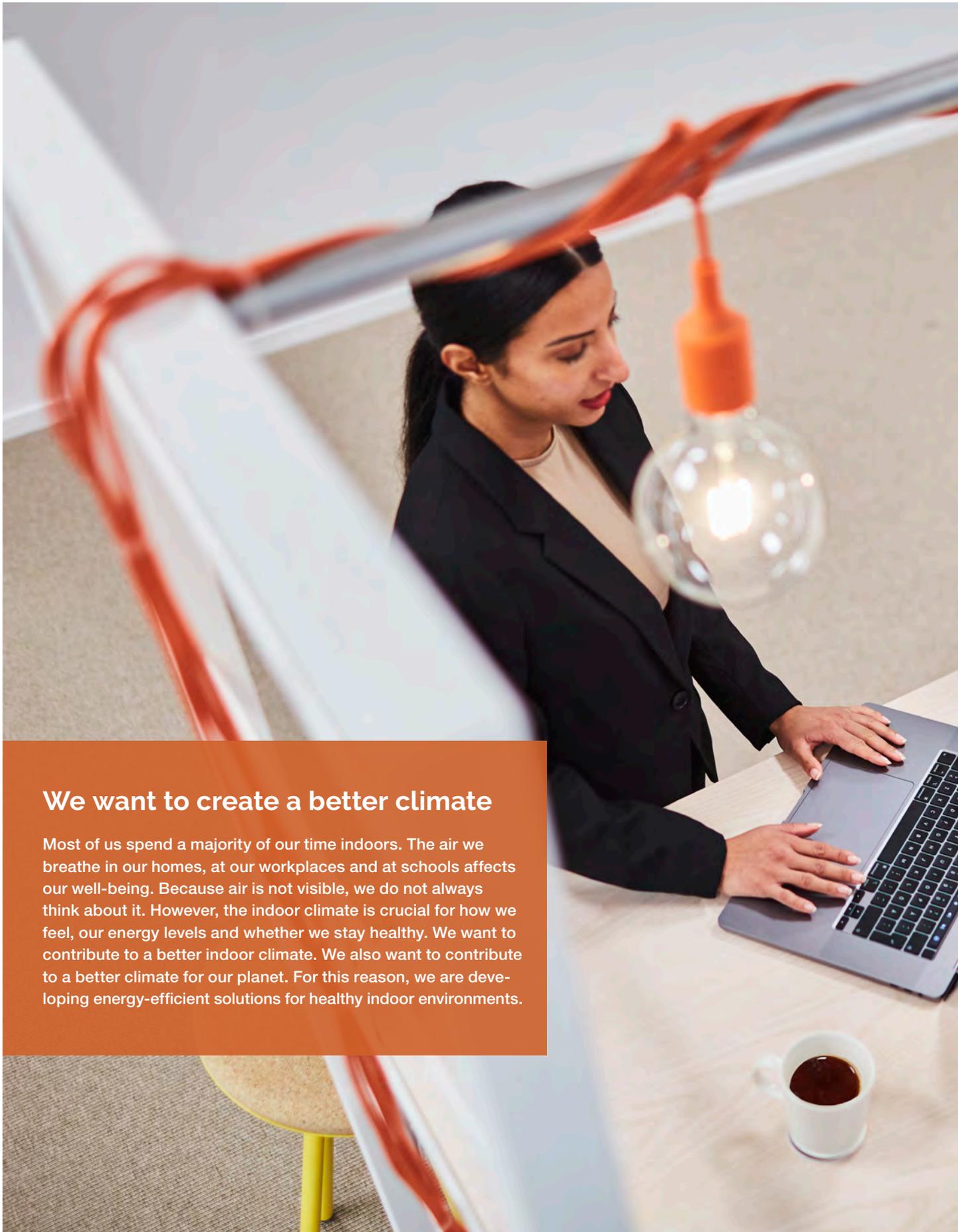


Lindab For a better climate™

Annual Report and Sustainability Report 2021

Energy-efficient
solutions for
healthy indoor
environments

 Lindab®



We want to create a better climate

Most of us spend a majority of our time indoors. The air we breathe in our homes, at our workplaces and at schools affects our well-being. Because air is not visible, we do not always think about it. However, the indoor climate is crucial for how we feel, our energy levels and whether we stay healthy. We want to contribute to a better indoor climate. We also want to contribute to a better climate for our planet. For this reason, we are developing energy-efficient solutions for healthy indoor environments.



Lindab – For a better climate

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Unless otherwise stated, figures and comparisons in this Annual Report refer to continuing operations within Lindab, that is, excluding business area Building Systems, which was divested at the end of 2021.

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

LINDAB IN BRIEF

A leader in ventilation

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

9,648

Net sales reached SEK 9,648 m 2021.

1,266

Operating profit for 2021 was record high, SEK 1,266 m.

13.1

The adjusted operating margin increased to 13.1 percent in 2021.

About two thirds of Lindab's sales involve ventilation. We are leading the development of air-tight duct systems and were the first supplier to offer duct systems of the highest air-tightness, class D.



1959

For more than 60 years, Lindab has developed leading solutions that have simplified construction.

20

The company currently has subsidiaries in 20 countries in Europe.

4,549

At the end of the year, we had more than 4,500 employees in some 140 locations.



- ➔ **Growing market** driven by green transformation and an increased focus on the indoor climate.
- ➔ **Well-established brands**, high quality and extensive distribution networks.
- ➔ **Ongoing investment programs** to increase efficiency, capacity and safety.
- ➔ **Clear acquisition strategy** with acquisitions of complementary, well-managed companies.
- ➔ **Focus on results** with a decentralised organisation that works close to the customer.

The EU taxonomy

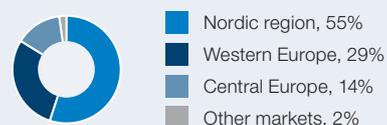
66%

Of Lindab's total sales, 73 percent is eligible according to the EU taxonomy, and 66 percent is aligned with the sustainability criterias for goal 1 "climate change mitigation".

Net sales, business area



Net sales, region



DEVELOPMENT IN 2021

Continued strong development

DEMAND FOR LINDAB'S products remained high during 2021 and sales increased significantly compared with the previous year. Both Ventilation Systems and Profile Systems reported high organic sales growth and improved profitability. At the end of the year, business area Building Systems was divested, as part of Lindab's strategy to focus on the core business.

19.6%

Currency adjusted growth

13.1%

Adjusted operating margin¹⁾

1.0

Net debt/EBITDA

Financial key performance indicators²⁾

	2021	2020	2019	2018 ³⁾	2017 ³⁾
Continuing operations					
Net sales, SEK m	9,648	9,166	9,872	9,326	8,242
Growth, organic, %	17.0	-6.0	3.1	8.3	3.7
Adjusted operating profit ^{1) 4)} , SEK m	1,266	916	915	634	511
Operating profit, SEK m	1,266	846	915	547	492
Adjusted operating margin ^{1) 4)} , %	13.1	10.0	9.3	6.8	6.2
Earnings per share before dilution, SEK	12.5	-	-	-	-
Average number of employees	4,534	5,271	5,202	5,126	5,143
Total operations					
Earnings per share before dilution, SEK	7.02	7.80	8.89	5.16	4.54
Dividend per share, SEK	4.00 ⁵⁾	3.40	1.75	1.75	1.55
Return on shareholders' equity ³⁾ , %	9.9	11.6	14.3	9.1	8.8
Return on capital employed ³⁾ , %	11.0	11.5	13.6	9.4	8.8
Net debt/EBITDA, excl. one-off items ⁴⁾ , times	1.0	1.4	1.6	1.6	2.2
Cash flow from operating activities, SEK m	704	1,129	1,017	593	410

Business areas (Continuing operations)



Key performance indicators	2021
Net sales, SEK m	6,391
Share of Group, %	66
Growth, organic, %	14
Adj. operating margin ⁴⁾ , %	12.9



Key performance indicators	2021
Net sales, SEK m	3,257
Share of Group, %	34
Growth, organic, %	26
Adj. operating margin ⁴⁾ , %	15.5

Key performance indicators, sustainability

	2021	2020
Reduction of CO ₂ emissions (scope 1 and 2), cf. 2019, %	-28	-5
Share of regular suppliers assessed, %	18	-
Share of renewable fuel used by Lindab's transport vehicles, %	2	-
LTIF, number of workplace accidents per m hours worked.	7.3	6.7
Share of employees recommending Lindab as an employer, %	91	90

1) Excluding one-off items and restructuring costs.

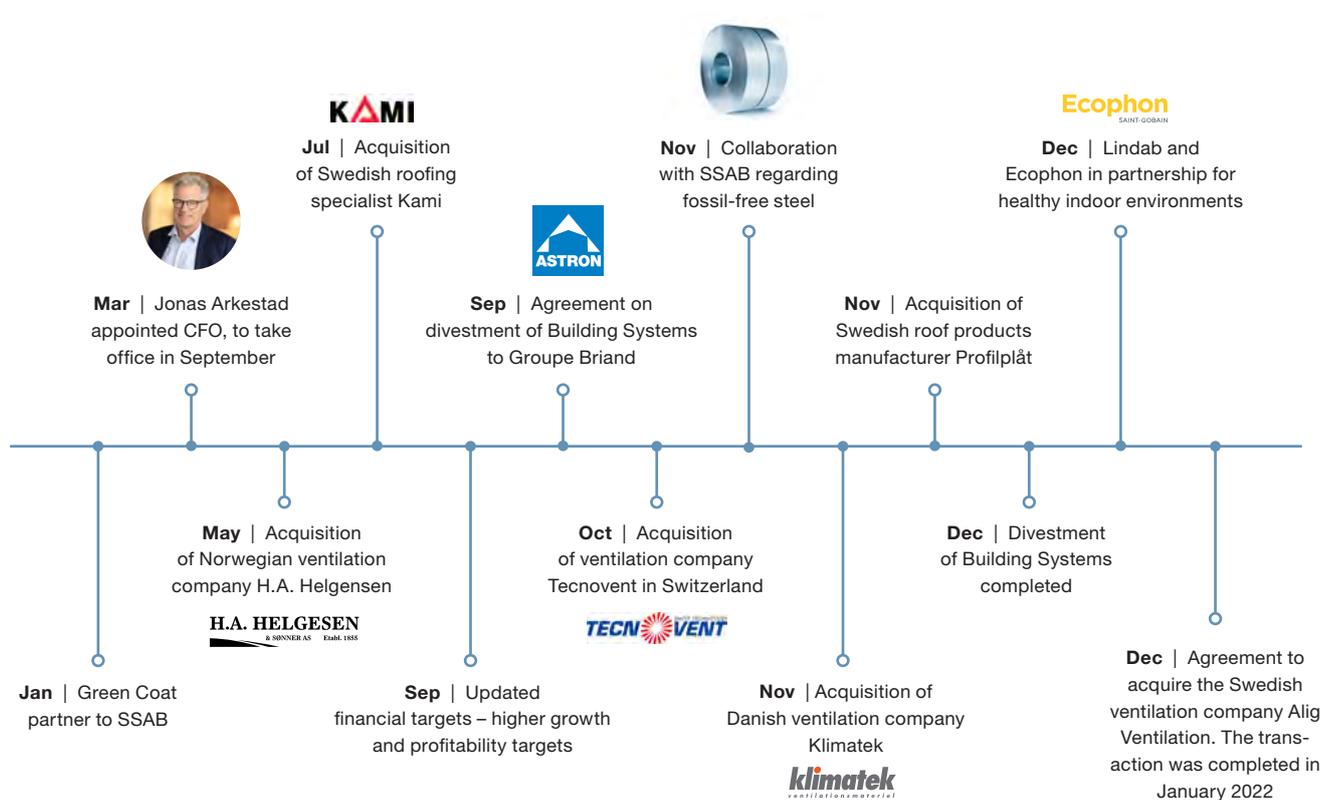
2) All key performance indicators 2017-2020 refer to total operations.

