021
	Proportion of women	Proportion of women
<b>Parent Company</b>		
Board of Directors (proportion of members elected by the Annual General Meeting)	40%	40%
<b>Group, total</b>		
Boards of Directors	11%	15%
Other senior executives	15%	14%

## Salaries, other remunerations and social security expenses

	2022	2021
	Salaries and Social security remuneration expenses	Salaries and Social security remuneration expenses
<b>Parent Company SEKm</b>		
Board of Directors, CEO, senior executives and other key individuals	28.6	15.8
(of which, bonuses)	(7.0)	(6.9)
Other employees	3.0	1.4
	4.6	2.6

Of social security expenses, SEK 6.4 million (5.9) represent pension expenses for members of the Board of Directors, the CEO, senior executives and other key individuals, and SEK 0.5 million (0.7) for other employees.

## Guidelines for remuneration of senior executives

At the Annual General Meeting in May 2022, the following guidelines were adopted regarding remunerations to senior executives.

These guidelines include senior executives in Inwido, who comprise the CEO of Inwido as well as the persons who from time to time form part of the company's management group. The guidelines shall apply to remunerations agreed, and to changes made to previously agreed remuneration, following the adoption of these guidelines by the 2022 Annual General Meeting. The guidelines do not include remunerations determined by the Annual General Meeting.

To the extent that a Board member performs work on Inwido's behalf, beyond his/her Board work, cash compensation may be paid that shall be market-based in view of the nature of the assignment and the work performed.

*The benefit of the guidelines for Inwido's business strategy, long-term interests and sustainability*

Inwido acquires, owns and develops Europe's leading companies in windows and doors. Today, Inwido is Europe's largest windows group and a natural home for the region's strongest business units. Inwido's local roots are the key to its success. The successful implementation of Inwido's business strategy and the safeguarding of Inwido's long-term interests, including its sustainability, requires Inwido to be able to recruit and retain qualified employees. This requires that Inwido be able to offer competitive compensation. These guidelines make it possible to offer senior executives competitive total remuneration. Further information on Inwido's business strategy can be found at <https://www.inwido.com/about/how-we-work>.

*Forms of compensation, etc.*

Remuneration and terms for senior executives shall be based on local market conditions and consist of a balanced mix of fixed cash salary, variable cash compensation, pension benefits and other benefits. Furthermore, the Annual General Meeting may determine share and share price-related remunerations, for example, and the Meeting may approve such remunerations regardless of these guidelines.

*Fixed cash salary*

Fixed cash salary shall be determined on the basis of the individual executive's responsibility, authority, expertise and experience.

*Variable cash compensation*

Variable cash compensation shall be based on predetermined, well-defined and measurable financial and non-financial targets for the Group and may amount to a maximum of 50 percent of the total fixed cash salary during the measurement period for the targets. Targets for 20-40 percent of the variable cash compensation shall be related to growth, 20-40 percent to profitability (operating EBITA or earnings per share), 20-30 percent to capital efficiency and 5-20 percent to

*Note 8, cont.*

measurable strategic individual targets that may be financial and non-financial. For variable cash compensation to be payable, target achievement must be measurable over a period of one year or more. The targets for variable cash compensation shall be designed to advance Inwido's business strategy and long-term interests, including its sustainability by, for example, including a clear link to the business strategy or benefiting the long-term development of the executive. In order to foster a common endeavor to achieve the company's business strategy, long-term interests and sustainable development of the company, and ultimately increased shareholder value, the same financial targets for variable cash remuneration shall apply to all senior executives.

*Pension benefits*

For the CEO and other senior executives, pension benefits, including health insurance, must be defined-contribution benefits unless the employee is covered by defined-benefit pensions under the provisions of compulsory collective agreements. Variable remuneration corresponding to at most 50 percent of the maximum variable cash compensation shall be pensionable, unless otherwise determined by the provisions of compulsory collective agreements applicable to the executive. The pension premiums for defined-contribution pensions shall amount to at most 30 percent of the pensionable income for the CEO and for other senior executives to a maximum of 25 percent of the pensionable income.

*Other benefits*

Benefits other than fixed cash salary, variable cash compensation and pension benefits are to be applied restrictively. Such benefits may include: life insurance, health insurance and a car benefit, and may amount to at most 10 percent of fixed annual cash salary.

*Extraordinary remuneration*

Additional variable cash compensation may be paid in exceptional circumstances, provided that such extraordinary arrangements are for a limited time and apply only at the individual level, either for the purpose of recruiting or retaining executives, or as compensation for extraordinary efforts beyond the ordinary duties of the individual. Such remuneration may not exceed an amount equal to 100 percent of annual fixed cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the Board of Directors on the basis of a proposal from the Remuneration Committee.

*Foreign employment conditions*

Regarding employment conditions governed by non-Swedish regulations, appropriate adjustments may be made to comply with such regulations that are compulsory or established local practices, while also meeting the general objectives of these guidelines as far as possible.

For executives stationed in a country other than their home country, additional remuneration and other benefits may be paid, to a reasonable extent, that take into account the particular circumstances associated with such stationing abroad, while also meeting the general objectives of these guidelines as far as possible. Such benefits may amount to at most 25 percent of annual fixed cash salary.

*Remuneration to Board members*

In cases where a Board member (including through a wholly-owned company) performs services for Inwido beyond his/her work on the Board of Directors, a specific cash fee may be paid for that work (consultancy fees) provided that such services contribute to the implementation of Inwido's business strategy and the safeguarding of Inwido's long-term interests, including its sustainability. The annual consultancy fee shall be market-based, shall be in relation to the benefit to Inwido, and may never exceed 100 percent of the annual Board fees paid to the relevant Board member. Remuneration to the Board member, as well as other terms, shall be determined by the Board of Directors.

*Determination of outcome of variable cash compensation, etc.*

The Remuneration Committee shall prepare, monitor and assess, for the Board of Directors, issues regarding variable cash payments. At the end of the measurement period for meeting targets on which payments of variable cash compensation are based, a separate assessment and determination shall be made of the extent to which the targets have been met. Where financial targets are concerned, the assessment shall be based on the latest financial information published by Inwido. The Board determines the CEO's remuneration based on a proposal from the Remuneration Committee. The Remuneration Committee determines the remuneration of other senior executives based on a proposal from the CEO.

Programs and targets for variable cash compensation should be structured such that the Board, where exceptional circumstances prevail, is able to restrict or withhold payment of variable remuneration in the event that such action is deemed reasonable and consistent with the company's responsibilities towards its shareholders, employees and other stakeholders. The Board of Directors shall have the opportunity to recover, in full or in part, variable remuneration paid on incorrect grounds, by law or contract.

*Termination of employment*

In the event of termination by Inwido, the period of notice may not exceed 12 months. Fixed cash salary during the notice period and any severance pay shall, in total, not exceed an amount corresponding to the fixed cash salary for 18 months for the CEO and 12 months for other senior executives. In the event of termination by the senior executive, the period of notice may not exceed six months, without the right to severance pay.

It shall be possible to compensate senior executives for competition-limiting commitments following termination of employment, albeit only to the extent that severance pay is not paid for the corresponding period of time. Such remuneration is intended to compensate the executive for the difference between the fixed cash salary at the time of termination and the (lower) income that he/she obtains, or could obtain, through a new employment contract, assignment or proprietary operations. The remuneration may be paid during the period for which the competition-limiting commitment applies, albeit for a period of at most 24 months following termination of employment.

*Salary and terms of employment for employees*

In preparing the Board's proposal for these remuneration guidelines, the salary and terms of employment of Inwido's employees have been taken into account in that data on employees' total remuneration, the components of that remuneration and the rate of increase and the increase over time have been included in the data on which the Remuneration Committee and the Board of Directors have based their conclusions in assessing the reasonableness of these guidelines and the limitations they impose.

*The decision-making process to establish, review and implement the guidelines*

The Board of Directors has established a Remuneration Committee that addresses issues of remunerations to senior executives. The Committee's tasks include preparing the Board of Directors' decision on the proposed guidelines for remunerations to senior executives. The Board of Directors shall draw up proposals for new guidelines at least every four years and submit these proposals for resolution by the Annual General Meeting. These guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and assess programs of variable remuneration for company management, the application of guidelines for remunerations to senior executives, as well as current remuneration structures and remuneration levels within Inwido. The members of the Remuneration Committee are independent in relation to Inwido and company management. When the Board of Directors addresses and determines remunerations issues, neither the CEO nor other members of company management shall be in attendance insofar as they are affected by these issues.

*Deviations from the guidelines*

The Board of Directors may decide to temporarily deviate from these guidelines, in whole or in part, if there are specific reasons for doing so in an individual case and such a deviation is necessary to meet Inwido's long-term interests, including its sustainability, or to ensure Inwido's financial viability. As stated above, it is part of the Remuneration Committee's tasks to prepare decisions by the Board of Directors on remuneration issues, which includes decisions to deviate from the guidelines.

## Salaries and other remunerations to senior executives

Group 2022, SEKm	Basic salary, board fee	Variable remuneration	Pension cost	Share-based remuneration	Other remuneration	Total	Pension commitments
<b>Chairman of the Board</b>							
Per Bertland	0.9	-	-	-	-	0.9	-
<b>Board members</b>							
Anders Wassberg	0.4	-	-	-	-	0.4	-
Christer Wahlquist	0.3	-	-	-	-	0.3	-
Henriette Schütze	0.4	-	-	-	-	0.4	-
Kerstin Lindell	0.3	-	-	-	-	0.3	-
<b>President</b>							
Henrik Hjalmarsson	6.0	3.1	1.8	-	0.3	11.1	-
Other senior executives (6 persons)	15.0	6.3	3.8	-	1.0	26.1	-
<b>Total</b>	<b>23.4</b>	<b>9.3</b>	<b>5.6</b>	<b>-</b>	<b>1.2</b>	<b>39.6</b>	<b>-</b>

## Group 2021, SEKm

<b>Chairman of the Board</b>							
Per Bertland	0.9	-	-	-	-	0.9	-
<b>Board members</b>							
Anders Wassberg	0.4	-	-	-	-	0.4	-
Christer Wahlquist	0.3	-	-	-	-	0.3	-
Henriette Schütze	0.4	-	-	-	-	0.4	-
Kerstin Lindell	0.3	-	-	-	-	0.3	-
<b>President</b>							
Henrik Hjalmarsson	5.8	2.9	1.8	-	0.3	10.7	-
Other senior executives (6 persons)	13.8	6.1	3.6	-	0.6	24.2	-
<b>Total</b>	<b>21.8</b>	<b>9.0</b>	<b>5.4</b>	<b>-</b>	<b>0.9</b>	<b>37.1</b>	<b>-</b>

Variable compensation is paid out in the year following the year on which the variable compensation is based. The variable compensation in the table above represents the company's estimated expense for the year at hand.

## Remuneration to senior executives

Total remuneration to the President and CEO and other senior executives includes fixed salary, variable remuneration, pension and other benefits. These remuneration components are based on the guidelines for remuneration for senior executives adopted by the 2022 Annual General Meeting and which are set out in the Directors' Report.

The tables above account for the actual cost of remuneration and other benefits for the financial years 2022 and 2021 to the Board of Directors, the President (who is also the CEO) and other senior executives. The latter are those individuals who, alongside the President and CEO, are members of Group Management. The Board fees for 2022 were determined at the Annual General Meeting in May 2022 and refer to the period up until the next Annual General Meeting and are paid after the Annual General Meeting for the financial year 2022.

## Remuneration to the Board

Fees are paid to the Chairman and other Board members as determined by the Annual General Meeting. The Annual General Meeting in May 2022 resolved that the fees to the Board should total of SEK 2,330 thousand (2,180) to be distributed among the members as follows: SEK 750 thousand (700) to the Chairman and SEK 325 thousand (300) to each of the other members of the Board who are not employees of the company. That fees for work on the Audit Committee shall be SEK 130 thousand to the chairman and SEK 50 thousand each to the other members, and that fees to the members and chairman of the Remuneration Committee shall amount to SEK 25 thousand each. Other remunerations have been paid in the form of taxable travel expenses.

## Remunerations to other senior executives

## Remunerations

Remuneration to the President and CEO includes fixed salary, variable remuneration, pension and other benefits. Basic salary, excluding vacation pay, for the President and CEO amounts to SEK 5,939 thousand (5,710). For the President and CEO, variable remuneration may amount to at most 50 percent of basic salary. Any bonus payments and the size of these are related to the degree to which predefined annual targets are met.

Remunerations to other senior executives include fixed salary, variable remuneration, pension and other benefits. For other senior executives, variable remuneration may amount to at most 45 percent of basic salary. Any bonus payments and the size of these are determined by the President and CEO based on the degree to which financial and individual targets are met. The financial targets are linked to growth, operational EBITA, earnings per share and working capital. The individual targets are based on personal performance.

## Periods of notice and severance pay

The President and CEO has 12 months' notice on termination by the company and six months' notice on resignation. During the period of notice, the President and CEO is entitled to full salary and other employment benefits, whether obliged to work or not. He is not entitled to any additional severance pay.

Other senior executives have a period of notice of 12 months. On voluntary resignation, a period of termination of six months applies. During the period of notice, other senior executives are entitled to full salary and other employment benefits. They are not entitled to any additional severance pay.



**Note 8, cont.****Pension benefits**

In addition to benefits under the Act on Income-Based Retirement Pension, pension payments are made for the President & CEO in the amount of 30 percent (30) of fixed annual salary plus holiday pay, which comprise pensionable income. The company's commitment is limited to paying the annual premium. The pension is not non-vesting.

For other senior executives, a defined contribution pension solution and traditional ITP2 plan are applied. The company's commitment is limited to paying the annual premium. The pension is not non-vesting.

**Remuneration Committee**

For information about the company's process to prepare and determine remunerations to senior executives, please see the Corporate Governance Report on pages 37–41.

**Incentive program**

The 2022 Annual General Meeting approved the Board's proposal on the establishment of a long-term incentive program comprising warrants to senior executives and certain key individuals. A total of 108,500 warrants were subscribed for, of which senior executives within Group management have subscribed for a total of 60,000 warrants. In 2021, the Annual General Meeting resolved to establish a long-term incentive program involving warrants for senior executives and certain key individuals. A total of 94,500 warrants were subscribed for, of which senior executives within Group management have subscribed for a total of 45,000 warrants.

For more information about the incentive program, see Note 19.

**Defined benefit pensions**

For salaried employees in Sweden, defined benefit pension commitments for retirement and family pension (alternatively family pension) under the ITP 2 plan are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Classification of ITP plans financed through insurance with Alecta, this is a defined benefit plan that covers several employers. For the 2022 financial year, the company has not had access to information enabling it to report its proportional share of the plan's obligations, plan assets and costs, which means that it has not been possible to account for the plan as a defined benefit plan. Consequently, the ITP2 pension plan, which is insured through a policy with Alecta, is recognized as a defined contribution plan. The contribution to the defined benefit retirement and family pension plan is calculated individually and is dependent on the salary, previously earned pension and expected remaining working life of the person concerned. The Group's share of the total contributions to the plan amounted to SEK 9.2 million (9.1) for 2022. For the next year, the estimated total fees amount to SEK 10.9 million.

**NOTE 9****Auditors' fees and reimbursements**

SEKm	Group		Parent Company	
	2022	2021	2022	2021
<b>KPMG</b>				
Audit assignments	5.5	4.6	0.8	0.7
Other audit engagements separate from audit assignments	0.3	0.3	0.1	0.0
Tax advisory services	0.2	0.2	-	-
Other advisory services	0.1	0.0	0.0	-
<b>Other auditors</b>	-	-	-	-
Audit assignments	1.6	1.4	-	-
Other audit engagements separate from audit assignments	0.0	0.0	-	-
Tax advisory services	0.0	0.0	-	-
Other advisory services	0.3	-	-	-
	<b>8.0</b>	<b>6.5</b>	<b>0.9</b>	<b>0.7</b>

Auditing assignments refer to the audit of the Annual Report and accounting, the administration of the Board and CEO, as well as other tasks undertaken by the company's auditors in order to complete the assignment.

Auditing activities beyond the auditing assignment refers to reviews such as certificates, interim reports etc. that have resulted in a report from the auditor.

Consultancy services taxes refers to assignments that have been carried out in relation to taxes and fees.

Consultancy services other refers to all other assignments that are not included in the above.

**NOTE 10****Operating expenses by type of expense**

Group, SEKm	2022	2021
Raw materials and input goods	3,939.3	2,918.8
Changes in inventories of finished products and products in progress	-85.9	-39.9
Personnel costs	2,360.0	2,187.5
Depreciation/amortization and impairment losses	285.4	249.1
Transport	432.0	369.8
Installation	362.0	260.3
Energy	98.5	61.4
Repairs and maintenance	117.4	106.6
IT and telephony	156.8	137.1
Other external expenses	836.3	582.1
<b>Total</b>	<b>8,501.7</b>	<b>6,832.7</b>

## NOTE 11

## Financial income and expenses

Group, SEKm	2022	2021
<b>Financial income</b>		
Interest income <sup>1)</sup>	11.5	1.0
Other financial income	0.7	0.4
Exchange rate difference	-	27.0
<b>Total</b>	<b>12.2</b>	<b>28.4</b>
<b>Financial expenses</b>		
Interest expenses <sup>1)</sup>	-43.0	-25.2
Interest expenses for leases in accordance with IFRS 16	-12.0	-10.7
Assets and liabilities valued at fair value	15.7	5.2
Exchange rate difference	-6.9	-
Other financial expenses	-16.3	-14.2
<b>Total</b>	<b>-62.5</b>	<b>-45.0</b>
<b>Net financial items</b>	<b>-50.3</b>	<b>-16.6</b>

1) Interest income and expenses are attributable to all intents and purposes to financial assets and liabilities measured at accrued cost.

Parent Company, SEKm	2022	2021
<b>Profit/loss from participations in subsidiaries</b>		
Dividend	799.0	123.6
Impairment, shares and participations	-	-
<b>Total</b>	<b>799.0</b>	<b>123.6</b>
<b>Other interest income and similar profit/loss items</b>		
Interest income	6.1	0.1
Interest income, Group companies	34.8	28.2
Exchange rate difference	-	25.6
Other financial income	0.8	-
<b>Total</b>	<b>41.8</b>	<b>53.9</b>
<b>Interest expense and similar profit/loss items</b>		
Interest expenses	-29.1	-21.0
Interest expenses, Group companies	-3.5	0.0
Exchange rate difference	-13.4	-
Change in value of derivatives	15.7	4.5
Impairment, shares and participations	-	-
Other financial expenses	-4.2	-6.0
<b>Total</b>	<b>-34.4</b>	<b>-22.4</b>
<b>Net financial items</b>	<b>806.4</b>	<b>155.1</b>

## NOTE 12

## Taxes

Group, SEKm	2022	2021
<b>Current tax expense (-) / income (+)</b>		
Tax expense/income for the period	-206.8	-178.0
Adjustment for taxes attributable to previous years	1.8	0.5
<b>Deferred tax expense (-) / income (+)</b>		
Deferred tax on temporary differences	-3.2	-1.0
Deferred tax expense /income due to changes in tax rates	-0.6	1.0
Deferred tax income on tax value of loss carry-forwards capitalized during the year	-	-
Utilization of previously capitalized loss carry-forwards	0.5	-0.8
Capitalization of loss carry-forwards not previously capitalized	2.9	5.9
<b>Total consolidated tax recognized</b>	<b>-205.4</b>	<b>-172.4</b>

Parent Company, SEKm	2022	2021
<b>Current tax expense (-) / income (+)</b>		
Tax expense (-) / income (+) for the period	-24.8	-31.9
Adjustment for taxes attributable to previous years	-	0.2
<b>Deferred tax expense (-) / income (+)</b>		
Deferred tax on temporary differences	-4.4	0.5
Deferred tax expense /income due to changes in tax rates	0.0	-
<b>Total reported tax expense in the Parent Company</b>	<b>-29.1</b>	<b>-31.2</b>

## Reconciliation of effective tax

Group, SEKm	2022	2021
Profit before tax	1,013.1	885.3
Less participations in profit/loss of associated companies	-2.1	-2.4
<b>Calculated profit/loss before tax</b>	<b>1,010.9</b>	<b>882.9</b>
Tax according to the current tax rate for the Parent Company, 20.6% (20.6%)	-208.3	-181.9
Effect of different tax rates for foreign subsidiaries	-1.6	-2.1
Non-deductible expenses	-4.9	-4.1
Non-taxable income	1.6	2.5
Increase in loss carry-forwards with no equivalent capitalization of deferred tax	-4.7	-1.6
Utilization of loss carry-forwards not previously capitalized	7.7	6.7
Capitalization of loss carry-forwards not previously capitalized	2.9	5.9
Effects of changed tax rates and regulations	-0.6	1.0
Tax attributable to previous years	1.8	0.5
Other	0.5	0.7
<b>Recognized effective tax</b>	<b>-205.4</b>	<b>-172.4</b>

Weighted average nominal tax rate for the year 21% (21).

Parent Company, SEKm	2022	2021
Profit before tax	933.1	274.1
Tax in accordance with current tax rate for Parent Company	-192.2	-56.5
Effects of changed tax rates and regulations	-	-
Non-deductible expenses	-2.8	-1.7
Non-taxable income	165.9	26.8
Tax attributable to previous years	-	0.2
Other	-	-
<b>Recognized effective tax</b>	<b>-29.1</b>	<b>31.2</b>

## Note 12, cont.

## Deferred tax receivables and liabilities recognized

Recognized deferred tax assets and liabilities relate to the following:

Group, SEKm	Deferred tax assets		Deferred tax liabilities		Net	
	2022	2021	2022	2021	2022	2021
Tangible non-current assets	7.8	7.9	-30.4	-23.2	-22.6	-15.4
Intangible non-current assets	0.5	-1.2	-95.9	-88.4	-95.4	-89.6
Financial assets	-	-	-0.4	-0.3	-0.4	-0.3
Inventories	0.5	0.8	-0.9	-1.1	-0.3	-0.3
Trade receivables	0.3	0.3	-	-	0.3	0.3
Other receivables	-	-	-4.7	-1.1	-4.7	-1.1
Pensions	8.0	9.1	0.0	0.1	8.0	9.2
Provisions	0.9	0.8	33.3	26.6	34.2	27.4
Other	1.8	1.9	0.7	1.6	2.6	3.5
Tax-loss carry-forwards	33.7	29.4	-	-	33.7	29.4
Untaxed reserves	7.3	6.9	-44.2	-42.6	-36.9	-35.7
<b>Tax receivables/liabilities, net</b>	<b>60.8</b>	<b>55.9</b>	<b>-142.4</b>	<b>-128.5</b>	<b>-81.6</b>	<b>-72.6</b>
Deferred tax receivables/liabilities maturing within one year	-	0.0	-	-	-	0.0
Deferred tax receivables/liabilities maturing after one year	7.3	7.5	-0.8	-0.9	6.5	6.6
Deferred tax receivables/liabilities without maturity	53.6	48.4	-141.6	-127.6	-88.1	-79.2
<b>Parent Company, SEKm</b>						
Pensions	7.2	8.3	-	-	7.2	8.3
Other	0.0	0.0	-3.3	0.0	-3.4	-0.1
<b>Tax receivables/liabilities</b>	<b>7.2</b>	<b>8.3</b>	<b>-3.3</b>	<b>0.0</b>	<b>3.9</b>	<b>8.3</b>
Set-off	-	-	-	-	-	-
<b>Tax receivables/liabilities, net</b>	<b>7.2</b>	<b>8.3</b>	<b>-3.3</b>	<b>0.0</b>	<b>3.9</b>	<b>8.3</b>

Deferred tax assets for loss carry-forwards are mainly attributable to Norway and the UK. If the operations in Norway and the UK do not generate profits in the future, tax assets for loss carry-forwards may be impaired.

**Temporary difference between recognized value and tax base for participations etc. directly owned by the Parent Company**

For both years, the temporary differences in the Parent Company's directly owned participations amount to zero. For the Group, the amount is not material.

**Deferred tax receivables and liabilities not recognized**

Deductible temporary differences and tax loss carry-forwards for which deferred tax receivables have not been recognized amount to:

SEKm	Group		Parent Company	
	2022	2021	2022	2021
Tax losses	77.6	81.0	-	-
	<b>77.6</b>	<b>81.0</b>	<b>-</b>	<b>-</b>

Nearly all of the Group's tax loss carry-forwards have an indefinite period of applicability. According to current tax regulations, deductible temporary differences do not expire. Deferred tax assets have not been recognized for these items as the Group is likely to use them to offset future taxable profits.