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

4) This key performance indicator is an "alternative key performance indicator" not defined in accordance with IFRS. For definition, see page 132.

5) Proposed dividend.

Significant events in 2021



Continuing operations:

Q1

The positive trends observed at the end of the previous year continued into the new year. The operating margin was the highest to date for a first quarter.

Organic growth: 3%
Operating margin: 9.9%

Q2

Continued strong development with high demand in all European markets. The operating margin was the highest to date for any individual quarter.

Organic growth: 28%
Operating margin: 13.8%

Q3

Demand for Lindab's products remained high and sales increased significantly. Profitability strengthened further to a new record level.

Organic growth: 19%
Operating margin: 16.2%

Q4

Sales remained high during the fourth quarter of the year, reaching a new record level. Profitability also continued to improve.

Organic growth: 20%
Operating margin: 12.1%

A WORD FROM THE CEO

Record profit for a transformed Lindab

Ola Ringdahl, President and CEO

Lindab demonstrated its strength over the year, with high sales growth and strong profitability. The strategic transformation concluded with the divestment of Astron. Lindab now enters a new phase, focusing on profitable growth in the core business.

Lindab is benefiting from an increased interest in solutions that create healthy indoor environments and reduce energy consumption. Demand for Lindab's products is strong and customers have appreciated our delivery performance, especially in times when there have been shortages of steel and other materials. Thanks to Lindab's proactive pricing, the high prices for raw materials have contributed to the year's high sales figures.



“Lindab has increased its adjusted operating margin significantly in recent years, from 6.8 percent in 2018 to 13.1 percent in 2021.”

Focus on the core business increases profitability

The divestment of Astron in December 2021 was an important step in a three-year strategic transformation process. In 2020, we divested IMP Klima, a manufacturer of air handling units. We have also streamlined our product portfolio and focused on fewer markets. These actions have enabled Lindab to increase our adjusted operating margin significantly in recent years, from 6.8 percent in 2018 to 13.1 percent in 2021.

Profitable growth

The strategic transformation of the business has now been completed and Lindab is entering a new phase focused on organic and acquisition-driven growth. In September 2021, Lindab's Board of Directors decided to raise Lindab's growth target to at least 10 percent annually, combining organic and acquired growth. The adjusted operating margin should exceed 10 percent annually. Lindab is thus raising the ambition level for profitable growth.

Focus on ventilation in Europe

Lindab's main focus is on ventilation, our largest business. We shall be the leading ventilation company in Europe, specialising in air distribution and air diffusion for all kinds of indoor environments. Today, Lindab is a market leader in ventilation ducts and sets the standard for air-tight duct systems with associated air diffusers. This constitutes a strong base for continued growth in our focused markets. Locally, we are also strong in other systems for the construction industry, particularly in Scandinavia. Lindab is concentrating its operations to selected European countries where we can reach leading positions and earnings growth.

Acquisitions of quality companies

Acquisitions are an important part of Lindab's growth strategy. The companies we acquire might add products well suited to our range, or cover a geographic market in which we seek to be stronger. In 2021, Lindab acquired five well-managed companies with strong customer relationships.

We believe in a decentralised organisation that works close to the customer. The same philosophy applies to the acquired companies. We integrate them carefully, focusing on positive synergies and on maintaining the entrepreneurship that has made these companies successful.



Investment strengthens Lindab

Lindab is highly knowledgeable in advanced production methods and we have, since 2019, been pursuing an ambitious investment program that will continue for another three years. Increased automation ensures higher capacity, more efficient production and smarter logistics. This contributes to strengthened competitiveness and the opportunity to grow organically with good profitability. The investments also contribute to a safer work environment. The payback period on our investments is short and we are already observing clear efficiency gains that are helping to strengthen our profitability.

Lindab – for a better climate

Sustainability is a core component in Lindab's strategy, pushing our operations to the next level. Modern ventilation systems are essential in reducing energy consumption and CO₂ emissions in buildings to the levels adopted by the EU. Property owners will need to focus on energy efficiency for many years to come, in connection with both new construction and with renovation. European governments will be investing heavily to speed up the transformation, and the incentives will be even stronger as energy prices rise.

A good ventilation system also improves the indoor climate for those who are using the building. People are becoming increasingly aware that air quality affects their health and well-being. This has attracted even greater attention during the corona pandemic.

In our own operations, we continuously strive to reduce our climate footprint and we can see that our investment programme brings clear improvements. To reduce the indirect emissions, Lindab signed up in 2021 as a partner for SSAB and H2 Green Steel, securing our access to fossil-free steel starting in 2026.

Well positioned for the future

In February, Russia invaded Ukraine in an attack on democracy and freedom in the world. We stand with the people of Ukraine and condemn the aggression of the Russian regime. Over the past three years, we have divested or discontinued most of the operations in Russia and Belarus. At the beginning of 2022, Russia, Belarus and Ukraine accounted for 0.5 percent of our sales. The remaining operations in Russia are now being phased out. Around Lindab, activities are being carried out and dona-

tions collected to support Ukraine and those fleeing the war. The situation engages many at Lindab and we want to help reduce the suffering to the best of our abilities.

Despite the uncertain situation in the world, Lindab stands well equipped for the future. We have made key advances in recent years. Long-term demand for Lindab's products benefits from strong underlying macro trends in, for example, energy efficiency, green buildings and a healthy indoor environment.

Lindab has a motivated organisation and a robust supply chain. Our balance sheet is strong and we have streamlined our operations. Our investment program is increasing both our efficiency and our capacity. I look forward, with confidence, to the next phase, focused on profitable organic and acquisition-driven growth.

My sincere thanks to everyone who helped make 2021 a successful year for Lindab.

Greivie, March 2022

Ola Ringdahl
President and CEO

STRATEGIC OBJECTIVES

Strategic objectives

DURING 2021, we revised both our financial and sustainability targets. The financial targets have changed to annual ambitions, focusing even more on profitable growth than previously. The long-term sustainability targets have been revised and clarified, with new targets being added, in line with our high aspirations in this area.

Financial targets¹⁾

Definition	Target	Outcome in 2021	Comment
<p>Annual growth</p> <p>The updated target is for annual growth to be at least 10 percent, combining organic and acquired growth. The target was previously 5–8 percent annual growth.</p>	>10%	<p>19.6</p>	Excluding currency effects, sales grew by 19.6 percent in 2021, exceeding the annual target by a good margin. Organic growth was 17 percent and acquisitions contributed 2 percent. Currency effects had a negative impact of 2 percent.
<p>Operating margin</p> <p>The updated target is for the operating margin, adjusted for one-off items and restructuring costs, to exceed 10 percent annually and not, as previously, over a business cycle.</p>	>10%	<p>13.1</p>	The adjusted operating margin for the full year was 13.1 percent, exceeding the target by a good margin.
<p>Net debt/EBITDA</p> <p>The target for net debt remains unchanged, that it should not exceed three times EBITDA.</p>	<3.0	<p>1.0</p>	Net debt/EBITDA has gradually decreased, falling to 1.0 for 2021. A low debt ratio and a strong balance sheet give Lindab opportunities to finance investments and acquisitions.

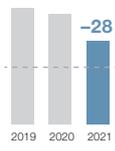
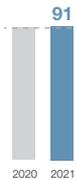
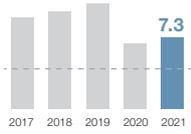
¹⁾ Values 2017–2020 in graph for Annual Growth and Operating Margin refer to total operations. Net debt / EBITDA is calculated on the basis of total operations throughout.

<p>Dividend</p> <p>Lindab holds a strong financial position and intends to distribute at least 40 percent of the company's profit after tax. The company's financial position, acquisition opportunities and long-term financial needs shall be taken into account.</p>	40%	<p>4.00</p>	Lindab has a high earnings capacity as well as a strong financial position. With that in mind, the Board of Directors proposes a dividend of SEK 4.00 for financial year 2021. The dividend is to be divided between two payments, one in May and one in November.
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Sustainability targets

Lindab's sustainability plan includes objectives and activities in three areas. *Drive a sustainable business* is the area with the clearest, most measurable key performance indicators. Selected key performance indicators are presented below. The area of *Create healthy buildings* is about Lindab increasing awareness of the importance of a healthy indoor climate and further develop-

ment of building standards. Examples of activities in this area are described on page 18. In the area *Reduce the environmental impact from our customers*, Lindab contributes to reducing the environmental impact from customers by offering energy-efficient products for renovation and new construction. Examples of activities are described on pages 20–23.

Definition	Target	Outcome in 2021	Comment
<p>Lower CO₂ emissions</p> <p>Our target for the Group's CO₂ emissions for scope 1 and 2, is to reduce these by 50 percent in relation to sales by 2030, compared with 2019.</p>	-50%	 <p>2019 2020 2021</p>	Lindab's CO ₂ emissions decreased by 28 percent to SEK 1.70 per m SEK in sales from 2019 to 2021 (Scopes 1 and 2). This corresponds to a reduction from 23.3 kilotonnes to 16.4 kilotonnes. This development was mainly attributable to the increased modernisation of Lindab's facilities.
<p>Motivated employees</p> <p>As an employee you should be proud to work for Lindab. We want at least 90 percent of our employees to recommend Lindab as an employer, which is measured with the Lindab Pulse Survey.</p>	90%	 <p>2020 2021</p>	Lindab shall be an employer that is able to attract new talent and retain the right skills. For 2021, we reached 91 percent who would recommend Lindab as an employer—a small increase compared with the previous year.
<p>Fewer work-related injuries</p> <p>We seek to reduce work-related injuries, measured as LTIF (number of workplace accidents per m hours worked) to below 4 by 2026. Our long-term zero-vision for work-related injuries remains unchanged.</p>	<4.0	 <p>2017 2018 2019 2020 2021</p>	In 2021, LTIF increased slightly to 7.3 compared with 6.7 the previous year. The number of serious accidents decreased. During the year, an incident reporting system was introduced as a way of preventing accidents before they occur.
<p>Supplier assessment</p> <p>Suppliers we use frequently must be certified on a regular basis with regard to sustainability. By 2023, we shall have reviewed all suppliers.</p>	100%	 <p>18%</p>	In 2021, Lindab introduced a certification process for suppliers used on a regular basis. In 2021, 18 percent were certified. The focus has been on certifying suppliers in countries with the highest risk.
<p>Environmentally friendly transport</p> <p>Our products are transported throughout Europe. We want 100 percent of our own trucks to use renewable fuel by 2040.</p>	100%	 <p>2%</p>	In transport, Lindab has just started the transition. In 2021, 2 percent of all kilometers transported by Lindab trucks used renewable fuel. Of Lindab's total transports, 16 percent was made by train, ship or trucks with renewable fuel.