**Changes in deferred tax assets and liabilities for the year**

Group, SEKm	2022						2021					
	Balance at Jan 1, 2022	Reported in profit for the year	Recognized in share-holders' equity	Acquired operations	Translation difference	Balance at Dec 31, 2022	Balance at Jan 1, 2021	Reported in profit for the year	Recognized in share-holders' equity	Acquired operations	Translation difference	Balance at Dec 31, 2021
Tangible non-current assets	-15.4	-3.4	-	-2.5	-1.4	-22.6	-14.2	-0.8	-	-	-0.3	-15.4
Intangible non-current assets	-89.6	1.4	-	-	-7.2	-95.4	-82.5	0.3	-	-5.1	-2.4	-89.6
Financial assets	-0.3	-	-	-	0.0	-0.4	-0.3	-	-	-	0.0	-0.3
Inventories	-0.3	0.0	-	-	0.0	-0.3	0.0	-0.2	-	-	0.0	-0.3
Trade receivables	0.3	0.0	-	-	0.0	0.3	0.2	0.0	-	-	0.0	0.3
Other receivables	-1.1	-3.5	-	-	-0.1	-4.7	-0.2	-0.8	-	-	0.0	-1.1
Pensions	9.2	-1.2	-	-	-	8.0	7.4	1.5	0.2	-	0.1	9.2
Provisions	27.4	4.8	-	-	2.0	34.2	22.3	4.4	-	-	0.6	27.4
Other liabilities	3.5	-1.1	-	-	0.2	2.6	2.6	0.9	-	-	0.0	3.5
Tax-loss carry-forwards	29.4	3.4	-	-	0.9	33.7	22.6	5.0	-	-	1.8	29.4
Tax allocation reserve	-35.7	-0.8	-	-0.3	-0.1	-36.9	-30.5	-5.2	-	-	0.0	-35.7
<b>Total</b>	<b>-72.6</b>	<b>-0.4</b>	<b>-</b>	<b>-2.8</b>	<b>-5.8</b>	<b>-81.6</b>	<b>-72.6</b>	<b>5.1</b>	<b>0.2</b>	<b>-5.1</b>	<b>-0.1</b>	<b>-72.6</b>



## NOTE 13

## Intangible non-current assets

	Internally developed intangible assets	Acquired intangible assets				
Group, SEKm	Development expenditure	Market and customer- based assets	Others intangible assets	Goodwill	Development projects in progress	Total
Amortized cost						
Opening balance, Jan 1, 2021	5.9	224.7	288.7	4,235.2	78.6	4,833.1
Acquired through business combinations	-	-	25.4	31.9	-	57.3
Other investments	-	-	4.9	-	0.3	5.3
Disposals	-	-	-2.0	-	-	-2.0
Reclassifications	-	-	72.2	-	-72.6	-0.4
Exchange rate differences for the year	0.1	7.3	6.0	75.0	0.1	88.5
Closing balance, Dec 31, 2021	6.1	232.0	395.2	4,342.1	6.4	4,981.7
Opening balance, Jan 1, 2022	6.1	232.0	395.2	4,342.1	6.4	4,981.7
Acquired through business combinations	-	-	5.2	256.2	-	261.4
Other investments	-	-	5.7	-	1.7	7.4
Disposals	-0.3	-	-6.7	-	-	-7.1
Reclassifications	-	-	2.1	-	-2.2	-0.1
Exchange rate differences for the year	0.5	14.6	25.9	266.4	0.2	307.5
Closing balance, Dec 31, 2022	6.2	246.5	427.4	4,864.7	6.0	5,550.9
Accumulated amortization and depreciation						
Opening balance, Jan 1, 2021	-5.6	-78.6	-231.6	-26.8	-	-342.6
Disposals	-	-	1.9	-	-	1.9
Amortization for the year	-0.2	-10.1	-32.8	-	-	-43.2
Exchange rate differences for the year	-0.1	-2.1	-4.9	-0.5	-	-7.6
Closing balance, Dec 31, 2021	-5.9	-90.9	-267.3	-27.3	-	-391.4
Opening balance, Jan 1, 2022	-5.9	-90.9	-267.3	-27.3	-	-391.4
Acquired through business combinations	-	-	-3.7	-	-	-3.7
Disposals	0.3	-	6.6	-	-	7.0
Impairment for the year	-	-	-	-	-	-
Amortization for the year	-0.1	-10.6	-36.2	-	-	-46.9
Reclassifications	-	-	-	-	-	-
Exchange rate differences for the year	-0.5	-4.3	-20.5	-2.4	-	-27.7
Closing balance, Dec 31, 2022	-6.1	-105.8	-321.1	-29.7	-	-462.7
Carrying amounts						
As of Jan 1, 2021	0.3	146.0	57.1	4,208.4	78.6	4,490.5
As of Dec 31, 2021	0.1	141.1	127.9	4,314.8	6.4	4,590.3
As of Jan 1, 2022	0.1	141.1	127.9	4,314.8	6.4	4,590.3
As of Dec 31, 2022	0.1	140.8	106.3	4,835.0	6.0	5,088.1

## Note 13, cont.

## Amortization is included in the following items in the income statement:

	2022	2021
Cost of goods sold	-4.8	-5.7
Selling expenses	-4.9	-4.7
Administrative expenses	-37.2	-32.5
Research and development expenses	-0.1	-0.2
<b>Total</b>	<b>-46.9</b>	<b>-43.2</b>

All intangible non-current assets, except goodwill and trademarks, are amortized. The useful life of brands is deemed indefinite in the case of well-established brands in their market, which the Group intends to maintain, utilize and develop in its operations. The brands are also considered to be of considerable economic significance as these are an integral part of the offering to the market by signaling the quality and innovation in the products and thus being able to affect pricing and competitiveness. Accordingly, these brands are considered have an indefinite life through their connection with the operations and the intention to use them in the future. For information on amortization, see the accounting principles detailed in Note 1.

## Impairment testing for cash-generating units including goodwill and brands

Group, SEKm, 2022	Goodwill	Brand
Scandinavia	2,768.8	-
Eastern Europe	1,131.1	-
e-Commerce	479.6	46.3
Western Europe	349.1	-
Group-wide, eliminations and other	106.3	-
<b>Total</b>	<b>4,835.0</b>	<b>46.3</b>

Group, SEKm, 2021	Goodwill	Brand
Scandinavia	2,545.4	-
Eastern Europe	1,035.6	-
e-Commerce	440.9	42.6
Western Europe	186.5	-
Group-wide, eliminations and other	106.3	-
<b>Total</b>	<b>4,314.8</b>	<b>42.6</b>

Taking into account the fact that an assessment has been made that the cash flows attributable to trademarks cannot be separated from the other cash flows of the cash-generating unit, impairment testing is performed for both goodwill and brands together by calculating the recovery value for the cash-generating unit.

In impairment testing, the recoverable amount consists of the assessed value in use of the cash generating units. The discount rate is 8.4–8.8 percent (7.7–8.1). For the operating segments Scandinavia, Eastern Europe, e-Commerce and Western Europe, the discount rate of 8.4 percent has been applied. For Other, the discount rate of 8.8 percent has been applied. The difference between the discount rates is the specific risk premium. It is the company's assessment that the risk premium is higher than otherwise because of their customer segments, market position and product structure. Other parameters in the discount rate are the same for the operating segments. The value is based on cash flow calculations, of which the first five years are based on a business forecast approved annually by company management together with the local management teams. The margins in the business forecast are based on the assumptions in the table below. The cash flows calculated for periods after the first five years are based on 2.0 percent (2.5) annual growth. The margins for the first five years have been estimated in line with development over the forecast period and normalized to reflect a future level over a business cycle. The key assumptions in the five year business forecast are detailed in the table below.

Key variables	Assessment method
<b>Market growth</b>	Expected market growth is based on a transition from the current competitive situation to the expected long-term growth trend. The forecast includes the strategy to increase the proportion of sales generated within the Consumer segment, increased sales of new products and accessories, establishment of new markets and sales channels, strong demand for energy-efficient products and the expected demographic trend. The forecast agrees with previous experience and forecasts.
<b>Purchasing of goods and services</b>	The forecast for purchasing costs is based on expected inflation, changes in choice of material, volume advantages and other synergies within the Group. In addition, estimates have been made regarding the price trend for the principal groups of materials based on external data sources. The forecast agrees with previous experience and forecasts.
<b>Personnel costs and efficiency</b>	Forecast personnel costs are based on expected wage increases, adopted and implemented efficiency measures and other synergies within the Group. The forecast agrees with previous experience and forecasts.

In the Group's assessment, possible changes in key assumptions will not result in a need for impairment. In view of the Group's operations, the essential key variables are largely the same for the Group's different cash-generating units.

## Acquired intangible non-current assets

Parent Company, SEKm	2022	2021
<b>Amortized cost</b>		
Opening balance	17.0	17.0
Acquisitions	-	-
<b>Closing balance</b>	<b>17.0</b>	<b>17.0</b>
<b>Accumulated depreciation</b>		
Opening balance	-16.9	-16.8
Amortization for the year	-0.1	-0.1
<b>Closing balance</b>	<b>-16.9</b>	<b>-16.9</b>
<b>Carrying amounts</b>	<b>0.1</b>	<b>0.2</b>

## NOTE 14

## Tangible non-current assets

The Group's tangible non-current assets comprise both proprietary and leased assets. For information on leased tangible non-current assets that comprise right-of-use assets, see Note 23 Leases.

Group, SEKm	2022	2021
<b>Tangible non-current assets</b>		
Proprietary tangible non-current assets	1,123.4	1,015.7
Leased tangible non-current assets	452.4	315.3
<b>Total</b>	<b>1,575.8</b>	<b>1,331.0</b>

## Proprietary tangible non-current assets

Group, SEKm	Land and buildings	Machinery and equipment	Construction in progress	Total
<b>Cost</b>				
Opening balance, Jan 1, 2021	700.6	2,254.8	145.8	3,101.2
Acquired through business combinations	11.8	3.9	0.0	15.8
Other investments	7.1	110.6	70.5	188.3
Disposals	-0.2	-32.6	-	-32.8
Re-classification	8.2	144.5	-152.3	0.4
Translation differences	12.6	40.3	1.0	53.8
<b>Closing balance, Dec 31, 2021</b>	<b>740.2</b>	<b>2,521.5</b>	<b>65.0</b>	<b>3,326.7</b>

Opening balance, Jan 1, 2022	740.2	2,521.5	65.0	3,326.7
Acquired through business combinations	4.9	50.9	1.3	57.1
Other investments	30.7	98.4	54.5	183.6
Disposals	-1.4	-33.5	-0.1	-34.9
Re-classification	4.5	28.9	-33.3	0.1
Translation differences	41.7	124.4	4.2	170.1
<b>Closing balance, Dec 31, 2022</b>	<b>820.7</b>	<b>2,790.5</b>	<b>91.6</b>	<b>3,702.6</b>

Group, SEKm	Land and buildings	Machinery and equipment	Construction in progress	Total
<b>Depreciation/amortization and impairment</b>				
Opening balance, Jan 1, 2021	-391.5	-1,779.5	-	-2,171.0
Acquired through business combinations	-0.3	-0.3	-	-0.5
Disposals	0.1	31.1	-	31.2
Impairment for the year	-	0.0	-	0.0
Amortization for the year	-22.3	-111.0	-	-133.2
Re-classification	-2.7	2.7	-	-
Translation differences	-5.8	-31.6	-	-37.4
<b>Closing balance, Dec 31, 2021</b>	<b>-422.4</b>	<b>-1,888.6</b>	<b>-</b>	<b>-2,311.0</b>

Opening balance, Jan 1, 2022	-422.4	-1,888.6	-	-2,311.0
Acquired through business combinations	-2.0	-32.2	-	-34.2
Disposals	1.3	33.0	-	34.3
Impairment for the year	-	-	-	-
Amortization for the year	-23.1	-130.6	-	-153.7
Re-classification	0.0	0.0	-	0.0
Translation differences	-22.7	-92.0	-	-114.8
<b>Closing balance, Dec 31, 2022</b>	<b>-469.0</b>	<b>-2,110.3</b>	<b>-</b>	<b>-2,579.3</b>

## Carrying amounts

As of Jan 1, 2021	309.1	475.4	145.8	930.2
As of Dec 31, 2021	317.8	632.9	65.0	1,015.7
<b>As of Jan 1, 2022</b>	<b>317.8</b>	<b>632.9</b>	<b>65.0</b>	<b>1,015.7</b>
<b>As of Dec 31, 2022</b>	<b>351.7</b>	<b>680.2</b>	<b>91.6</b>	<b>1,123.4</b>



Note 14, cont.