1) Scope 1, 2 and 3 are classifications of different categories of CO₂ emissions. In simplified terms, Scope 1 and 2 can be described as emissions associated with the company's internal operations, such as production facilities and its electricity consumption. Scope 3 comprises emissions generated through the suppliers engaged, where purchased steel represents the largest source of emissions for Lindab.

STRATEGY

A profitable strategy



OUR VISION IS to be the leading player in the area in which we are strongest – ventilation in Europe. We focus on air distribution and air diffusion. Since we offer high-quality products, we focus on Europe where demand for good ventilation is high and we can offer superior availability. We specialise in those parts of the ventilation system where we are the strongest. We adapt our offering to the local market, with our core ventilation offering as the clear common denominator in all markets.

Our strategy

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



Quality

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



Efficient

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



Local

Lindab should be located close to its customers and offer what is in demand in each market. This means that the offer is different in different parts of Europe, depending on what ventilation installers and tinsmiths demand. We believe in local production to reduce transportation and provide the best service. In some countries in the Nordics and Central Europe, we have solid operations for sheet metal roofs, rainwater systems and wall elements, which are integrated well with the ventilation business.



Trusted

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



Market leader

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

40

Investing in clean air pays off. Research shows that an investment of USD 40 per person per year in better indoor air quality increases productivity by up to USD 6,500.



Lindab – For a better climate

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

With a sustainable agenda

Sustainability is a way of thinking and of working. It affects how Lindab implement our strategy in all areas. Based on our overall purpose, “For a better climate”, we can make a difference on several levels. By influencing the indoor climate in buildings, we are able to help enhance productivity and health for all who spend time indoors. With products and systems that reduce energy consumption, we can help our customers decrease their climate impact. Finally, our own operations shall hold a leading edge position from the perspective of sustainability. We base our work on a sustainability plan including targets and activities in three main areas. Each area includes a number of sub-targets that are continuously monitored.



Create healthy buildings

Focus area	Target	Page	We primarily contribute to:
Increase awareness of healthy indoor air	<ul style="list-style-type: none"> Increase public knowledge and awareness regarding good indoor air. Increase demand for a healthy indoor climate when choosing a home, office or other indoor environments. 	18	
Drive standardisation and legislation	<ul style="list-style-type: none"> Influence and drive regulations and standards in trade associations in all our markets. If there is no association present, we will work to establish one. 	18	

Reduce the environmental impact from customers

Focus area	Target	Page	We primarily contribute to:
Sustainable and energy-efficient solutions	<ul style="list-style-type: none"> Lower customers' environmental impact through our products. Offer the most recognised and preferred products for sustainability 	23	
Digital tools and technologies to optimise energy usage	<ul style="list-style-type: none"> Offer support for calculations so that different solutions can be compared. Offer digital tools to allow the customer to choose the most energy-efficient design and system. Offer connected products enabling indoor climate optimisation and reduced energy consumption. Develop smart products with the aim of increasing product life span and offering better services. 	23	
A circular economy with a high degree of reuse.	<ul style="list-style-type: none"> Use sustainable materials in our products. Design our products for reuse or recycling, to thereby minimise their impact on the environment during their life cycle. 	23	

Matilda Isaksson

Group Sustainability at Lindab

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

In 2020, we developed our new sustainability plan, setting our long-term direction. Over the past year, we further refined our targets and level of ambition. We added specific target years and concrete measures of the improvements we are to attain. The overall plan has in turn been broken down into local plans at our subsidiaries because that is where the real changes take place. We have also worked to introduce a structure for the reporting of key performance indicators, allowing us to monitor development both locally and globally.

Which activities will be in focus in the future?

We now have clear and effective tools in place, applicable throughout Lindab, for monitoring and analysing sustainability work. This makes it easier for us to pursue improvements where they are most needed. We have also started working with Science Based Targets to be able to present a plan in 2022 for how we will achieve the climate targets in line with the Paris Agreement.



Drive a sustainable business

Focus area	Target	Page	We primarily contribute to:
Sustainable purchasing	<ul style="list-style-type: none"> • Be an early adopter of fossil free steel, in order to reduce our CO₂ emissions. • Get 100% of the recurring suppliers to sign the code of conduct by 2022. • Have 100% of the recurring suppliers certified by 2023 • Define a scope 3 CO₂ emission target during 2022. 	32, 34	 
Sustainable production	<ul style="list-style-type: none"> • Reduce CO₂ emissions in scope 1 and 2, calculated in relation to the sales, with 50% in 2030 compared with 2019. • Analyse waste to landfill and define a reduction goal in 2023. • Reduce scrap rate with 50% by 2030, compared with 2019. 	32, 34	
Sustainable transports	<ul style="list-style-type: none"> • Use 100% renewable fuel in leased or subscribed trucks by 2040. • Switch to company cars using renewable fuel by 2030. • Have 100% of transport contracts to include environmental requirements by 2025. • Collaborate with customers and suppliers to create transport solutions with focus on reducing the environmental impact. 	33, 34	
Attractive employer	<ul style="list-style-type: none"> • Reduce the number of workplace accidents per m hours worked (LTIF) to 4 or lower by 2026. Long-term vision of zero accidents. • Have the same percentage of each gender in senior management positions by 2030 as in the Group in total. • Have a staff turnover of 5-10%. • Be recommended as an employer by at least 90 percent of the employees. 	42, 43	
Community involvement	<ul style="list-style-type: none"> • Support community activities linked to Lindab's operations and nearby surroundings. • Create good conditions for engagement in non-profit work. 	42	

MARKET

Strong driving forces

WITH INCREASED FOCUS on health and well-being, demand for a good indoor climate is increasing. We are spending more and more time indoors and our knowledge about the effects of bad indoor air have increased. Demand is increasing for smart ventilation solutions to reduce energy consumption in buildings. The EU's Green Deal has accelerated initiatives in sustainable construction and renovation with the target of 35 m buildings being renovated by 2030. Today, only about 1 percent of current European building stocks is renovated each year. The pace must increase to meet demand for both better ventilation and reduced climate impact. This means increased demand for Lindab's leading products.

2050

In line with the Paris Agreement, the EU is to achieve climate neutrality by 2050. To reach this target, the EU has raised its ambition of reducing emissions by 40 percent by 2030 to a net reduction of 55 percent between 1990 and 2030.



Buildings account for about 40 percent of the EU's total energy consumption and 36 percent of the EU's total greenhouse gas emissions. Being able to efficiently recycle indoor air without compromising its quality will help the EU achieve its environmental targets.

Zero

As of 2022, all new buildings in the EU will be "nearly zero-energy buildings". New EU directives have also been adopted recently sharpening the requirements for energy efficiency in existing buildings. This will increase the pace of renovation.

70%

Since some 70 percent of all buildings that will be in use in the EU in 2050 have already been constructed, particular focus must be placed on renovating existing buildings to enable improvements in air quality while reducing the environmental impact.

The need for better air

About 90 percent of the global population breathes poor air every day. Poor air quality raises the risk of serious diseases and shortens the life expectancy. During the autumn of 2021, the WHO highlighted the seriousness of the situation, describing air pollution as a threat to human health, equal to climate change. Stricter new limits for what constitutes good air quality were presented.

A common misconception is that outdoor air is more polluted due to emissions, smog and harmful chemicals. In fact, indoor air in homes, schools, offices and factories can be as much as five times more polluted. We nonetheless spend most of our lives indoors.

The most common causes of indoor air pollution are mould, chemicals in, for example, furniture and building materials, dust, radon and cigarette smoke but, above all, airborne particles from combustion and industrial processes, which are so small they can enter the human bloodstream via the respiratory system.

Today, air pollution is a risk factor in several of the world's most common causes of death, including heart disease, pneumonia, stroke, diabetes and lung cancer. In fact, bad air shortens the lifespan of the earth's population by an average of two years per person. Today, some 7 m people around the world die from bad air each year, twice as many as those who die from alcohol and seven times as many as those who die in traffic. Air pollution, indoors and outdoors, is the fourth most common cause of death, after high blood pressure, smoking and high blood sugar.

5x

Indoor air can be up to five times more polluted than the air outdoors.

PM2.5

Tiny health-hazardous particles, of less than 2.5 micrometres, are inhaled.

7 m

Currently, some 7 m people around the world die from poor air quality every year.

“Everyone on the planet has a fundamental right to breathe clean air.”

Hans Kluge, WHO, 22 September 2021

Sources: World Health Organisation (WHO), European Environment Agency (EPA)



A growing number of people live in cities

Over the long term, urbanisation is accelerating. With almost four out of five Europeans living in cities, this is where solutions to reduce climate change and the sustainable use of resources must be focused.



High risk of air pollution

Air pollution levels remain too high in most European countries. This is confirmed by the European Environment Agency (EEA) following analyses of data from more than 4,500 environmental stations in 40 countries during 2021.



Increased health awareness

Increased awareness of the importance of good health and what impacts it means that people and companies are placing increasing demands on, for example, their choices of where to live and work.



Green transition

Many countries and businesses have begun to transition to a circular and fossil-free economy. This is an essential shift that, in Europe, is being accelerated by, for example, the EU's Green Deal.



Development of the construction market

Construction is increasingly driven by the sustainable use of materials, energy and recycling use, as well as by a wide-ranging and necessary wave of renovation to achieve the sustainability targets.



Tougher regulations

Supranational and national rules and directives on, for example, building performance and greenhouse gas emissions impose increasingly strict standards on both new construction and renovation.

Create healthy buildings

Indoor environments are very important for our lives as we spend about 90 percent of our time indoors. We contribute to healthy buildings by working with solutions that improve well-being and increase productivity. By raising awareness, we can accelerate the development.

Lindab Innovation Hub

Organisation with an important mission

Lindab Innovation Hub is an independent organisation for research and development, which supports Lindab in its aspiration to offer a better and healthier indoor environment for all. Since 2018, the Hub has been working to increase knowledge about better air, and to drive demand for this through several different initiatives. Among other things, the assignment entails increasing awareness through campaigns and information about the importance of good indoor air. In addition, new technologies, products and business models are being explored with the aim of identifying sustainable, cutting-edge solutions that promote human health, performance and productivity.

Advocating better air in European buildings

As a European market leader in ventilation, we take responsibility for improving the standard set for indoor climate and making this mandatory for all buildings. This is achieved by influencing industry organisations and standardisation bodies, focusing on ventilation and sustainability. We are active in various industry initiatives, such as Byggmaterialindustrierna, Committee European Norm (CEN), Eurovent, REHVA, TightVent Europe and local industry organisations in the area of ventilation.



Initiative for increased awareness

We want to increase awareness about the effects of indoor climate on our health. During the year, we have, among other things, produced a number of short, animated films that explain, in simple terms, the ventilation challenges that various everyday situations pose. The films help increase knowledge on the importance of air for human health and productivity. We are also focusing on projects to build the next generation's knowledge about air. Together with the Vattenhallen Science Center in Lund, Sweden, we have produced a show around experimentation with air that we bring to schools, to inspire and increase awareness regarding air, health and ventilation.