Group, SEKm	2022	2021
<b>Amortization is included in the following items in the income statement:</b>		
Cost of goods sold	-142.5	-122.7
Selling expenses	-3.0	-2.1
Administrative expenses	-7.8	-7.8
R&D expenses	-0.4	-0.6
<b>Total</b>	<b>-153.7</b>	<b>-133.3</b>

Parent Company, SEKm	2022	2021
<b>Equipment</b>		
<b>Amortized cost</b>		
Opening balance	4.0	4.0
Acquisitions	-	-
<b>Closing balance</b>	<b>4.0</b>	<b>4.0</b>

<b>Accumulated depreciation</b>		
Opening balance	-2.6	-2.3
Amortization for the year	-0.3	-0.4
<b>Closing balance</b>	<b>-3.0</b>	<b>-2.6</b>

<b>Carrying amounts</b>	<b>1.0</b>	<b>1.3</b>
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## NOTE 15

## Participations in associated companies

	Group		Parent Company	
SEKm	2022	2021	2022	2021
Carrying amount at start of year	14.5	16.2	1.0	1.0
Participations in profit/loss of associated companies	2.1	2.4	-	-
Dividend	-	-4.1	-	-
Translation difference	-	-	-	-
<b>Carrying amount at end of year</b>	<b>16.6</b>	<b>14.5</b>	<b>1.0</b>	<b>1.0</b>

## NOTE 16

## Receivables from Group companies

Parent Company, SEKm	2022	2021
<b>Amortized cost</b>		
Opening balance	1,381.7	1,291.3
Additional receivables	291.8	107.9
Settled receivables	-354.3	-17.6
<b>Closing balance, Dec 31,</b>	<b>1,319.2</b>	<b>1,381.7</b>

## NOTE 17

## Inventories

Group, SEKm	2022	2021
Raw materials and consumables	493.5	401.6
Work in progress	100.6	79.2
Finished goods and goods for resale	189.3	132.3
	<b>783.4</b>	<b>613.1</b>

Operating expenses include inventory impairments of SEK 0.6 million (1.5) after reversals of previous impairments of SEK 1.1 million (0.0). The reversals are largely attributable to new assessments of existing order backlogs.

## NOTE 18

## Cash and equivalents

Group, SEKm	2022	2021
Cash and equivalents include the following sub-components:		
Cash and bank balances	1,319.0	1,073.4
<b>Total according to statement of financial position and statement of cash flows</b>	<b>1,319.0</b>	<b>1,073.4</b>

## NOTE 19

## Equity

Parent Company	2022	2021
Number of shares, thousands		
Ordinary shares (nominal value SEK 4 (4))	57,968	57,968

## Share capital

Holders of ordinary shares are entitled to dividends determined in due course and to one vote per share at Annual General Meetings. All shares carry equal entitlement to a share in the company's remaining net assets.

## Other capital contributions

Pertains to capital provided from shareholders. This includes premiums paid in connection with share issues.

## Reserves

## Translation reserve

The translation reserve encompasses all exchange rate differences arising from the translation of the financial statements of foreign operations prepared in a currency other than that in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in SEK.

## Profit brought forward including profit for the year

Included in profit brought forward and profit for the year are the profits earned by the Parent Company and its subsidiaries, associated companies and joint ventures. This equity item includes earlier provisions to the reserve fund, excluding transferred share premium reserves.

**Dividend**

Parent Company, SEKm	2022	2021
Paid during the year, SEK 6.15 (4.50) per share	356.5	260.9
Proposed for payment	376.8	356.5

Inwido aims to pay its shareholders an annual dividend that corresponds to approximately 50 percent of net profit. However, Inwido's financial status in relation to the target, cash flow and future prospects shall be taken into consideration.

**Proposed dividend to shareholders**

Proposal for profit distribution.

Parent Company, SEKm	2022	2021
<b>The following funds are at the disposal of the Annual General Meeting:</b>		
Share premium reserve	893.5	892.0
Accumulated profit	6.9	120.5
Profit for the year	904.0	242.9
<b>Total, SEK</b>	<b>1,804.3</b>	<b>1,255.4</b>
The Board of Directors and President and CEO propose that the profit at the disposal of the Annual General Meeting be distributed in the following manner:		
Distributed to shareholders: SEK 6.50 per share (6.15)	376.8	356.5
Brought forward to new account	1,427.6	898.9
<b>Total, SEK</b>	<b>1,804.3</b>	<b>1,255.4</b>

**Capital management**

According to Board policy, the Group's financial objective is to maintain a favorable capital structure and financial stability, enabling it to retain the trust of creditors and the market, while also providing the basis for continued business development.

The Board's ambition is to maintain a balance between the high return that increased borrowing permits and the advantages and security offered by a sound capital structure. The net debt in relation to EBITDA is followed up continuously in the internal reporting to management and the Board.

Capital is defined as equity including non-controlling interests.

Group, SEKm	2022	2021
<b>Capital</b>		
Total shareholders' equity	5,319.0	4,648.0
	<b>5,319.0</b>	<b>4,648.0</b>
<b>Net debt/equity ratio</b>		
Financial liabilities, excluding IFRS 16	1,632.1	1,439.1
Lease liabilities, IFRS 16	474.5	338.5
Financial interest-bearing receivables	-19.4	-17.6
Cash and equivalents	-1,319.0	-1,073.4
<b>Net debt</b>	<b>768.2</b>	<b>686.6</b>
Net debt/total equity	0.1	0.1
Net debt/operating EBITDA (multiple)	0.6	0.6
Net debt/operating EBITDA (multiple), excluding IFRS 16	0.2	0.3

Net debt increased by SEK 81.6 million in 2022. During the same period, total equity increased by SEK 671 million and the net debt/equity ratio was unchanged at 0.1 (0.1). Consolidated cash flow from ordinary operations has primarily been used for acquisitions, investments and dividends.

Our long-term acquisition strategy stands firm and, given our strong balance sheet, we have stepped up our acquisition efforts and are conducting discussions with potential target companies.

**Earnings per share**

Earnings per share before dilution are calculated as the earnings for the period attributable to Parent Company shareholders divided by the average number of shares outstanding per reporting period.

Group	2022	2021
Number of shares, Dec 31, thousands	57,968	57,968
Average number of shares before dilution, thousands	57,968	57,968
Average number of shares after dilution, thousands	57,968	57,968
Profit after tax attributable to Parent Company shareholders, SEKm	796.4	712.6
Earnings per share, before dilution, SEK	13.74	12.29
Earnings per share, after dilution, SEK	13.74	12.29

**Number of warrants issued**

Group	Program: 2022/2027:1	Program: 2021/2026:1
Number outstanding at start of year	94,500	0
Allocated during the period	108,500	94,500
<b>Number outstanding at end of year</b>	<b>203,000</b>	<b>94,500</b>
<b>Redeemable at end of year</b>	<b>203,000</b>	<b>94,500</b>

**Incentive program**

The 2022 Annual General Meeting approved the Board's proposal to establish a long-term incentive program comprising an issue of warrants to senior executives. The program mainly corresponds to the long-term incentive program adopted by the 2021 Annual General Meeting. The warrants issue, encompassed 108,500 warrants issued to Inwido's wholly-owned subsidiary, Inwido Europe AB, which were subsequently transferred to the company's senior executives. The transfer was conducted at market value at the time of transfer. Subscription of shares supported by the warrants is to occur during the periods August 1, 2025–August 31, 2025, August 1, 2026–August 31, 2026 and August 1, 2027–August 31, 2027. Each warrant entitles the holder to subscribe for one new share in Inwido at a price corresponding to 125 percent of the volume-weighted average price for the company's shares on the Nasdaq Stockholm's official price list during the period May 9, 2022–May 13, 2022. The subscription price corresponds to SEK 155.38.

If fully exercised, the maximum dilution effect of the program is approximately 0.28 percent of the shares and votes in the company. The long-term incentive program adopted by the 2021 Annual General Meeting corresponds to a total dilution effect of approximately 0.40 percent, which means that the programs together can lead to a maximum dilution effect of approximately 0.68 percent.

The 2021 Annual General Meeting approved the Board's proposal on the establishment of a long-term incentive program consisting of an issue of warrants to senior executives. The warrants issue, encompassed 94,500 warrants issued to Inwido's wholly-owned subsidiary, Inwido Europe AB, which were subsequently transferred to the company's senior executives. The transfer was conducted at market value at the time of transfer. It will be possible to subscribe for shares supported by the warrants during the periods August 1, 2024–August 31, 2024, February 15, 2025–March 15, 2025, August 1, 2025–August 31, 2025, February 15, 2026–March 15, 2026 and August 1, 2026–August 31, 2026. Each warrant entitles the holder to subscribe for one new share in Inwido at a price corresponding to 125 percent of the volume-weighted average price for the company's shares on the Nasdaq Stockholm's official price list during the period April 28, 2021–May 6, 2021. The subscription price corresponds to SEK 189.79.

## NOTE 20

## Interest-bearing liabilities

The following presents details of the company's agreement terms for interest-bearing liabilities, without taking the company's interest rate swaps into account. For further details of the company's exposure to interest rate risks and currency risks, please see Note 2.

## Non-current liabilities

Group, SEKm	2022	2021
Liabilities to credit institutions	1,430.9	1,372.1
Acquisition-related liabilities	145.1	29.9
<b>Total</b>	<b>1,576.0</b>	<b>1,402.0</b>

## Current liabilities

Group, SEKm	2022	2021
Overdraft facility	25.8	32.7
Acquisition-related liabilities	27.1	-
Current liabilities to credit institutions	1.3	2.2
<b>Total</b>	<b>54.1</b>	<b>34.9</b>

## Terms and repayment periods

Group, SEKm	Currency	Matures	2022		2021	
			Nominal book value	Carrying amount	Nominal book value	Carrying amount
Credit institute	SEK	2025	405.4	405.4	556.9	556.9
Credit institute	EUR	2026–2028	575.1	575.1	531.7	531.7
Credit institute	DKK	2025	68.2	68.2	293.7	293.7
Credit institute	GBP	2025	388.4	388.4	-	-
Periodized bank expense	SEK	2025–2028	-	-5.0	-	-8.1
Overdraft facilities utilized	PLN	2023	25.8	25.8	32.7	32.7
<b>Interest-bearing liabilities</b>			<b>1,462.9</b>	<b>1,457.9</b>	<b>1,415.1</b>	<b>1,407.0</b>

The average interest rate in 2022 was approximately 3.6 percent (0.8).

## NOTE 21

## Provisions

Group 2022, SEKm	Warranty provision	Restructuring measures	Total
Carrying amount at beginning of period, Jan 1, 2022	34.8	5.6	40.4
Provisions made during the period	34.5	4.7	40.7
Amounts utilized	-34.8	-3.5	-39.1
Translation difference	0.7	0.5	1.2
<b>Carrying amount at end of period, Dec 31, 2022</b>	<b>35.2</b>	<b>7.3</b>	<b>42.5</b>
of which:			
Amounts due for payment after 12 months	-	2.2	2.2
Amount expected to be paid within 12 months	35.2	5.0	40.3
Group 2021, SEKm			
Carrying amount at beginning of period, Jan 1, 2021	28.9	4.0	33.0
Provisions made during the period	34.4	3.0	37.4
Amounts utilized	-27.7	-1.5	-29.2
Reversal of previous provisions	-1.2	0.0	-1.2
Translation difference	0.4	0.1	0.5
<b>Carrying amount at end of period, Dec 31, 2021</b>	<b>34.8</b>	<b>5.6</b>	<b>40.4</b>
of which:			
Amounts due for payment after 12 months	-	3.2	3.2
Amount expected to be paid within 12 months	34.8	2.5	37.3

**Warranties**

Provisions for guarantees and refunds are mainly attributable to sales of windows and doors during the 2021 and 2022 financial years. The provision was made on the basis of calculations involving historical expense data for guarantees and refunds and that are expected to mature in 2023.

**Restructuring**

During the year, items affecting comparability, including restructuring measures, had a negative net impact of SEK 3.0 million (16.2). Expenses mainly involved acquisitions and structural measures. Expenses have been reduced by the excess amount reimbursed by Afa Försäkring regarding the collectively agreed AGS health insurance. As of 31 December 2022, provisions of SEK 7.3 million remain, of which SEK 5.0 million will mature in 2023.