Sensors increase our knowledge about the air we breathe

To understand the importance of clean air, one must first understand the quality of the air. Sensors that measure CO₂ levels, airflow, humidity, presence and temperature inform people about what makes them thrive and able to perform better. Lindab's partly-owned Danish partner Leapcraft offers a sensor for private use, AirBird, which measures air quality in an innovative manner. This allows those living and working in a building to have a dialogue with the property owner to introduce improvements for better air.

This is what we want to achieve:

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

50

Poor indoor air causes health problems, including headaches and irritation of eyes, throat and skin. With a better indoor climate, sick leave among employees can be reduced by up to 50 percent.



Lindab – For a better climate

Source: <https://pubmed.ncbi.nlm.nih.gov/11089326/>

PRODUCTS

A leading offering

10,000

LINDAB OFFERS MORE THAN 10,000 products and systems solutions for energy-efficient ventilation and sustainable construction. The offering is based on two product areas that also constitute our business areas. The main business consists of leading products and solutions for ventilation systems in Europe. In a number of markets, we offer building products in areas such as roof and wall products, as well as rainwater systems.

● Ventilation Systems

Offers ventilation installers and other customers duct systems with accessories, and indoor climate solutions for ventilation, cooling and heating.

Read more on page 24.



● Profile Systems

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

Read more on page 25.

Products with many advantages

High quality – The high quality of Lindab's products is an aspect often highlighted by customers. Our products have a very long life expectancy, which also results in sustainable buildings.

Easy installation – For Lindab, simplifying for customers has always been in focus. Lindab products should be easy to install, which saves time for customers.

Best availability – We prioritise being close to our customers, and always having the requested products in stock.

Highest air-tightness class – We are leading the development of air-tight duct systems and were, for example, the first supplier to offer duct systems of the highest air-tightness, class D.



Lindab's duct systems Safe and Safe Click were certified in accordance with the highest air-tightness class by the Eurovent organisation.

Significant energy savings make it profitable to invest in ventilation

- A newly built energy-efficient building with air-tight insulation and efficient ventilation can achieve energy savings of 20–40 percent. The indoor climate is also improved as good ventilation prevents pollution.
- Using a duct system with air-tightness class D minimises leakage and saves about 15–20 percent in energy compared with a duct system with air-tightness class C.
- Demand-controlled ventilation that senses where the air needs to be improved can reduce energy consumption by up to 70 percent compared with traditional systems.

68%

Our latest study showed an energy saving of 68 percent for our new, Lindab Ultra BT demand-controlled ventilation system.

Energy-efficient ventilation

Lindab's focus:

Air distribution

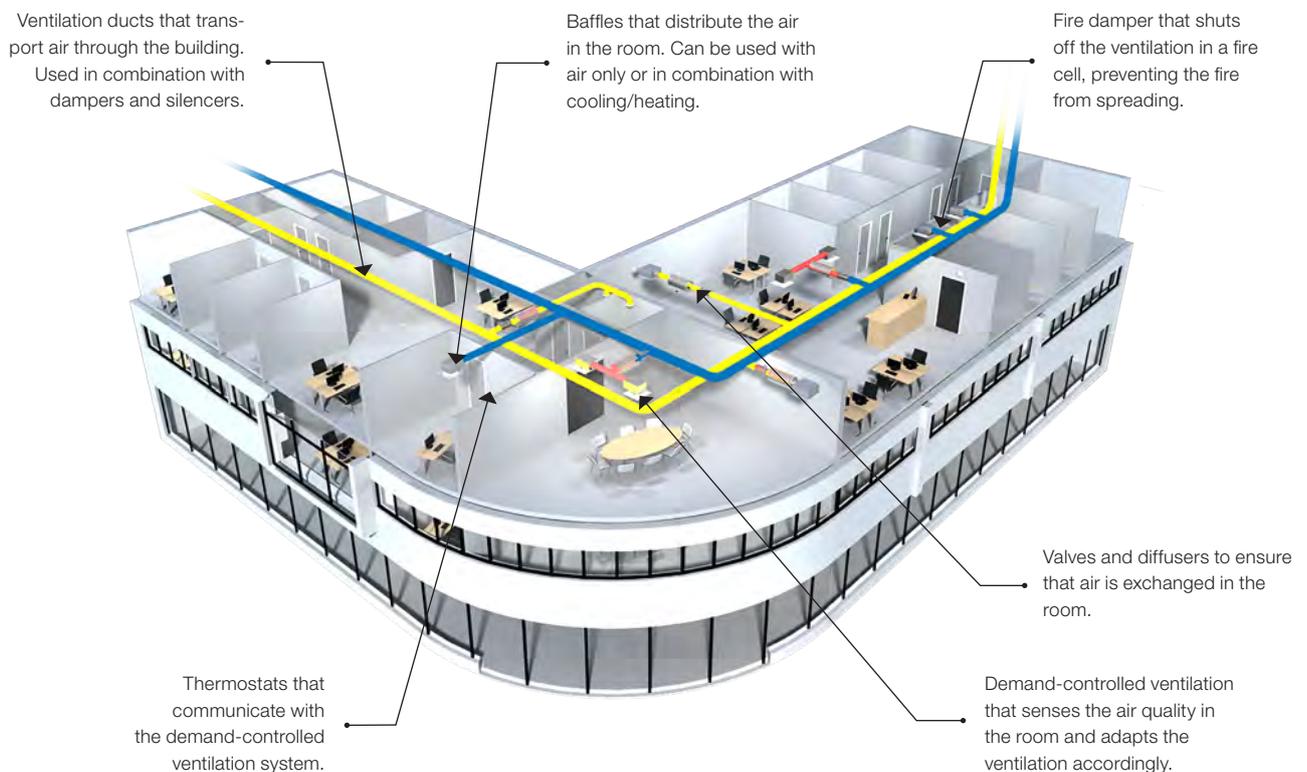
Ventilation ducts, dampers and silencers interact to regulate and transport air to the appropriate part of the building. Lindab is considered to hold a leading market position in Europe.

Air diffusion

Ceiling and wall-mounted baffles and valves that diffuse and extract air in individual rooms. Lindab's market position is considered among the top-three in the Nordic region. Large local variations outside the Nordics.

Fire and smoke protection

Fire dampers that prevent fire from spreading. Dedicated ventilation ducts to extract smoke. Lindab's market position varies from country to country.



Outside Lindab's focus:



Central air handling units

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

Building Management Systems

Control and monitoring of the building's complete indoor environment. Achieved both with sensors and pressure sensitivity in the duct system. Lindab does not focus on this part of the ventilation system.



Solutions for new construction and renovation

Lindab's products are suitable for both new construction and renovation of existing buildings. The revenue split between new construction and renovation varies depending on the general economy. Viewed over an extended period, each area accounts for about half of sales.

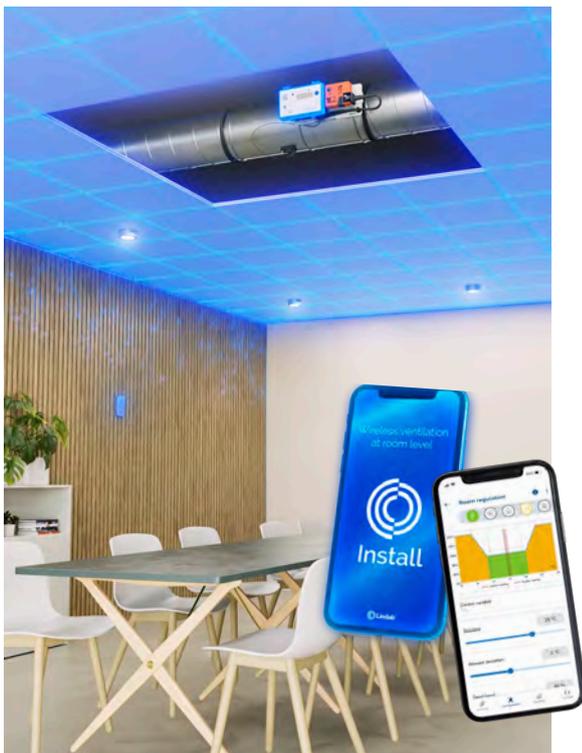
New construction of near-zero energy buildings

In the EU, all newly-constructed buildings must be so-called near-zero energy buildings as of 2022. In addition, buildings are increasingly being constructed in accordance with different environmental certifications, including BREEAM and LEED, imposing even higher demands on energy efficiency. An energy-efficient building needs to be as airtight as possible and have a high degree of insulation. An airtight building consumes little energy, although this in turn requires efficient ventilation for the building to be able to breathe.

Lindab's products are of the highest air-tightness class, which makes them suitable for buildings with high demands on efficient ventilation. With the help of demand-controlled ventilation, the air can be directed to where it is needed most, providing high-quality indoor air while reducing energy consumption. Another important aspect is the noise level in the room. High-quality silencers are important in creating an optimal indoor environment, which Lindab also offers.



DCV One distributes the air through the ceiling. It senses how the room is used and controls how much air that should flow through the system for optimal air quality.



Renovation offers considerable energy gains

Properties account for about 40 percent of energy consumption in the EU. Consequently, building renovation is a crucial area to focus on to reduce energy consumption. Heating, cooling and ventilating of a building account for a significant proportion of its costs and energy consumption. For this reason it makes good environmental and financial sense to renovate existing buildings.

The ventilation system is well integrated in the ceiling and walls and replacing the entire system is often not an option. Instead, more intelligent products can be inserted into an existing system. Part of the ventilation duct in a ceiling can for example be replaced with a unit that measures and adapts the air supply depending on the air quality in the room. The impact on the building is minimal, but the effect on energy consumption is considerable.

Lindab's new room control system, Ultra BT, offers a new and easy way of optimising existing ventilation systems. With fully-integrated Bluetooth technology, operation is controlled wirelessly using Lindab's OneLink app.

Reduce the environmental impact from customers

Buildings account for 40 percent of all energy consumption. By offering products that reduce energy consumption while improving the indoor climate, we can reduce climate impact together with our customers.

Successful demand-controlled ventilation in connection with renovation

Lindab has developed a demand-controlled ventilation system (DCV) that can be installed in one room at a time and does not require any construction work or long-term office closures. To assess the effectiveness of the new system, we conducted a case study in a combined warehouse and office building in Bargteheide, Germany. The owner of the property wanted to reuse the existing duct system to ensure a short repayment period. After one year, the results were clear. Besides those spending time on the premises experiencing a significant improvement in the indoor climate, the system resulted in a 73 percent reduction in ventilation costs, a 68 percent energy saving and a payback period of only 4.5 years. Lindab is now developing more intelligent and energy-efficient ventilation systems that will reach the markets in the next few years.



Steel provides products with a long service life

Steel has many advantages over other materials – it has a very long service life, is non-combustible and meets hygiene requirements. It is also 100 percent recyclable, meaning that nothing is lost when it is recycled. We prioritise cooperation with steel suppliers driving development towards fossil-free steel and whose carbon dioxide intensity values are good. The steel we use must be free of particularly hazardous substances. Through our collaboration with SSAB and H2 Green Steel, we will also be among the first in Europe to have access to fossil-free steel in 2026. When it becomes available, we will make use of it in a green product line.