**NOTE 22****Accrued expenses and deferred income**

Group, SEKm	2022	2021
Accrued liabilities for wages and vacation compensation	268.4	251.0
Accrued social security contributions	62.7	61.8
Customer bonuses	117.0	92.8
Accrued interest expenses	4.5	1.8
Other	61.2	46.9
<b>Total</b>	<b>513.8</b>	<b>454.4</b>

Parent Company, SEKm	2022	2021
Accrued liabilities for wages and vacation compensation	10.9	11.7
Accrued social security contributions	3.5	3.7
Accrued interest expenses	4.5	1.8
Other	0.5	0.8
<b>Total</b>	<b>19.3</b>	<b>18.0</b>

**NOTE 23****Leases**

The Group's tangible non-current assets comprise both proprietary and leased assets. For information on proprietary tangible non-current assets, see Note 14 Tangible non-current assets.

The Group leases several types of assets, including premises, vehicles, machinery and IT equipment. No leases include covenants or other restrictions beyond the collateral comprising the leased asset.

**Right-of-use asset**

Group, SEKm	2022		
	Properties	Other	Total
Amortization during the year	-55.5	-29.2	-84.7
<b>Closing balance, Dec 31, 2022</b>	<b>383.1</b>	<b>69.2</b>	<b>452.4</b>
	2021		
	Properties	Other	Total
Amortization during the year	-48.1	-24.6	-72.7
<b>Closing balance, Dec 31, 2021</b>	<b>260.3</b>	<b>55.0</b>	<b>315.3</b>

Additional right-of-use assets in 2022 amounted to SEK 201.8 million (59.5). This amount includes the cost of new right-of-use assets acquired during the year, as well as additional amounts when reassessing lease liabilities due to changed payments as a result of the change in the lease period and of the discount rate having been adjusted.

**Lease liabilities**

Group, SEKm	2022	2021
Current	98.7	78.3
Non-current	377.7	262.4
<b>Lease liabilities included in the statement of financial position</b>	<b>476.5</b>	<b>340.7</b>

For a maturity analysis of the lease liabilities, see Note 2 Financial risks and policy in the section on liquidity risks.

**Amounts recognized in profit or loss, IFRS 16**

Group, SEKm	2022	2021
Amortization of right-of-use assets	-84.7	-72.7
Interest on lease liabilities	-12.0	-10.7
Expenses for short-term leases	1.2	0.7
Expenses for low-value leases, not short-term leases of low value	6.4	4.9

**Amounts recognized in the cash flow report**

Group, SEKm	2022	2021
<b>Total cash outflows attributable to leases</b>	<b>102.4</b>	<b>79.8</b>

The above cash outflows include both amounts for leases recognized as lease liabilities, as well as short-term leases and leases of low value.

**Leases where the Parent Company is the lessee**

Group, SEKm	2022	2021
Non-cancellation lease payments amount to:		
Within 1 year	1.9	1.7
2–5 years	4.1	2.8
Later than 5 years	-	-
<b>Total</b>	<b>6.0</b>	<b>4.4</b>

Fees expensed for operational leases amount to:

Minimum lease fees	0.7	0.7
Variable fees	1.2	1.2
<b>Total lease expenses</b>	<b>1.9</b>	<b>1.9</b>



## NOTE 24

## Pledged assets, contingent liabilities and contingent assets

SEKm	Group		Parent Company	
	2022	2021	2022	2021
<b>Pledged assets</b>				
In the form of assets pledged for the company's own liabilities and provisions				
Property mortgages	-	-	-	-
Floating charges	-	-	-	-
Assets with ownership reservation	0.4	2.2	-	-
Endowment insurance	29.7	35.4	28.2	32.6
Others	11.7	-	-	-
	<b>41.8</b>	<b>37.6</b>	<b>28.2</b>	<b>32.6</b>
Other pledged assets and collateral	-	-	-	-
<b>Total pledged assets</b>	<b>41.8</b>	<b>37.6</b>	<b>28.2</b>	<b>32.6</b>
<b>Contingent liabilities</b>				
Guarantee obligations for the benefit of subsidiaries	-	-	62.7	61.0
Other contingent liabilities	-	-	-	-
<b>Total contingent liabilities</b>	<b>-</b>	<b>-</b>	<b>62.7</b>	<b>61.0</b>

## NOTE 25

## Related parties

## Relations with related parties

The Parent Company has a related party relationship with its subsidiaries, see Note 26.

## Summary of transactions with related parties

SEKm	Years	Sales and purchases of goods/services to affiliates	Interest income	Receivables from related parties at Dec 31,	Interest expenses	Liabilities to related parties at Dec 31,
<b>Group</b>						
<b>Associated companies</b>	2022	-21.7	-	0.0	-	-1.9
Associated companies	2021	-17.6	-	-	-	2.4
<b>Parent Company</b>						
<b>Subsidiaries</b>	2022	67.2	34.8	1,319.2	-3.5	1,449.5
Subsidiary	2021	61.3	28.2	1,381.7	-	1,726.6
<b>Associated companies</b>	2022	-	-	-	-	-
Associated companies	2021	-	-	-	-	-

Receivables from subsidiaries are recognized net less reserves for expected credit losses in accordance with the requirements of RFR 2/IFRS 9. As of 31 December 2022, these reserves amounted to SEK 3.9 million (4.7).

Transactions with closely related parties are priced on market terms.

Sales by the Parent Company to subsidiaries pertain to services. These are

priced and allocated in accordance with the Group's internal pricing documentation. Other transactions with closely related parties are priced on market terms. For receivables from, and liabilities to, Group companies, terms are in line with the market.

## NOTE 26

## Group companies

Group	Holding in %	Domicile of subsidiary, country	2022	2021
<b>Holdings in subsidiaries, direct and indirect ownership</b>				
-UAB WINBAS		Lithuania	100	100
-INWIDO DENMARK A/S		Denmark	100	100
-FROVIN VINDUER & DØRE A/S		Denmark	100	100
-OUTLINE VINDUER A/S		Denmark	100	100
-OUTRUP VINDUER OG DØRE A/S		Denmark	100	100
-KPK DØRE OG VINDUER A/S		Denmark	100	100
-BØJSØ DØRE & VINDUER A/S		Denmark	100	100
-INWIDO EUROPE AB		Sweden	100	100
-INWIDO CE GmbH		Austria	100	100
-JABS GROUP A/S		Denmark	100	100
-JABS DENMARK A/S		Denmark	100	100
-JABS JÖESUU OÜ		Estonia	100	100
-SPARWINDOW Ltd		UK	100	100
-SPARVINDUER ApS		Denmark	100	100
-SPAREVINDUER AS		Norway	0	100
-SPARFÖNSTER AB		Sweden	100	100
-SPARFENSTER GmbH		Germany	100	100
-SPARIKKUNAT OY		Finland	100	100
-JABS GROUP SWEDEN AB		Sweden	100	100
-JABS NORWAY AS		Norway	100	100
-JABS GLODËNI S.R.L		Romania	100	100
-INWIDO IRELAND Ltd		Ireland	100	100
-CARLSON & CO Ltd		Ireland	100	100
-PHILA GROUP OY		Finland	100	100
-INVENT SOLUTION OY		Finland	100	100
-KLAS 1 YHTÖT OY		Finland	100	100
-HYVINKÄÄN PUUSEPPIEN OY		Finland	65	0
-VÄRMELUX OY		Finland	100	100
-SUOMEN LÄMPÖIKKUNA OY		Finland	100	100
-PROFIN OY		Finland	100	100
-PROFIN SYDÄNPUU IKKUNAT JA OVET OY		Finland	100	100
-MV CENTER OY		Finland	75	75
-METALLITYÖ VÄLIMÄKI OY		Finland	75	75
-KOY NOKIAN PIKKUKORVENTIE 16		Finland	75	75
-LYSSAND FREKHAUG AS		Norway	100	100
-LYSSAND FREKHAUG SALG AS		Norway	100	100

Group	Holding in %	Domicile of subsidiary, country	2022	2021
<b>Holdings in subsidiaries, direct and indirect ownership</b>				
-FREKHAUG VINDUET AS		Norway	100	100
-SOKÓŁKA OKNA I DRZWI SA		Poland	100	100
-JABS SOKÓŁKA SA		Poland	100	100
-IP GLASS SP.ZO.O		Poland	100	100
-A-LACKERING AB		Sweden	100	100
-ALAKIERNIA SP.ZO.O		Poland	100	100
-INWIDO SVERIGE AB		Sweden	100	100
-OUTLINE I SVERIGE AB		Sweden	0	100
-ELITFÖNSTER AB		Sweden	100	100
-ERA FÖNSTER AB		Sweden	100	100
-ETRIFÖNSTER AB		Sweden	100	100
-HAJOM SKJUTDÖRRAR AB		Sweden	100	100
-ELITFÖNSTER PRODUKTION AB		Sweden	100	100
-LENHOVA FÖNSTER AB		Sweden	100	100
-SNICKAR-PER AB		Sweden	100	100
-ELITFÖNSTER PÅ PLATS AB		Sweden	100	100
-DIPLOMAT DÖRRAR AB		Sweden	100	100
-STEELFORM SCANDINAVIA AB		Sweden	100	100
-WESTCOAST WINDOWS AB		Sweden	100	0
-WESTCOAST WINDOWS SYSTEMS Ltd		UK	100	0
-INWIDO UK Ltd		UK	100	100
-ALLAN BROTHERS Ltd		UK	100	100
-CWG CHOICES Ltd		UK	100	100
-JACK BRUNSDON & SON Ltd		UK	100	100
-DEKKO GROUP Ltd		UK	70	0
-DEKKO WINDOW SYSTEMS Ltd		UK	70	0

## Amortized cost

Parent Company, SEKm	2022	2021
Opening balance	2,324.4	2,324.4
Purchases and issues	201.3	-
<b>Closing balance, Dec 31,</b>	<b>2,525.7</b>	<b>2,324.4</b>

Subsidiaries (directly owned)	Corporate identity number	Domicile of subsidiary, country	2022 SEKm	2021 SEKm	Number of shares	Holding in %
Inwido Sverige AB	556583-4693	Vetlanda	881.2	881.2	400,000	100
Pihla Group OY	1882624-9	Finland	223.2	223.2	532,130	100
Lyssand Frekhaug AS	988381063	Norway	341.1	341.1	1,700,000	100
Inwido Denmark A/S	28 84 36 15	Denmark	528.6	528.6	75,000,000	100
Sokolka Okna i Drzwi SA	0000082682	Poland	51.0	51.0	15,447,500	100
Inwido UK Ltd	1110137	UK	222.7	21.4	22,998,149	100
Inwido Ireland Ltd	465489	Ireland	34.8	34.8	2	100
Inwido Europe AB	556565-5767	Vetlanda	141.7	141.7	1,500	100
A-lackering AB	556120-8827	Sävsjö	100.6	100.6	5,000	100
UAB WinBas	111775687	Lithuania	0.8	0.8	100	100
			<b>2,525.7</b>	<b>2,324.4</b>		

## NOTE 27

## Specifications for cash flow statement

## Interest paid and dividends received

	Group		Parent Company	
SEKm	2022	2021	2022	2021
Dividends received	-	-	799.0	123.6
Interest received	11.5	1.0	40.9	28.3
Interest paid	-43.0	-25.2	-32.6	-21.0

## Adjustments for items not included in cash flow

	Group		Parent Company	
SEKm	2022	2021	2022	2021
Provisions	0.3	16.3	-5.5	6.1
Unrealized exchange rate differences	6.5	-26.0	11.0	-26.3
Capital gains	-5.6	-3.4	-	-
Other	-19.7	-5.2	-13.4	-6.3
Participations in profit/loss of associated companies	-2.1	-2.4	-	-
	<b>-20.5</b>	<b>-20.6</b>	<b>-7.9</b>	<b>-26.4</b>

## Reconciliation of liabilities arising from financing activities

		Changes not affecting cash flow					CB 2022
Group, SEKm	CB 2021	Cash flows	Acquisitions of subsidiaries	Acquisition-related liabilities	Other	Exchange rate differences	
Liabilities to credit institutions	1,407.0	-12.1	4.6	-	-0.8	59.3	1,457.9
Interest-bearing liabilities	29.9	-7.3	-	145.4	-	4.2	172.2
Lease liabilities	340.7	-86.7	71.2	-	127.3	23.9	476.5
<b>Total liabilities arising from financing activities</b>	<b>1,777.6</b>	<b>-106.1</b>	<b>75.8</b>	<b>145.4</b>	<b>126.4</b>	<b>87.3</b>	<b>2,106.5</b>
<b>Parent Company, SEKm</b>		<b>CB 2021</b>					<b>CB 2022</b>
Liabilities to credit institutions	1,369.2	0.0	-	-	3.1	57.3	1,429.6
Liabilities to Group companies, interest-bearing	1,686.1	-306.7	-	-	-	-43.9	1,335.5
<b>Total liabilities arising from financing activities</b>	<b>3,055.3</b>	<b>-306.7</b>	<b>-</b>	<b>-</b>	<b>3.1</b>	<b>13.4</b>	<b>2,765.1</b>
<b>Group, SEKm</b>		<b>CB 2020</b>					<b>CB 2021</b>
Liabilities to credit institutions	1,887.9	-505.0	2.7	-	-2.0	23.4	1,407.0
Interest-bearing liabilities	-	-	-	29.7	-	0.2	29.9
Lease liabilities	357.9	-74.4	1.0	-	50.1	6.2	340.7
<b>Total liabilities arising from financing activities</b>	<b>2,245.8</b>	<b>-579.4</b>	<b>3.7</b>	<b>29.7</b>	<b>48.2</b>	<b>29.8</b>	<b>1,777.6</b>
<b>Parent Company, SEKm</b>		<b>CB 2020</b>					<b>CB 2021</b>
Liabilities to credit institutions	1,846.6	-498.3	-	-	-2.0	22.9	1,369.2
Liabilities to Group companies, interest-bearing	1,129.6	605.0	-	-	-	-48.6	1,686.1
<b>Total liabilities arising from financing activities</b>	<b>2,976.2</b>	<b>106.7</b>	<b>-</b>	<b>-</b>	<b>-2.0</b>	<b>-25.6</b>	<b>3,055.3</b>

For disclosures regarding lease liabilities, see Note 23.