Leading software to reduce energy consumption

Lindab's offering of software, plugins and apps simplifies the calculation, dimensioning and planning of buildings, as well as of complete, energy-efficient ventilation and indoor climate systems. Products like TEKNOsim allow customers to simulate the indoor climate and optimise energy

consumption. Customers can then obtain assistance in selecting the appropriate products from the range matching the simulation. During 2021, product integrations were improved and greater focus was placed on 3D simulation.

For the lowest possible environmental impact

Climate calculations to ensure minimum-possible impact represent an important element in creating sustainable buildings. Environmental Product Declarations (EPD) help customers choose the most environmentally friendly products from a life cycle perspective. Many of our building products already bear EPDs. In 2021, we were the driving force in establishing a new standard for EPDs for ventilation systems.



This is what we want to achieve:

- Lower customers' environmental impact through our products.
- Offer the most recognised and preferred products for sustainability
- Offer support for calculations so that different solutions can be compared.
- Offer digital tools to allow the customer to choose the most energy-efficient design and system.
- Offer connected products, enabling indoor climate optimisation and reduced energy consumption.
- Develop smart products with the aim of increasing product life span and offering better services.
- Use sustainable materials in our products.
- Design our products for reuse or recycling, to thereby minimize their impact on the environment during their life cycle.

Ventilation Systems



Air distribution – transporting air

Duct systems are used to transport air. We offer both circular and rectangular systems and these are often combined within the same ventilation system. This product group also includes, for example, silencers and dampers that are mounted as part of the duct system.



Air diffusion – distribution of air

Ventilation systems control the climate in the room by regulating the air flow. This product category includes airborne room products, such as valves, diffusers and grilles, as well as waterborne room products that control, among other things, room temperature.



Fire and smoke protection

To prevent fire and smoke from spreading through the ventilation system, safe and reliable fire protection systems are needed. This product group includes certified products, such as fire dampers, control systems, fans and duct systems able to withstand very high temperatures. We also offer complete fireproof system solutions for all types of buildings.



Demand-controlled ventilation

For a ventilation system to provide a comfortable indoor climate while also being energy efficient, smart control of the air flow is required, based on how the room is used. In this product category, Lindab offers adjustable dampers and intelligent measuring devices to safeguard the desired air flow.

13%

Total growth

12.9%

Adjusted operating margin

Share of Group



Net sales



Adjusted operating profit



Number of employees

Activities in 2021

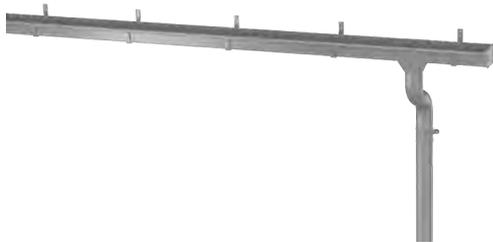
- Completed three acquisitions, Norwegian H.A. Helgesen, Danish Klimatek Ventilationsmateriel and Swiss Tecnovent.
- Launched new products for demand-controlled ventilation for new construction and renovation.
- Entered into a partnership for healthy and sustainable indoor environments with Ecophon Group.
- Invested in automation and increased capacity at several ventilation factories.
- Opened a new Experience Center in Grevie, Sweden, to display the indoor climate of the future.

Profile Systems



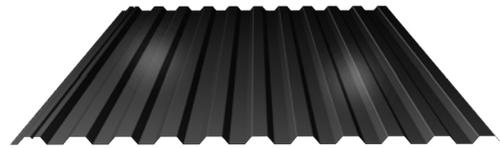
Roof products

Lindab offers a wide range of sheet metal roofs in numerous colours and designs. We also offer the award-winning SolarRoof product with very thin, integrated solar cells. The product group also includes roof safety products, such as ladders and snow fence.



Rainwater systems

A high-quality roof needs rain water drainage. Lindab offers a complete system with gutters, downpipes and accessories in various colours, materials and designs.



Wall and façade products

Steel wall and façade products in sheet metal, sandwich panels with insulation and façade cassettes in a wide selection of profiles and colours.



Complete structures

Lindab offers complete structures as building kits containing standardised building components. These are complete, ready-to-assemble systems for commercial properties, such as sports halls, warehouses and distribution centres.

27%

Total growth

15.5%

Adjusted operating margin

Share of Group



Net sales



Adjusted operating profit



Number of employees

Activities in 2021

- Completed two acquisitions, Swedish roofing companies KAMI and Profilplåt.
- Named as a GreenCoat® Partner by SSAB. This means that Lindab is certified to use SSAB's sustainable steel solutions for roofs, walls and rainwater systems.
- Completed a new logistics centre and increased automation at the production facility in Förslöv, Sweden.
- Significant deliveries of industrial construction projects and prefabricated halls.

Nordic region



Western Europe



Central Europe



Share of the Group's net sales ¹⁾	55%	29%	14%																																				
Share of net sales by business area	<ul style="list-style-type: none"> ■ Ventilation Systems 53% ■ Profile Systems 47% 	<ul style="list-style-type: none"> ■ Ventilation Systems 94% ■ Profile Systems 6% 	<ul style="list-style-type: none"> ■ Ventilation Systems 56% ■ Profile Systems 44% 																																				
Distinctive for the region	Mature and well-regulated region still primarily dominated by a large number of local suppliers	Mature region with major local variations and different degrees of regulation, as well as a large number of suppliers	Region with substantial variation in purchasing power, regulations and preferences, as well as a low degree of consolidation																																				
Sales channels	Direct delivery to customers or distribution through 49 Lindab branches and a number of resellers	Direct delivery to customers or distribution through 64 Lindab branches and a number of resellers	Direct delivery to customers or distribution through 14 Lindab branches and a number of resellers																																				
Other major players in the region	Fläkt Group, ETS Nord, Swegon, Systemair, Plannja, Rukki, Areco, Arcelor	Trox, Swegon, Systemair, Aldes, Fläktwoods, Vento, Wavin, Polypipe, Kingspan	Trox, Systemair, Rukki, Alnor, Kingspan, Arcelor, Pruszynski																																				
Sales development 2017–2021, SEK m	<table border="1"> <thead> <tr><th>Year</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr> </thead> <tbody> <tr><td>Sales (SEK m)</td><td>3,741</td><td>4,196</td><td>4,225</td><td>4,380</td><td>5,296</td></tr> </tbody> </table>	Year	2017	2018	2019	2020	2021	Sales (SEK m)	3,741	4,196	4,225	4,380	5,296	<table border="1"> <thead> <tr><th>Year</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr> </thead> <tbody> <tr><td>Sales (SEK m)</td><td>2,368</td><td>2,646</td><td>2,753</td><td>2,530</td><td>2,842</td></tr> </tbody> </table>	Year	2017	2018	2019	2020	2021	Sales (SEK m)	2,368	2,646	2,753	2,530	2,842	<table border="1"> <thead> <tr><th>Year</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr> </thead> <tbody> <tr><td>Sales (SEK m)</td><td>1,081</td><td>1,266</td><td>1,387</td><td>1,179</td><td>1,351</td></tr> </tbody> </table>	Year	2017	2018	2019	2020	2021	Sales (SEK m)	1,081	1,266	1,387	1,179	1,351
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Comment on development in 2021	In the Nordic region, all markets reported good organic growth. Sales in Lindab's largest market, Sweden, were particularly strong, while development in Denmark was somewhat subdued.	The markets in Western Europe reported a clear sales recovery after the restrictions was gradually removed. Sales growth was particularly strong in Italy, Ireland, France and the UK.	In Central Europe, sales increased due to strong demand in all markets. Because of covid-19 construction market was subject to extensive restrictions in most of the markets in 2020.																																				

1) 2% of the Group's sales pertain to Other markets.

Our two largest customer groups

Every year, we meet tens of thousands of customers, from major ventilation contractors, family businesses to local tinsmiths. We provide them with everything they need for assembly and installation, and we make sure that our part of the solution always simplifies the process for those responsible for the building contract or system.



Ventilation installers

The customer group we have the closest dialogue with, within ventilation, are those responsible for, and who install, our ventilation and indoor climate products – the ventilation installers. These are generally ventilation contractors who bear the overall responsibility for all of the elements involved in installing the system in a building. They plan, dimension and calculate everything needed for a system – and then use their own installers or subcontractors for installation. Lindab maintains framework agreements with large ventilation contractors and dedicated customer managers to assist them in their projects. Although a ventilation installer may belong to a major company, they often conduct their operations on a smaller scale. Regardless of the project, the challenge is to achieve a good flow in the process so that lead times are as short as possible. The greatest cost efficiency is achieved in projects using quality products and where assembly times, availability and flexibility among suppliers are key factors. Lindab meets these demands and needs at the same time as our products and systems solutions are among the most energy-efficient in the market and contribute to a healthy indoor climate.



Tinsmiths

The tinsmith profession is more than a thousand years old. Skills in working sheet metal, with its aesthetic, sustainable and environmental properties, will continue to play an important role in the construction industry. Unlike the ventilation industry, there are currently few larger tinsmith companies. Tinsmiths often work individually or in small local companies. Lindab shall act as a partner in each individual project. A local presence is also of great importance, Lindab must be present where the work is carried out. Secure and simple guarantees are another important factor for collaborations to function. As a stage in further simplifying construction, Lindab offers smart tools and aids for tinsmiths, easing and accelerating their work and making it less demanding on the body. These include everything from traditional hand tools to measuring equipment and innovative fastening solutions. One of Lindab's most important tasks is to provide tinsmiths with leading-edge products from the perspective of sustainability.

There is considerable variation in our market, which is why we adapt our offering locally

High standards in the Nordic region

With its cold climate and well-insulated houses, building standards and requirements for efficient ventilation are high. Although there are several major players, among whom Lindab is a leader, the market remains fragmented with numerous local players. Distribution is dominated by major broad or specialised distributors. Ventilation installers have considerable influence on the choice of supplier.

Lindab sells both ventilation and building products with its own network of branches and extensive in-house production.

Stricter regulatory system in the UK

The UK ventilation market is a stable and relatively mature market which is still dominated by a large number of local players. The market is distribution-driven, with certain strong well-established players dominating. Regulations concerning construction and ventilation have been tightened in recent years, partly as a result of the tragic 2017 fire at Greenfell Tower in London.

Lindab has extensive ventilation operations with its own network of branches, and sells rainwater systems via retailers.

Rapidly growing market in Poland

The Polish ventilation market has developed rapidly over the past decade, but is still dominated by numerous smaller, local players that sell directly to projects. Lindab is one of the major players. Distribution is characterised by smaller specialist chains that also manufacture their own products. Prescribers of systems to building projects represent an important customer group.

Lindab sells both ventilation and building products, and has several production units in the country.

Unique conditions in Germany

Europe's largest ventilation market remains dominated by a large number of smaller local players, although some large domestic players hold strong positions. A unique aspect is that customers are often very large, with a couple of retailers/wholesalers determining the terms. The regulations on construction and indoor environments are also undergoing rapid development in the country.

Lindab sells ventilation products, mainly its various duct systems, for projects nationwide.

Stable but fragmented in France

The French ventilation market is relatively fragmented. A handful of players, of whom Lindab is one, account for about half of the market, while the remainder is dominated by a large number of smaller local manufacturers. On the distribution side, a number of large, well-established players dominate. Prescribers to projects, such as architects, play an important role. Various standards are undergoing rapid development.