**NOTE 28****Significant events after the end of the year**

There have been no significant events to report following the end of the financial year.

**NOTE 29****Key estimates and assessments****Impairment testing of goodwill**

In the calculation of cash generating units' recoverable value for the assessment of possible goodwill impairment, several assumptions of parameters have been made. These are accounted for in Note 13. However, it is management's view that considerable changes in conditions would be necessary for these assumptions in 2022 and estimations to have a significant impact on goodwill.

**Valuation of deferred tax assets**

In the valuation of deferred tax assets, the size of the asset in relation to the company's estimated future cash flows and the useful life of the asset shall be taken into account.

A similar assessment is made as in the calculation of cash generating units' recoverable value for the assessment of the goodwill impairment, see Note 13. The assessment is made of the individual company in those cases where this is an individual tax-paying entity, otherwise the assessment is made of the entire Group, which is the taxable unit where joint taxation applies. However, deferred tax assets are assessed over a different period other than the assessment of goodwill impairment. In most cases, an assessment is made as to whether the claim can be utilized within the time limits of the loss carry-forward or whether no time limit applies for a period of five to seven years. This assessment could lead to impairment being recognized in receivables or to the reversal of previously un-capitalized loss carry-forwards.

**Acquisitions of subsidiaries**

In 2022, the Group made a number of acquisitions, see Note 5 for a description of the acquisitions. In connection with business combinations, acquisition analysis have been prepared and the assets acquired and liabilities assumed have been identified and valued. The acquisition analyses require management to assess the assets to be included in the account and the value at which they will be recognized. Intangible non-current assets, in particular, may be difficult to assess.

The valuation of acquisition-related liabilities (such as additional purchase consideration and liabilities for futures and options issued to non-controlling interests) is dependent on management's best estimate of future cash flows.

**Leases**

Certain leases include extension and termination options that the Group may opt to exercise or not up to one year before the end of the non-cancellation period. When possible, the Group includes such options in new leases as they contribute to operational flexibility.

On the commencement date of the lease, an assessment is made as to whether it is reasonably certain that an extension option will be exercised. The Group reassesses the leasing period in light of a key event or significant changes in circumstances that are within the Group's control and that affect whether it is reasonably certain that the Group will exercise (or not exercise) an option included in the original agreement.

**NOTE 30****Details of the Parent Company**

Inwido AB (publ) is a company registered in Sweden with its domicile in Malmö. The Parent Company's shares are listed on the Nasdaq Stockholm exchange. The address of the head office is Engelbrektsgratan 15, SE-211 33 Malmö, Sweden.

The consolidated accounts for 2022 comprise the Parent Company and its subsidiaries, together called the Group. The Group also includes participations in associated companies.



# Attestation by the Board of Directors

The Board of Directors and the President and CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The

annual accounts and the consolidated accounts give a true and fair view of the financial position and results of the Parent Company and the Group. The Board of Directors' Report for the Parent Company and the Group gives a true and fair overview of the operations, financial position and results of the Parent Company and the Group, and describes significant risks and uncertainties that the Parent Company and the companies in the Group face.

The Annual Report and the consolidated accounts were approved for publication  
by the Board of Directors and President & CEO on 31 March 2023

Per Bertland  
Chairman of the Board

Anders Wassberg  
Board member

Henriette Schütze  
Board member

Kerstin Lindell  
Board member

Christer Wahlquist  
Board member

Tony Johansson  
Employee representative

Robert Wernersson  
Employee representative

Henrik Hjalmarsson  
President and CEO

Our Audit Report was submitted on April 3, 2023.

KPMG AB

Linda Bengtsson  
Authorized Public Accountant

The consolidated statement of comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet are subject to the approval of the Annual General Meeting on May 4, 2023

# Auditors' Report

To the Annual General Meeting of Inwido AB (publ), corp. ID No. 556633-3828

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Inwido AB (publ) for the year 2022, except for the sustainability report on page 49. The annual accounts and consolidated accounts of the company are included on pages 48-92 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting

Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on page 49. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

### Basis for Opinions

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

that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the

context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

## Valuation of goodwill and the Parent Company's holdings in Group companies

*See disclosure 13 and accounting principles on pages 66 and 67 in the annual account and consolidated accounts for detailed information and description of the matter.*

### Description of key audit matter

On 31 December 2022, the group reported goodwill of SEK 4,835.0 million. The carrying amount has been subject to impairment testing which involves both complexity and a significant element of judgement. Impairment testing has been performed for all of the cash-generating units that have associated goodwill, which for the Group involves five different units.

In accordance with IFRS, impairment testing is to be performed according to a specific technique requiring management to make projections about the operations' internal and external conditions and plans. Examples of such judgements are future cash flow, which, among other things, require assumptions about future market growth, purchases of goods and services, personnel expenses and efficiency.

Another important assumption is the discount rate to be used to reflect market assessments of the time value of money and the specific risks to which the units are exposed.

As per 31 December 2022, the Parent Company reported shares in Group companies for SEK 2,525.7 million. If there are indications of significant impairment, for example, if the value of the shares exceeds the consolidated value of each Group company, the same type of testing is performed, using the same technique and inputs, as for consolidated goodwill.

### Response in the audit

We have inspected the impairment tests that have been performed to assess whether they have been prepared in accordance with the prescribed techniques.

We have also assessed the reasonableness of the assumptions regarding future cash flows by reviewing and assessing the four-year business forecasts on which the testing is based. We have also interviewed Group management and evaluated the previous year's estimates of future cash flows in relation to actual outcome.

We have also assessed the discount rate applied and involved our valuation specialists in this part of the audit, mainly with regard to the assumptions about the rate of return associated with external markets.

An important aspect of our work has also been reviewing the Group's sensitivity analysis of the valuation in order to determine how reasonable changes in Group management's assumptions may affect the valuation.

We have also assessed the content of the disclosures on the impairment testing as provided in the annual and consolidated accounts.

## Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-36, 42-47, 97-104 as well as the Sustainability Report on page 49. The other information comprises also of the remuneration report, which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

## Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts The Board of

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on 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, to modify our opinion about 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 conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within 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 must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also 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, measures that have been taken to eliminate the threats or 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 for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Auditor's audit of the administration and the proposed appropriations of profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Inwido AB (publ) for the year 2022 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 Managing Director be discharged from liability for the financial year.

#### Basis for opinions

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

in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

#### Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous

assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditors' responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination 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 with starting point in risk and materiality. This means that we focus the examination 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 examine 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 our 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 that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528)

for Inwido AB (publ) for year 2022.

Our examination and our opinion relate only to the statutory requirements. In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Inwido AB (publ) in accordance with professional ethics for

accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the

Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The 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 accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

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

The Board of Directors is responsible for the sustainability report on page 49, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance

with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

**KPMG AB, Box 227, 201 22, Malmö, was appointed auditor of Inwido AB (publ) by the general meeting of the shareholders on the 5 May 2022.  
KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2004**

MALMÖ, APRIL 3, 2023  
**KPMG AB**

**Linda Bengtsson**  
**Authorized Public Accountant**

# Accounting policies for the EU Taxonomy and Inwido's sustainability indicators

## Accounting policy EU Taxonomy

These accounting principles are based on the EU Taxonomy Regulation and delegated acts, as well as the guidance provided to date by the European Commission.

### EU Taxonomy Regulation

The EU Taxonomy Regulation ((EU) 2020/852) is a classification system for environmentally sustainable economic activities. The Taxonomy Regulation is part of the European Commission's Green Deal and aims to scale up sustainable investments and to direct capital flows towards activities and projects that are more sustainable. The regulations currently focus on two of the Taxonomy's six environmental targets, namely climate change mitigation and climate change adaptation. The four remaining environmental targets will be elaborated over the next few years. In accordance with this year's requirements, the proportion of the operation's sales, capital expenditure and operating expenses covered by the taxonomy is reported, as well as the proportion compatible with the taxonomy. Compatible activities meet all criteria within the requirements to significantly contribute to climate change mitigation, do no significant harm to the other five areas, as well as minimum safeguards.

### Analysis process

Inwido has collected information on sales, capital expenditures and operational expenditures from all units within the Group.

To identify and quantify the portion of Inwido's turnover derived from products and services covered by the EU Taxonomy Regulation, Inwido mapped revenue streams against the activities specified in the delegated acts to reduce climate change (delegated acts adopted in accordance with Articles 10.3, 11.3, 12.2, 13.2, 14.2 and 15.2 of Regulation (EU) 2020/852) (Appendix I). The activities considered as covered by the EU Taxonomy Regulation make a significant contribution to the Taxonomy's environmental target of climate change mitigation). The share of capital expenditure and operational expenditure covered by the Taxonomy is linked to economic activities based on sales from economic activities covered by the Taxonomy.

Do no significant harm (DNSH) is mapped by the organization responsible for each economic activity in the relevant business unit where the taxonomy is applicable. The mapping is performed in collaboration with Inwido AB to align the work, interpretations and applications. For 2022, the economic activities of the larger business units have also been mapped for DNSH criteria. During 2023, the work will continue and all units' financial activities will be mapped. Sub-criteria in the environmental goals for all DNSH areas have been studied and responded to based on the criteria set in Chapters 3.5 and 7.3 respectively and the associated addendum.

### Climate change adaptation

Inwido has had a climate risk analysis and vulnerability analysis carried out in accordance with the criteria in Appendix A, which have been set in terms of quality, time horizons, etc. Where the risk is significant and can affect economic activity, a plan has been established to limit the impact of climate change. The plan does not negatively affect other values.

### Sustainable use and protection of water and marine resources:

Compliance with the criteria in Appendix B has been mapped for the relevant economic activities of each business unit. The business units have the knowledge and control of the permits and environmental impact statements conducted and their contents.

### Transition to a circular economy:

Compliance with criteria (Chapters 3.5 and 7.3) has been mapped for the relevant economic activities of each business unit. The business units have the knowledge and control of the operations and how the work with circular processes is conducted, as well as the traceability of substances of concern.

### Pollution prevention and control:

Compliance with criteria has been mapped for each economic activity at each business unit. The business units have the knowledge and control of the operations and the contents of the products. That is, the manufacture, release on the market or use of the substances/mixtures, etc. covered by Appendix C.

### Protection and restoration of biodiversity and ecosystems:

Compliance with the criteria in Appendix D has been mapped for the relevant economic activities of each business unit. The business units have the knowledge and control of permits and environmental impact statements carried out, their contents, as well as the location of the activity (plant) and whether they are located in or near the areas listed in Appendix D.

Minimum safeguards have been mapped systematically by Inwido AB through ongoing work together with our business units within the UN Global Compact, Inwido's continuous work with the Code of Conduct for employees and suppliers, and review of suppliers, Whistle-blower function etc. where Inwido considers the risks in the value chain and maintains policies for, among other things, business ethical behavior and follow-ups. Inwido performs continuous follow-ups in the business units and matters within minimum protection measures are regularly raised at the companies' board meetings, management forums and other relevant meeting forums within the business units. Each managing director is responsible for his/her business unit and reports to the relevant individual within Group Management. Through this process, we ensure that risks surrounding minimum safeguards are noted and continuously addressed risks surrounding matters of labor law and social rights, as well as employer responsibilities have been established regarding how an Inwido company should act and are a recurring element in Inwido's training courses for company presidents. See pages 8-15, 30-31.

The conformity of the activities with the criteria in Article 3 of the Taxonomy Regulation and the associated technical review criteria have been assessed to the extent that they are covered by the Taxonomy (eligibility).

### Activities covered by Taxonomy

Those of Inwido's operations that are covered by the Taxonomy fall either within activity 3.5 Manufacture of energy-efficient equipment for buildings or 7.3 Installation, maintenance and repair of energy-efficient equipment for buildings.

#### 3.5 Manufacture of energy-efficient equipment for buildings

- Activities falling within 3.5 Manufacture of energy-efficient equipment for buildings include Inwido's own manufacture of windows and exterior doors (accessories and accessories sold as part of windows or exterior doors are also included). These products are included because they contribute to energy benefits and therefore also to limiting climate change. Production of interior doors has been excluded as these do not contribute energy benefits to the same extent. Sales of windows and exterior doors not produced in-house, are also excluded, as are those linked to accessories sold separately. Income from aluminium coating and sealed glass panes is not considered to be covered by the Taxonomy.

#### 7.3 Installation, maintenance and repair of energy-efficient equipment for buildings

- Those of Inwido's operations that fall within activity 7.3 Installation, maintenance and repair of energy-efficient equipment for buildings include both the installation of in-house-manufactured windows and exterior doors, as well as the installation of windows and exterior doors purchased from

external manufacturers. Activity 7.3 includes installation of energy-efficient equipment for buildings. However, installation of interior doors has been excluded as they do not contribute to energy benefits.

In all calculations above, Inwido has excluded internal sales of aluminium profiles. Aluminium profiles are included in the production of windows.

In order to avoid multiple counts in cases where capital expenditure or operational expenditure can be linked to both of these economic activities, Inwido makes an allocation in accordance with the sales to which the asset gives rise to activate that part of the capital expenditure or operational expenditure that can be linked to the relevant activities covered by the Taxonomy.

### Definitions of key performance indicators

#### *Activities covered by the Taxonomy*

Sales covered by the taxonomy are defined as that portion of total net sales derived from products and services, including intangible ones, that are associated with economic activities covered by the Taxonomy Regulation. Total net sales are reported in the Annual Report (see page 56) in accordance with IFRS for the period January 1 to December 31, 2022. Net sales comprise income from sales of products and services. The various income streams that make up Inwido's sales are sales of windows, interior doors, exterior doors and accessories, installation of doors and windows and energy-efficient equipment, as well as aluminum coating and production of sealed glass panes. Item A.1 Environmentally sustainable (taxonomy-compatible) activities, includes sales meeting all criteria associated with activities under items 3.5 and 7.3. Item A.2 includes sales covered by the taxonomy but not meeting all criteria according under items 3.5 and 7.3. Sales have been attributed to each economic activity based on sales.

#### *Activities covered by Taxonomy*

Capital expenditures covered by the taxonomy are defined as that portion of total capital expenditure that relates to assets or processes associated with economic activities covered by the requirements of the Taxonomy. Total capital expenditures include investments in intangible and tangible non-current assets excluding goodwill, intangible and tangible non-current assets acquired through business combinations and additional right-of-use assets in accordance with IAS 16, IAS 38, IAS 40 and IFRS 16, and are described in Notes 13, 14 and 23 of the Annual Report. Item A.1 Environmentally sustainable (taxonomy-compatible) activities, includes capital expenditures linked to the production of products meeting all criteria associated with activities under items 3.5 and 7.3. Item A.2 includes production-related capital expenditures compatible with economic activities in accordance with 3.5 and 7.3 but not meeting all criteria, as well as the capital expenditures that are covered by the taxonomy but that are not directly production-related.

#### *Activities covered by Taxonomy*

Operating expenses covered by the taxonomy are defined as the proportion of operating expenses during the reporting period that pertain to assets or processes that are associated with economic activities covered by the Taxonomy. Item A.1 Environmentally sustainable (taxonomy-compatible) activities, include all research and development expenditure, as well as costs for repair and maintenance of assets meeting all criteria in accordance with activities under items 3.5 and 7.3. The operating expenses described above that are covered by the taxonomy but that do not meet all criteria are reported under item A.2. Depreciation is excluded in this key performance indicator.

## Accounting policies for sustainability indicators

Inwido's reporting covers all units within the Group. The key figures are reported for the period 1 January to 31 December 2022, KPIs for energy, CO<sub>2</sub>, waste, accidents and sick leave do not include companies acquired during the year. When acquired companies have been part of Inwido for 12 months, they are included in the reporting of all KPIs.

### Energy use

The energy use of all facilities is based on invoice information and is reported in the unit kWh per window wing produced. The principal types of energy used are electricity, district heating, vehicle fuel and heating produced in-house from waste wood. In cases where data for energy use are missing, calculations or estimates are used. Energy conversion factors are taken from the Swedish Environmental Protection Agency's public website. To calculate energy use per window wing, all energy use from Inwido's operations is included and divided by the number of lights produced in the year for which the calculation is being made.

### CO<sub>2</sub> emissions (Scopes 1 and 2)

Calculation and reporting linked to greenhouse gas emissions is based on the GHG Protocol Corporate Standard and the protocol principles for Scopes 1 and 2. Direct greenhouse gas emissions (Scope 1) are based on energy use at the entity's own facilities. Indirect greenhouse gas emissions (Scope 2) from district heating and electricity are calculated based on the supplier's reported energy use and emission factors. Scope 2 emissions are allocated applying the market-based method. Emission factors linked to other types of energy are taken from the Swedish Environmental Protection Agency's public website, where the factors are based on the Swedish national calculation of greenhouse gases.

All greenhouse gases are reported in CO<sub>2</sub> equivalents. Calculations of greenhouse gases are associated with uncertainty due to estimates in measurement methods and the nature of the information as contextual. In addition, the reliability of emission factors is affected by the scientific knowledge on emission factors being incomplete. As a simplification, Inwido applies 100% diesel in all countries, i.e. mixing of renewable energy is not included.

### Wood from sustainable forestry

Wood from sustainable forestry mainly includes wood certified according to the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC). The certification is specified by the supplier in the purchase agreement. The key performance indicator is defined as the proportion of sustainable wood relative to the total purchase volume (in monetary value) of wood. Data for this key performance indicator is collected by the purchasing department.

### Waste

Inwido reports waste in accordance with national legislation and the European Waste Catalog (EWC). Hazardous and non-hazardous waste includes all waste (in tonnes) generated in the company's manufacturing and service processes and collected during the reporting period. Materials that are resold rather than going to waste and waste wood that is used to produce heat for Inwido's facilities are not included in the waste quantities. Non-hazardous waste is reported in three different categories: landfill, incineration and recycling. The category of non-hazardous waste excludes waste water.

Data on both hazardous and non-hazardous waste is reported in tons, with the data being obtained from the respective waste companies. In cases where data regarding weight are missing, estimates are used based on the density of the waste and the volume collected, mass balances or similar information. The key performance indicators are defined as kilograms of hazardous and non-hazardous waste per window wing produced.

### Accidents with lost working days

Occupational accidents are accidents that occur in connection with or during work. Accidents with lost working hours are accidents resulting in one or more days of absence from work, where the days are stated in scheduled working days (as opposed to calendar days). Lost working time is the number of days that can not be worked, and are thus "lost", as a consequence of an employee not being able to perform his or her regular work tasks due to a work-related accident or illness. If, on the other hand, the employee returns to a part-time job or an alternative job in the same organization, this is not counted as lost working days. The number of days is counted from the day the accident occurred.

The number of work-related accidents with lost working days is stated in relation to each 1 million hours worked, where the number of hours worked is scheduled hours. All employees are included in the calculation of the number of planned working hours, regardless of type of employment.

#### **Sickleave, short- and long-term**

Absence includes all unplanned absence due to inability to work of any kind, including work-related injuries or illness. Short-term absence is defined as absence of up to 14 days and long-term absence is defined as absence longer than 14 days. Sickleave, divided between short- and long-term leave, is measured as a proportion of the total number of hours worked. Hours worked refer to scheduled working hours. Permitted absences, such as holidays, studies, parental leave, childcare and leave of absence are excluded when calculating sick leave. Work training is also excluded from the calculation.

#### **Equality in management**

The Board of Directors is defined as Board members elected by the Annual General Meeting. Management comprises members of Group Management.

#### **Code of conduct for suppliers**

All suppliers of direct materials\* must sign Inwido's Code of Conduct for Suppliers when entering into agreements. The key performance indicator is defined as the proportion of materials purchased directly from suppliers having signed the Code in relation to the total volume of materials purchased directly.

#### **Number of cases of bribery and corruption**

All employees at Inwido have the opportunity to report cases related to bribery and corruption to their nearest manager or HR department. Reported cases are followed up locally by the cases being analyzed and verified. In addition, there is an external whistle-blower function through which a report can be submitted anonymously. The cases reported via the whistle-blower function are handled by the managing director and HR manager. The key performance indicator is compiled at the Group level and reported as the number of cases that have been reported, analyzed and verified.

#### **Number of cases of harassment or discrimination**

Inwido defines a case of harassment or discrimination as such when it violates the provisions of Inwido's Code of Conduct. The basis for this is that all Inwido employees are to be treated equally, fairly and with respect and that no one should suffer discrimination. Harassment and discrimination are reported either via the employee's immediate manager, to the HR department of the relevant unit within the company or via the whistle-blower function. The HR managers are responsible for this aspect and for reporting the data. Data is compiled at the Group level and reported as the number of cases reported, analyzed and verified. 2021 was the first year for reporting this key performance indicator.

#### **Number of fatalities**

Occupational fatalities are fatalities occurring in connection with or at work. Like sick leave, fatalities are reported explicitly to Inwido's management on an ongoing basis. Inwido has monitored the occurrence of fatalities for many years. No fatalities have occurred during working hours or during transport to and from the workplace.

#### **Changes in the Sustainability Report**

The following key performance indicators have been added to this year's report:

- Number of fatalities
- Compliance with EU Taxonomy Regulation review criteria



## Proportion of sales of products or services associated with economic activities that comply with taxonomy disclosure requirements covering the year 2022

Economic activities (1)	Code/codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria ( 'Does Not Significantly Harm' )						Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2021 (19)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Category (enabling activity or) (20)	Category '(transitional activity)' (21)
				Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		SEKm	%	%	%	%	%	%	%	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	%	%	Enabling	Transition

### A. ACTIVITIES COVERED BY THE TAXONOMY

A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Production of energy-efficient equipment for buildings	3.5	1,670.9	17.5%	100%							-	Yes	Yes	Yes	Yes	Yes	Yes	17.5%	M
Installation, maintenance and repair of energy-efficient equipment for buildings	7.3	228.1	2.4%	100%							-	Yes	-	-	Yes	-	Yes	2.4%	M
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,898.9	19.9%															19.9%	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
Production of energy-efficient equipment for buildings	3.5	6,994.3	73.3%																
Installation, maintenance and repair of energy-efficient equipment for buildings	7.3	124.9	1.3%																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7,119.2	74.6%																
Total (A.1+A.2)		9,018.2	94.5%																

### B. ACTIVITIES NOT COVERED BY THE TAXONOMY

Turnover of Taxonomy-non-eligible activities (B)		528.7	<b>5.5%</b>
<b>Total (A+B)</b>		9,546.8	<b>100.0%</b>

(1) Activity 1 is covered in its entirety by the taxonomy. However, only a certain percentage is eligible with taxonomy. Activity 1 can therefore be reported under both A1 and A2. However, only the proportion reported under A1 may be considered taxonomy-aligned in the company's non-financial sales indicator.

A relatively large proportion of Inwido's sales and operations are covered by the Taxonomy (94% of Inwido's sales). This is because a large part of Inwido's products fall within construction and energy efficiency, which are two areas that occur in the Taxonomy. In addition, the Taxonomy has set clear energy requirements for windows and doors. This means that Inwido can include most sales in the Taxonomy's activities.