Lindab sells ventilation products through its own branches and from its own, recently expanded production in the country.

Strong domestic brands in Italy

Although some consolidation has taken place, the Italian ventilation market remains dominated by strong domestic brands focused primarily on domestic needs. The market is not as distribution-driven as other large European countries. Extensive central government debt is inhibiting investment in public buildings, such as hospitals, although regulation of the indoor environment and fire safety is increasing.

Lindab sells ventilation products, mainly duct systems and fire and smoke products.



VALUE CHAIN

How we generate value



LINDAB'S STRATEGY FORMS the basis of the value chain. The combination of central efficiency and local flexibility results in competitive, high-quality products that are offered in close proximity to customers. The properties of steel means that our products have a long service life and, when they are eventually recycled, the steel can be reused to 100 percent.

Our value chain



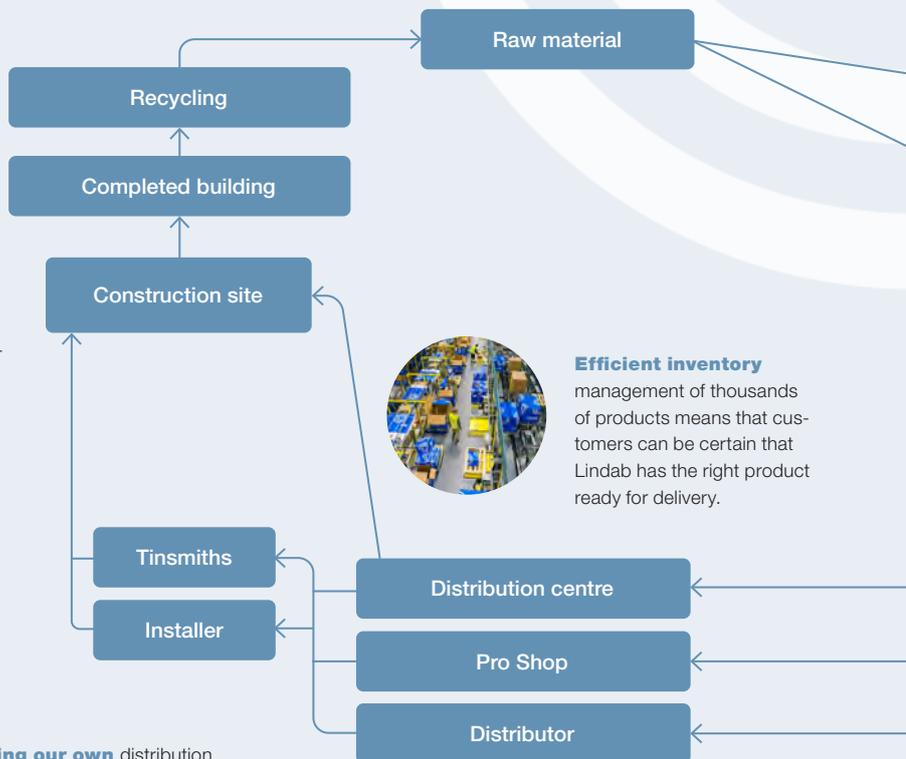
The recycling of steel is efficient, as 100 percent of the metal can be recycled without losing its specific properties.



High delivery performance is a crucial factor when delivering to construction projects where deadlines and construction conditions can change at short notice.



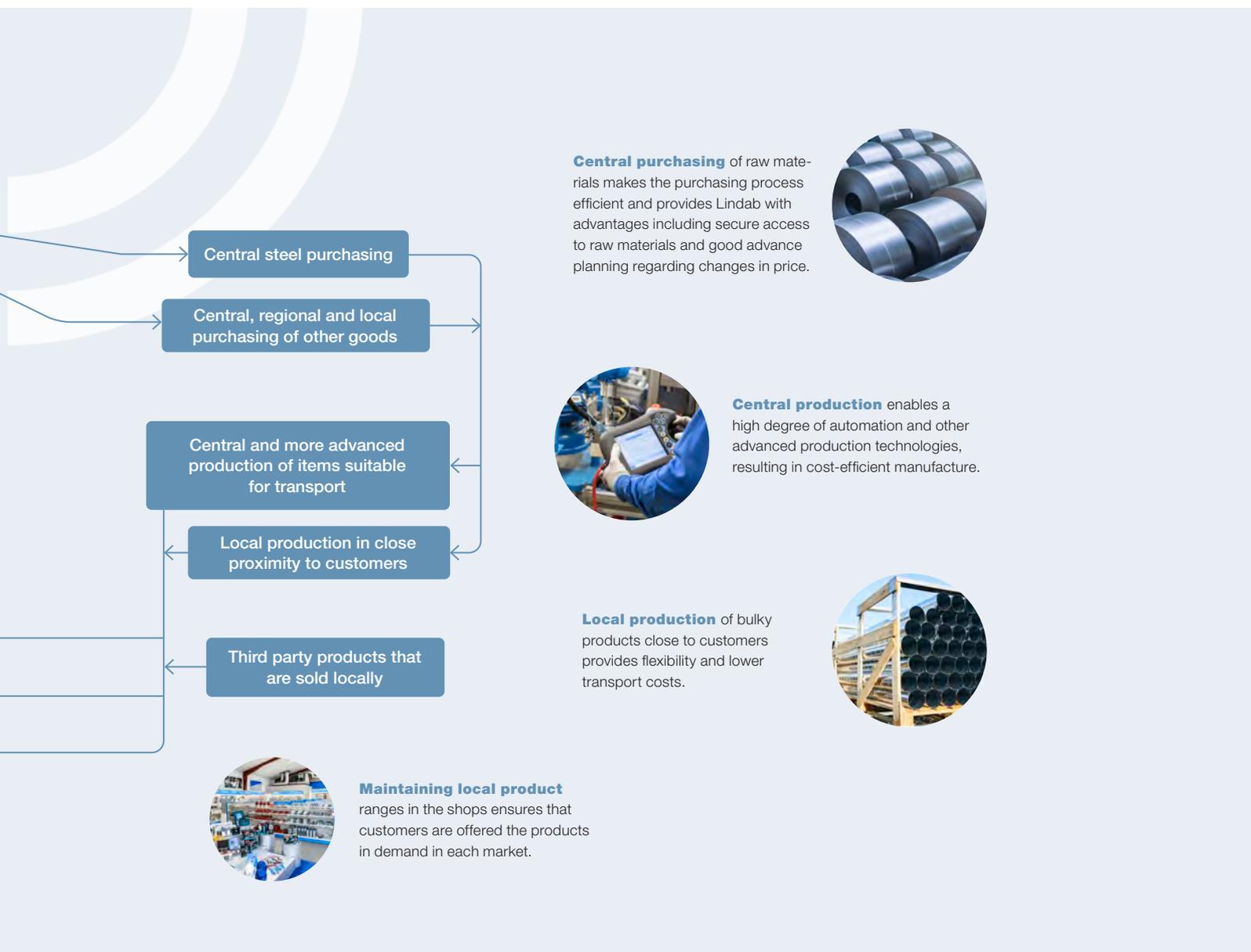
Maintaining our own distribution network allows us to guarantee good availability through our own shops and distribution centres, where personnel with appropriate skills can assist customers.



Efficient inventory management of thousands of products means that customers can be certain that Lindab has the right product ready for delivery.

“At Lindab, we have been refining our production technology for many years, and we have a number of production lines that we have designed completely from scratch”.

Pål Abrahamsson, Development Manager, production development



Drive a sustainable business

To be able to offer our customers sustainable solutions, all parts of our value chain – purchasing, manufacturing and transports – must reduce the resources used and thus lower the carbon dioxide emissions.

Sustainable purchasing

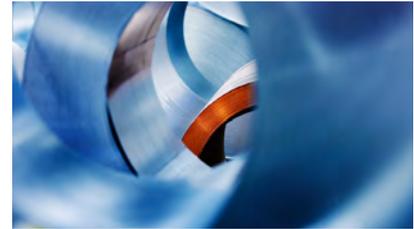
Sustainable purchasing involves multiple factors when selecting a supplier: social conditions, health and safety, ethical stance and environmental management. Lindab applies zero tolerance of corruption and human rights violations. Suppliers of raw materials, such as steel, are responsible for the greatest environmental impact. Accordingly, it is important to prioritise cooperation with steel suppliers driving development towards fossil-free steel and whose carbon dioxide intensity values are favourable.

Certified suppliers

Lindab has during 2021 developed a certification process for recurring suppliers. The first step, requires them to adopt our supplier principles. An assessment and audit is performed, the scope of which is adapted to the risk classification of the country in which the supplier is located. For suppliers operating in higher-risk countries, the audit is performed on site. The objective is to work only with certified suppliers classified with a low or medium level of risk.

18%

Proportion of suppliers certified in 2021. The remaining suppliers are to be certified by 2023.



Fossil-free steel

The steel industry is currently one of the leading sources of carbon dioxide emissions, accounting for 7 percent of all CO₂ emissions globally. The use of steel in Lindab's products is what contributes most to Lindab's CO₂ emissions. The transition to fossil-free steel is Lindab's most significant individual action in terms of its effect on the environment. Through our collaboration with fossil-free steel producers, such as SSAB and H2 Green Steel, we will be among the first in Europe with access to fossil-free steel in 2026.

Sustainable production

Lindab has more than 50 production units in Europe. The smaller ones are often connected to a shop or warehouse located close to customers, for shorter transport routes and cost-efficient production of bulky products. Lindab's ongoing investment program increases the level of automation, efficiency and capacity and improves safety. Other focus areas are increasing the use of renewable energy, reducing overall energy consumption, reducing waste materials, smarter packaging and converting waste into resources.

-28%

Reduction in CO₂ emissions (Scopes 1 and 2)¹⁾ by Lindab between 2019 and 2021.

Reduced CO₂ from production

One of Lindab's most important objectives is to reduce CO₂ emissions. Emissions in scope 1 and 2¹⁾ have decreased by 28 percent from 2019 to 2021 per m SEK in sales. Data collection has been refined to provide a better indication of where measures need to be taken. Lindab's largest source of emissions derives from Scope 3¹⁾. Data collection for scope 3 has started and a target will be set in 2022 for how these emissions are to be reduced.

Less scrap metal

Although metal is recyclable, more energy is used in recycling it than if the proportion of scrap metal in production were reduced. To optimise production, Lindab has designed several of its production machines in-house. In 2021, scrap metal, measured in tonnes, decreased by 9 percent compared with the previous year. This generates both financial and environmental gains.



¹⁾ Scope 1, 2 and 3 are classifications of different categories of CO₂ emissions. In simplified terms, scope 1 and 2 can be described as emissions associated with the company's internal operations, such as production facilities and its electricity consumption. Scope 3 comprises emissions generated through the suppliers engaged, where purchased steel represents the largest source of emissions for Lindab.

Sustainable transport

Transport represents one of Lindab's largest sources of emissions. Emissions can be reduced by choosing low-emission transport options and by changing how we transport goods. Many products are light, but bulky. All transport contracts are subject to environmental requirements and routes are adjusted to reduce the environmental impact. Where possible, fossil-free alternatives such as HVO¹⁾ or electric vehicles will be used. Production of bulky products will be moved from central to regional units to be closer to customers.