## Proportion of capital expenditure from products or services associated with economic activities that comply with taxonomy disclosure requirements covering the year 2022

Economic activities (1)	Code/codes (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category (enabling activity on) (20)	Category '(transitional activity)' (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		SEKm	%	%	%	%	%	%	%	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	%	%	Enabling	Transition

### A. ACTIVITIES COVERED BY THE TAXONOMY

<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Production of energy-efficient equipment for buildings	3.5	31.6	7.6%	100%						-	Yes	Yes	Yes	Yes	Yes	Yes	7.6%		M	
Installation, maintenance and repair of energy-efficient equipment for buildings	7.3	10.0	2.4%	100%						-	Yes	-	-	Yes	-	Yes	2.4%		M	
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		41.5	10.0%														10.0%			
<b>Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>																				
Production of energy-efficient equipment for buildings	3.5	321.9	77.1%																	
Installation, maintenance and repair of energy-efficient equipment for buildings	7.3	5.5	1.3%																	
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		327.3	<b>78.4%</b>																	
<b>Total (A.1+A.2)</b>		368.9	<b>88.4%</b>														10.0%			

### B. ACTIVITIES NOT COVERED BY THE TAXONOMY

CapEx of Taxonomy-non-eligible activities (B)		48.4	<b>11.6%</b>
<b>Total (A+B)</b>		417.3	<b>100.0%</b>

(1) Activity 1 is covered in its entirety by the taxonomy. However, only a certain percentage is eligible with taxonomy. Activity 1 can therefore be reported under both A1 and A2. However, only the proportion reported under A1 may be considered taxonomy-aligned in the company's non-financial capital expenditure indicator. For activities under A2, columns 5-17 can be completed on a voluntary basis by non-financial corporations.

A relatively large part of the capital expenditure is covered by the Taxonomy (88%), which is due to it being possible for a significant part of Inwido's expenses for direct and indirect non-current assets to be linked to activities covered by the Taxonomy. In addition, a large part of Inwido's assets derives from the production of windows and doors, as well as the installation of these, which are activities covered by the Taxonomy.

## Proportion of operating expenses from products or services associated with economic activities that comply with taxonomy disclosure requirements covering the year 2022

Economic activities (1)	Code/codes (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year 2022 (18)	Taxonomy-aligned proportion of OpEx, year 2021 (19)	Category (enabling activity or) (20)	Category ('transitional activity') (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		SEKm	%	%	%	%	%	%	%	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	Yes/no	%	%	Enabling	Transition

### A. ACTIVITIES COVERED BY THE TAXONOMY

A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
Production of energy-efficient equipment for buildings	3.5	23.3	15.3%	100%							-	Yes	Yes	Yes	Yes	Yes	Yes	15.3%	M				
Installation, maintenance and repair of energy-efficient equipment for buildings	7.3	3.7	2.4%	100%							-	Yes	-	-	Yes	-	Yes	2.4%	M				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		27.0	17.6%														17.6%						
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																							
Production of energy-efficient equipment for buildings	3.5	121.0	79.1%																				
Installation, maintenance and repair of energy-efficient equipment for buildings	7.3	2.0	1.3%																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		123.0	80.5%																				
Total (A.1+A.2)		150.0	98.1%																	17.6%			

### B. ACTIVITIES NOT COVERED BY THE TAXONOMY

OpEx of Taxonomy-non-eligible activities (B)		2.9	<b>1.9%</b>
<b>Total (A+B)</b>		152.9	<b>100.0%</b>

(1) Activity 1 is covered in its entirety by the taxonomy. However, only a certain percentage is eligible with taxonomy. Activity 1 can therefore be reported under both A1 and A2. However, only a proportion reported under A1 may be considered taxonomy-aligned in the company's non-financial operating expense indicator. For activities under A2, columns 5-17 can be completed on a voluntary basis by non-financial corporations.

A relatively large part of the operating expenses are covered by the Taxonomy (98%), which is due to it being possible for a significant part of Inwido's expenses for direct and indirect non-current assets to be linked to activities covered by the Taxonomy.

# Definitions of alternative key ratios not defined by IFRS

Inwido presents certain alternative financial key ratios beyond the conventional financial key ratios established by IFRS, in order to better understand the development of the operations and the financial status of the Inwido Group. Such key ratios should not, however, be considered a substitute for the key ratios required under IFRS. The alternative key ratios presented in this report are described below.

Income measures	Calculation	Purpose
<i>Organic growth</i>	Net sales including acquired growth for the current period divided by net sales including pro forma acquired growth during the corresponding period in the preceding year. The change is adjusted for exchange rate fluctuations by applying the current period's exchange rates to pro forma net sales during the corresponding period in the preceding year.	Organic growth excludes the effects of changes in the Group's structure and exchange rates, enabling a comparison of net sales over time.
<i>Operating gross profit</i>	Gross profit before items affecting comparability.	Key ratio used to measure how much of net sales is left to cover other expenses. The key ratio is also adjusted for the impact of items affecting comparability to increase comparability over time.
<i>Operating EBITDA</i>	EBITDA before items affecting comparability.	This key ratio is used to measure cash flow from operating activities, regardless of the effects of financing and depreciation rates on non-current assets. The key ratio is also adjusted for the impact of items affecting comparability to increase comparability over time. The key ratio is a central component in the bank covenant Net debt/operating EBITDA.
<i>EBITA</i>	Operating profit after depreciation, amortization and impairment but before deduction for impairment of goodwill as well as amortization and impairment of other intangible assets that arose in conjunction with company acquisitions (Earnings Before Interest, Tax and Amortization).	This key ratio enables comparisons of profitability over time regardless of amortization and impairment of acquisition-related intangible assets, and regardless of the corporate tax rate and the company's financing structure. Depreciation of tangible assets is, however, included, this being a measure of resource consumption necessary to generate earnings.
<i>Operating EBITA</i>	EBITA before items affecting comparability.	This key ratio increases the comparability of EBITA over time, since it is adjusted for the impact of items affecting comparability. The key ratio is also used in internal review and constitutes a central financial target for the operations.
<i>Items affecting comparability</i>	Income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of operations.	A separate account of items affecting comparability elucidates development in the underlying operations.
Margin measures	Calculation	Purpose
<i>Operating gross margin</i>	Operating gross profit as a percentage of net sales.	This key ratio is a complement to operating margin since it shows the underlying surplus from net sales left to cover other expenses in relation to net sales.
<i>Operating EBITDA margin</i>	Operating EBITDA as a percentage of net sales.	This key ratio serves as a complement to operating margin, since it shows the underlying surplus cash flow in relation to net sales. The key ratio also enables comparison with other companies, regardless of each company's depreciation/amortization principles and the age structure of non-current assets.
<i>EBITA margin</i>	EBITA as a percentage of net sales.	This key ratio reflects the operating profitability of the operations before amortization and impairment of acquisition-related intangible assets. The key ratio is an important component, alongside sales growth and capital turnover rate, in tracking the company's value creation.
<i>Operating EBITA margin</i>	Operating EBITA as a percentage of net sales.	This key ratio increases the comparability of EBITA margin over time, since it is adjusted for the impact of items affecting comparability.
<i>Operating margin (EBIT margin)</i>	Operating profit as a percentage of net sales.	This key ratio reflects the operating profitability of the operations. The key ratio is an important component, alongside with sales growth and capital turnover rate, in tracking the company's value creation.
Capital structure	Calculation	Purpose
<i>Net debt</i>	Interest-bearing liabilities and interest-bearing provisions less interest-bearing assets, including cash and equivalents.	The net debt measure is used to track the development of debt and to see the scope of the refinancing requirement. Since liquid funds can be used to pay off debt at short notice, net debt is used instead of gross debt as a measure of total loan financing.
<i>Net debt/operating EBITDA</i>	Net debt in relation to operating rolling 12-month EBITDA.	This key ratio is a debt ratio showing how many years it would take to pay off the company's liabilities, provided that its net debt and EBITDA are constant and without taking cash flows relating to interest, taxes and investments into account.
<i>Net debt/equity ratio</i>	Net debt in relation to shareholders' equity.	This key ratio is a measure of the relationship between the Group's two forms of financing. The measure shows loan capital as a share of shareholders' invested capital. The measure reflects financial strength but also the leverage effect of borrowings. A higher debt ratio entails higher financial risk and higher financial leverage.



<i>Interest coverage ratio</i>	Profit after net financial items plus financial expenses in relation to financial expenses.	This key ratio indicates the company's capacity to cover its interest expenses.
<i>Equity/assets ratio</i>	Shareholders' equity including non-controlling interests as a percentage of total assets.	This key ratio reflects the company's financial position. A favorable equity/assets ratio provides a preparedness to manage periods of recession and financial preparedness for growth. At the same time, a higher equity/assets ratio provides lower financial leverage.
<i>Operating capital</i>	Total assets less cash and equivalents, other interest-bearing assets and non-interest-bearing provisions and liabilities.	Operating capital shows the amount of capital that the business requires to conduct its core operations. It is primarily used for the calculation of return on operating capital.
Return measures	Calculation	Purpose
<i>Return on shareholders' equity</i>	Profit after tax, rolling 12-month (RTM), attributable to the Parent Company's shareholders as a percentage of average shareholders' equity, excluding non-controlling interest (average calculated based on the past four quarters).	Return on shareholders' equity shows the total return, in accounting terms, on shareholders' capital and reflects the effects of both the profitability of the operations and of financial leverage. The measure is primarily used to analyze profitability for shareholders over time.
<i>Return on operating capital</i>	EBITA, rolling 12-month (RTM), as a percentage of average operating capital (average calculated based on the past four quarters).	Return on operating capital shows how well the operations use the net capital tied up in the operations. This reflects the combined effect of the operating margin and the turnover rate for operating capital. The key ratio is mainly used to track the Group's value creation over time.
Share data	Calculation	Purpose
<i>Cash flow per share before/after dilution</i>	Cash flow from operating activities for the period divided by the weighted average number of shares outstanding for the period before/after dilution.	This key ratio measures the cash flow per share generated by the operations before capital investments and cash flows attributable to the company's financing.
<i>Shareholders' equity per share before/after dilution</i>	Shareholders' equity attributable to Parent Company shareholders divided by the number of shares outstanding at the end of the period before/after dilution.	This key ratio serves to describe the scale of the company's net worth per share.
Market segments	Description	
<i>Consumer</i>	Sales to the Consumer market are conducted through the following channels: direct sales, retailers, middlemen, manufacturers of prefabricated homes, small building companies.	
<i>Industry</i>	Sales to the Industry market are conducted through the following channels: large building companies, retailers, manufacturers of prefabricated homes.	

## Information for shareholders

### Annual Report, reports and news

At [www.inwido.com](http://www.inwido.com), annual reports in Swedish and English can be downloaded (PDF). Printed copies can also be ordered there. Inwido can be followed by subscribing for press releases and financial reports via the website.

### Financial calendar 2023

Interim report, January-March 2023 ..... April 25  
 Annual General Meeting 2023 ..... May 4  
 Interim report, January-June 2023 ..... July 14  
 Interim report, January-September 2023 ..... October 24

### Annual General Meeting 2023

The Annual General Meeting will be held at 3.00 p.m. CET on May 4, 2023 at STUDIO Meetingpoint, Nordenskiöldsgatan 24, Malmö, Sweden. Shareholders wishing to attend the Meeting must be recorded in the share register by April 25, 2023. The share register is maintained by Euroclear Sweden AB. Shareholders whose shares are nominee registered must temporarily register the shares in their own name to be entitled to attend the Meeting. If you are a shareholder and wish to make such re-registration, you need to inform your nominee so that the shares are listed in the share register in good time before April 25, 2023. Notice of attendance shall be submitted to Inwido's headquarters no later than 4.00 p.m. CET on April 25, 2023. The address is Inwido AB (publ), Engelbrektsgatan 15, SE-211 33 Malmö, Sweden, or e-mail [ir@inwido.com](mailto:ir@inwido.com)

### IR contacts

Peter Welin, CFO and Deputy CEO  
 e-mail: [peter.welin@inwido.com](mailto:peter.welin@inwido.com)  
 Tel: +46 70 32 43 190 or +46 10 45 14 55



Inwido AB (publ)  
Engelbrektsgatan 15  
SE-211 33 Malmö, Sweden

Tel: +46 10 451 45 50  
e-mail: [info@inwido.com](mailto:info@inwido.com)  
[www.inwido.com](http://www.inwido.com)

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