16%

Proportion of kilometres transported by train, ship or trucks with renewable fuel in 2021.

More renewable

Demand for sustainable transport is increasing, driven by an increasing number of customers making this a requirement when selecting a supplier. Lindab delivered building materials to a large construction site in northern Sweden using only electric vehicles. This would not have been possible a few years ago, but worked very well now.

Optimal logistics

Lindab also works to optimise existing transports. In the UK, an analysis of domestic transports was carried out. Many of the trucks were driven half empty and there was insufficient coordination between locations. By introducing a planning system, deliveries could be optimised. Trucks could be fully loaded and double trips could be avoided. This saved time and money, while being better for the environment.



This is what we want to achieve:

- Be an early adopter of fossil free steel, in order to reduce our CO₂ emissions.
- Get 100% of the recurring suppliers to sign the code of conduct by 2022.
- Have 100% of the recurring suppliers certified by 2023
- Reduce CO₂ emissions in scope 1 and 2, calculated in relation to the sales, with 50% in 2030 compared with 2019.
- Define a scope 3 CO₂ emission target during 2022.
- Analyse waste to landfill and define a reduction goal in 2023.
- Reduce scrap rate with 50% by 2030, compared with 2019.
- Use 100% renewable fuel in leased or subscribed trucks by 2040.
- Switch to company cars using renewable fuel by 2030.
- Have 100% of transport contracts to include environmental requirements by 2025.
- Collaborate with customers and suppliers to create transport solutions with focus on reducing the environmental impact.

1) HVO = Hydrotreated Vegetable Oil

Outcome Purchasing, Production and Transport – 2021



CO₂ emissions

Lindab's CO₂ emissions decreased by 28 percent to SEK 1.70 per m SEK in sales from 2019 to 2021 (scope 1 and 2¹⁾). This corresponds to a total reduction from 23.3 tonnes to 16.4 tonnes. This was mainly attributable to the increased modernisation of Lindab's facilities. During 2022, we will also collect data for scope 3¹⁾ emissions and set targets for how these are to be reduced. Scope 3 accounts for most of Lindab's total CO₂ emissions.



Scrap metal

Although scrap metal not used in production can be recycled, more energy is used in recycling than if production were optimised from the beginning. In 2021 scrap metal decreased by 9 percent to 17.8 tonnes.

In 2021, a more detailed sustainability plan was prepared. Additional key performance indicators were developed and there are therefore few historical values to compare with.

71%

Recycled waste

The objective is for all waste to be recycled. In 2021, a 71 percent recycling rate was achieved. In 2022, a target will be set for when 100 percent of waste is to be recycled.

7.95

Energy consumption

In 2021, energy consumption decreased by 19 percent to 7.95 MWh per m SEK in sales. At the same time, the proportion of renewable energy used increased from 21 to 24 percent.

16%

Proportion environmentally friendly transports

16 percent of total transported kilometres was conducted via rail services, boat or by trucks using renewable fuels.

2%

Proportion of renewable fuel

The objective is for 100 percent of our own trucks to use renewable fuel by the year 2040. We are only at the beginning of this transition. In 2021, we achieved 2 percent.

31%

Transport contracts with environmental requirements

All transport contracts must contain environmental requirements by the year 2025. For 2021, we achieved 31 percent. Multi-year contracts are renegotiated as soon as they expire.

35%

Corporate cars with renewable fuels

In 2021, 35 percent of all company cars were hybrid or electric cars. For Lindab Sweden, the corresponding figure is 87 percent. By 2030, we will reach 100 percent for Lindab as a whole.

99%

Suppliers in low- and medium-risk countries

In 2021, Lindab had 1 percent of its suppliers in countries with a high risk classification, defined in accordance with the Corruption Perception Index (CPI).

29%

Suppliers with Code of Conduct

In 2021, 29 percent of the recurring suppliers have signed Lindab's Code of Conduct. The remaining suppliers will be covered in 2022.

18%

Certified suppliers

For recurring suppliers, a certification process has been introduced. In 2021, 18 percent were certified. The focus has been on suppliers in countries with the highest risk.

1) Scope 1, 2 and 3 are classifications of different categories of CO₂ emissions. In simplified terms, scope 1 and 2 can be described as emissions associated with the company's internal operations, such as production facilities and its electricity consumption. Scope 3 comprises emissions generated through contracted suppliers, where purchased steel represents the largest source of emissions.

Key dialogue with stakeholders

As a European leader in ventilation, Lindab is in constant dialogue with its stakeholders to develop the market's best solutions for a better indoor climate.



GREENCOAT® COLORFUL STEEL

We are collaborating with SSAB regarding coated steel subject to strict environmental and quality requirements.

Suppliers

We receive feedback from suppliers through our responsible purchasing program. We enter long-term partnerships on key strategic issues, and a close daily dialogue is conducted through our local purchasing offices. On-site audits provide feedback on the suppliers' quality and sustainability work.



Our shops keep us in direct dialogue with customers.

Customers

Lindab receives feedback from customers through the activities of the Group's sales and marketing organisation, ranging from discussions with key account managers to daily conversations between customers and local account managers. We also gather data from customer surveys and customer analyses.



LindNet and Yammer are examples of channels for promoting internal dialogue.

Employees

We maintain an ongoing dialogue with representatives from different parts of the company on matters such as the working environment. Lindab's Board of Directors includes employee representatives among its members. We conduct employee surveys and annual employee interviews to pursue continuous improvement.



Increasing numbers of inquiries are received from investors.

Investors

We communicate the Group's strategy and earnings to existing and potential investors, analysts and the media. A dialogue is conducted through various channels, including presentations of interim reports, investor meetings, seminars, the website and press releases.



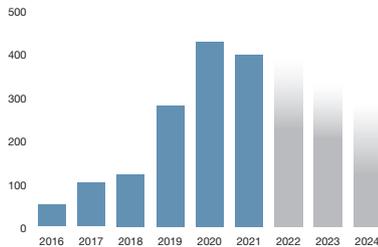
We collaborate with Røgle BK for a greener and socially stronger community.

Community

Key stakeholders in the company live and work in the communities where Lindab has its operation and their feedback shapes our local activities. Interaction involves various activities and initiatives, from business-related activities to volunteer initiatives, charity work and sponsorship.

INVESTMENTS

Significant investment



The pace of investment remains high, and will be gradually lowered until 2025.

THE LARGEST INVESTMENT PROGRAM in Lindab's history is currently being implemented. The focus is on automation, capacity and efficiency, while reducing our environmental impact and improving our employees' safety. The investment program is rapidly generating a pay-back and currently comprises some 50 projects at Lindab's facilities around Europe. In 2021, investments amounted to SEK 395 m. The investments will be gradually lowered until 2025. Our objective is to establish first-class, energy-efficient production facilities that will continue to provide our customers with ventilation and building products of the very highest quality.



French logistics initiative brings robust improvements

In Montluel, outside Lyon, France, we have doubled our warehousing and production capacity to 14,000 m². The project offloads other facilities and moves production closer to end customers, reducing costs and environmental impact. We are consolidating our production facilities in the country and increase efficiency and reduce costs through additional automation. The investment means that we gain a distribution centre that significantly will increase the efficiency of our logistics to our customers in France. Connected to the centre is a new pro shop that customers can visit to make purchases, seek advice and gain inspiration.

Automated production in Poland provides a better working environment

In 2021, three automated production lines for ventilation components were completed in Wieruchów, Poland. The investments provide higher efficiency, increase capacity and reduce manual labour. Decreasing the manual tasks was important as recruiting staff is difficult. For those working in production, automation brings a significantly improved working environment, a crucial argument behind each investment. Getting the production lines in place involved a close dialogue with the central production units in Sweden and the Czech Republic, from which knowledge and concepts were taken and adapted to local circumstances. An investment is also being made in autonomous forklift trucks for transport between production and warehouse.



Fully-automated, safe and efficient sheet metal processing in Sweden.

A new sheet metal processing centre is the latest addition to our building products production facility in Förslöv, Sweden. It is fully-automated and can operate around the clock. The machines previously used were inefficient and gave rise to considerable amounts of scrap metal, and certain steps performed manually entailed a high risk of injury. The new equipment provides flexible production with a high level of productivity. The proportion of scrap metal and the risk of injury are also minimised. Lindab can thus increase its competitiveness while the working environment of its employees becomes much more pleasant and safe.

22

Temperature perception is individual. It depends on factors including age, weight, fitness, clothing, activity or daily form. Most people experience greatest comfort at 22°C.



Lindab – For a better climate

Source: https://www.newworldencyclopedia.org/entry/Room_temperature

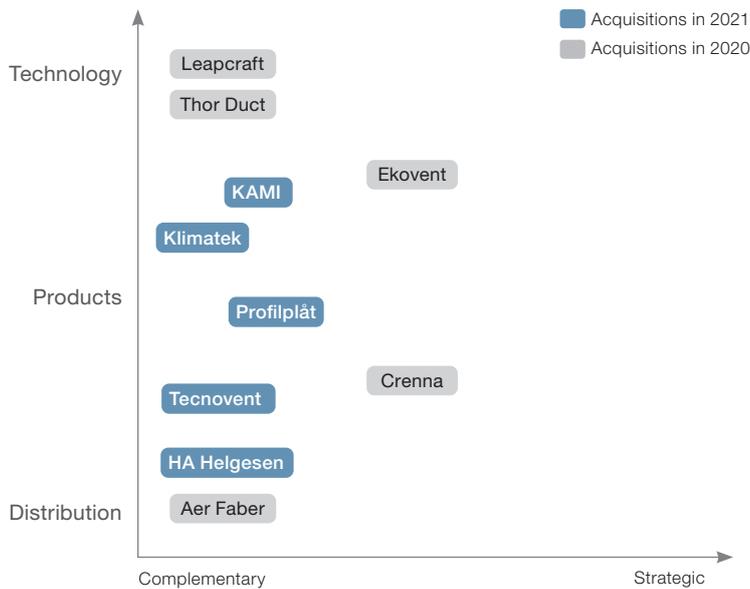
ACQUISITION

New supplementary acquisitions



ACQUISITIONS ARE AN IMPORTANT part of Lindab’s strategy. With the ventilation industry comprising numerous small players, our objective is to consolidate the industry. We shall acquire well-managed, successful companies that complement our offering in selected regions and product areas. This is made possible by our strong cash flow and low debt ratio. The acquired companies are allowed to continue operating independently under their own brands, while, at the same time, benefiting from Lindab’s sales network and central resources at their chosen pace. In 2021, we completed five acquisitions, two in Sweden, one in Norway, one in Denmark and one in Switzerland. We also divested business area Building Systems.

What kind of acquisitions have we made?



Acquired	Annual sales, SEK m	Profitability compared with Lindab
HA Helgesen	SEK 15 m	Higher
Kami	SEK 100 m	Higher
Tecnovent	SEK 20 m	Lower
Klimatek	SEK 30 m	Lower
Profilplåt	SEK 70 m	Higher
Divested		
Building Systems	SEK 971 m	Lower

“Lindab continues to acquire well-managed and profitable companies with high-quality products, good customer relations and high expertise.”

Lars Christensson, Director of Business Development and M&A at Lindab

The year's acquisitions

In 2021, five acquisitions were made, three of which were in ventilation and two for building products. The acquisitions add a total annual turnover of SEK 235 m.

H.A. HELGESEN

& SØNNER AS Etabl. 1855

Norwegian H.A. Helgesen is primarily a manufacturer of rectangular ventilation ducts and has an extensive logistics network in western Norway. The acquisition geographically complements Lindab's operations in Norway, in terms of both rectangular ventilation duct production and distribution networks.

KAMI

With the acquisition of Swedish roofing specialist KAMI, Lindab has added to its building products business and strengthened its market position in northern Sweden and in Norway. KAMI manufactures and sells premium sheet metal roofs and has developed its own unique pressing technique for sheet metal roofs.



Lindab has extended its operations in Switzerland with the acquisition of Tecnovent, which sells and produces ventilation grilles, roof hoods and rectangular ventilation ducts. Tecnovent was previously a distributor of Lindab's products in the Swiss market.



Danish Klimatek manufactures both standardised and customised components for ventilation systems, such as valves, grilles and dampers. The offering adds to Lindab's range of standardised ventilation products and also strengthens Lindab's marine operations.



Lindab has strengthened its market position in northern Sweden with the acquisition of Profilplåt, which primarily manufactures and sells sheet metal roofs and sheet metal wall cladding. The company expanded Lindab's current production with its high-quality products in the same area.



Divestment of Building Systems to French Groupe Briand

Building Systems was Lindab's business area for steel buildings under the Astron brand. The company was acquired in 2005 and has since operated as an independent business area within Lindab. Astron's customised steel buildings were not suited to Lindab's strategy. The synergies were also small, as Astron's business is project-based with a high degree of customer-unique solutions. The new owner, Groupe Briand, has extensive experience of similar businesses and is the right owner to take Astron to the next level.

EXPERTISE

Local responsibility drives commitment

1959

WE BELIEVE IN DECENTRALISED responsibilities where each country organisation can quickly adapt its operations. Since 1959 and onwards, trust in Lindab has been built up through our entrepreneurial spirit, with each employee taking responsibility and resolve problems as they arise. This put focus on implementation and delivering results. During the pandemic, this became particularly evident, with the organisation adapting its operations to meet customer demand for efficient deliveries and solutions.

John Gauffin

New Managing Director of Lindab Sweden from May 2021

As a recent addition to the Lindab team, what has surprised you most?

The high degree of delegated authority and responsibility at different levels within the organisation, providing both the scope and the incentive to act. The fact that all units are continuously encouraged to question the status quo and challenge existing structures, while also having the authority to act and make decisions, results in a more flexible and dynamic reality than I believe is the case in many large international organisations. I am also impressed by the speed which decisions are made, and how close to the operations they are made, despite us being a large group with many units.

What do you consider most important in your role?

Facilitating for the organisation to pursue profitable growth and further strengthen Lindab's position in its home market. The main part of this work is how we, on a broader scale, can generate sustainable value for our customers and create conditions for the organisation to further increase its customer focus.



Our core values

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



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



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



Lindab – a changing workplace

Lindab is supporting the development of tomorrow's indoor climate, which will affect people's well-being and productivity. This is an area undergoing an extensive transformation with increased demand for healthy indoor environments. That brings with it the need to continuously secure key expertise and to further develop all employees so that they will have the courage to take responsibility, always learn more and work together to resolve customers' problems.



Responsibility for purchasing of considerable volumes of sustainable materials.

Lindab purchases more than hundreds of thousands of tonnes of steel annual, making it the second-largest purchaser in the Nordics. Those working with strategic steel purchasing and steel logistics are not only responsible for addressing significant price fluctuations but also for pursuing the development of fossil-free steel in partnership with the producers.

An extensive realignment of Lindab's over 50 production units is in progress, in which engineers are developing optimal production processes. This future-proofs the company's competitiveness and makes the operations even more sustainable.

Responsibility for cutting edge production, close to customers.



Responsibility for one of the industry's most complete logistics networks.

3,000 transports of thousands of different products, every day. Wide-ranging and complex logistics of this kind, where the focus is on fill rate, delivery precision and low environmental impact, is handled by logistics experts and transport planners, centrally as well as locally.

Lindab has more than 120 pro shops around Europe. Customers can bring their drawings to the shop and receive assistance in identifying appropriate solutions. Lindab also has project salespeople ready to tackle all manner of complex problems.

Responsibility for solving complex challenges together with customers.



Responsibility for future innovations to improve air quality.

New technologies enable increasingly intelligent ventilation systems to adapt to how the building is being used. Lindab's development engineers develop new products, improve existing ones and keep up to date on how healthy indoor environments are best created.

Drive a sustainable business

Lindab should be a workplace that employees are proud of. We strive to be a modern and flexible workplace that is fair, safe and inclusive. Lindab shall also support sustainable development in the local communities in which we do business.

An attractive workplace for all

The Career Companies present awards to Swedish employers offering unique career and development opportunities, both for recent graduates and young employees having worked for a few years. During the year, Lindab received Career Companies 2022 award with the motivation emphasising, among other things, the company's strong corporate culture and all of the career choices available throughout the company. In Denmark, Lindab was, for the fourth consecutive year, named as one of the country's best workplaces according to Great Place to Work. What was new this time was that we were also named as the best workplace for seniors in Denmark. Behind the award is Lindab's view that diversity brings a favourable and dynamic culture, and that the company is happy to employ older people with additional experience.

Great Place To Work®



A safe working environment

Lindab strives systematically to improve the working environment. During the year, we introduced our working environment system at 37 Lindab companies, which has resulted in an increase in the reporting of risks. We have thus gained an efficient process for handling incidents and accidents, increasing the quality of our working environment efforts. Over the year, we saw the number of serious accidents decrease, although the number of accidents per m hours worked increased slightly over the same period.

More women in male-dominated roles

Lindab in Denmark is assessing different ways of making heavy tasks in the working environment lighter. One measure is the introduction of cobots—collaborative robots that, for example, assist with lifts that are difficult to automate. While improving the working environment for all, this is also a way of attracting more women to roles in which we currently mostly have men employed.



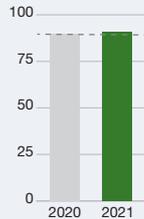
Community activities aimed at children and young people

Lindab shall support sustainable development in the local communities in which we do business. This is primarily achieved through initiatives aimed at children and young people. The Christmas Charity Championship is a UK campaign carried out for the second consecutive year, in which customers can participate and vote for the initiatives to be supported. In 2021, the Lennox Children's cancer fund received a financial contribution. In Sweden, Lindab has, for several years, been part of the "Grönvit hållbarhet" initiative in partnership with the Rögle ice hockey club in Ängelholm, Sweden, with the aim of generating employment, physical activity and inclusion for children and adults in the region.

This is what we want to achieve:

- Reduce the number of workplace accidents per m hours worked (LTIF) to 4 or lower by 2026. Long-term vision of zero accidents.
- Have the same percentage of each gender in senior management positions by 2030 as in the Group in total.
- Have a staff turnover of 5-10%.
- Be recommended as an employer by at least 90 percent of the employees.
- Support community activities linked to Lindab's operations and nearby surroundings.
- Create good conditions for engagement in non-profit work.

Outcome Personnel – 2021



Attractive employer

Lindab shall be an employer that is able to attract new talent and retain the right skills. The target is for 90 percent to recommend Lindab as an employer. In 2021, we reached 91 percent.



Work-related accidents

In monitoring the number of work-related accidents, Lindab applies the key figure LTIF, representing the number of accidents per m hours worked. In 2021, LTIF increased slightly to 7.3, compared with 6.7 the previous year. The number of serious accidents decreased. The target is an LTIF of less than 4 by 2026.

8,962

Incident reporting

In 2021, we began reporting situations that could have resulted in accidents. This leads to fewer accidents in the longer term because preventive measures can be implemented early.

6%

Staff turnover

Our objective is to maintain a staff turnover of 5-10 percent. In 2021, it was 6 percent, which was in line with the previous year. Temporary staff are not included.

91%

Performance & Development

A close dialogue between employees and managers is a prerequisite for a high level of well-being. In 2021, performance and development talks were conducted with 91 percent of employees. The target is 100 percent.

22%

Proportion of women

In 2021, 22 percent of Lindab's employees were women, which was three percentage lower than in the preceding year. During the year, Building Systems was divested, which affects the comparative figures.

22%

Senior female managers

For Lindab as a whole, including subsidiaries, women account for 22 percent of the members of management teams. This is in line with the objective of gender distribution being the same as in the company as a whole.

3+4

Gender distribution on the Board of Directors

Three of the seven elected members of Lindab's Board of Directors, are women. Lindab's Board of Directors has had an even distribution of men and women since 2016.

4,534

Average number of employees

The average number of employees decreased by 737 people in 2021. This was mainly due to business area Building Systems being divested.



Proportion of employees by country

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

THE SHARE

Transferred to the Large Cap list

25.3

THE LINDAB SHARE WAS listed on the Nasdaq Stockholm exchange in December 2006 and is included in the Industry sector. In 2021, Lindab met the requirements for Nasdaq's Large Cap segment and was, accordingly, transferred at the end of the year. The share price increased by 88.6 percent over the year to SEK 321.40, giving a market capitalisation of about SEK 25.3 billion at the end of the year.

The increase in Lindab's share price with 88,6 percent can be compared with the exchange's OMXSPI index, which rose by 34.0 percent over the same period, and the Industrials sector, which rose by 36.8 percent. Over the year, a total of approximately 49 m (54) Lindab shares were traded at a value of approximately SEK 10.7 billion (6.4). The Lindab share is traded on several stock exchanges and trading platforms. Official trade in the share on NASDAQ Stockholm accounted for most of the share's turnover. Remaining trades occurred on unofficial trading platforms, such as BATS Chi-X Europe and Turquoise.

The share and shareholders

Lindab has a single share class, class A. Each share carries one vote and an equal share in the company's earnings. At the end of the year, there were 14,013 (10,156) shareholders in Lindab. The largest shareholder was Fjärde AP-fonden with 9.3 percent of the shares outstanding. Handelsbanken Fonder was the second-largest shareholder with 7.0 percent of the shares

outstanding, followed by Lannebo Fonder with 6.4 percent. Combined, the ten largest shareholders accounted for 42.0 percent of the shares outstanding. Foreign ownership amounted to 38.2 percent. Having previously exercised various repurchase mandates, Lindab holds 2,375,838 of its own shares, which do not entitle the company to any votes or dividends. The holding corresponds to 3.0 percent of the total number of shares. At the end of the year, excluding related parties' holdings, Lindab's Executive Management held 107,885 shares, and 508,950 call options. Of the outstanding call options, 175,000 have an exercise price of SEK 120.00, 210,000 an exercise price of SEK 101.90 and 183,950 an exercise price of SEK 222.00.

Incentive program

For more information on remunerations and employee stock option programs, including the previously mentioned call option program, see Note 6 on pages 102–104.

Share price performance since the IPO

Lindab has been listed on the stock exchange for slightly more than 15 years. Following an initial price increase after the IPO in December 2006, the share has long underperformed compared to the stock market as a whole, but there has been a sharp price recovery in recent years.

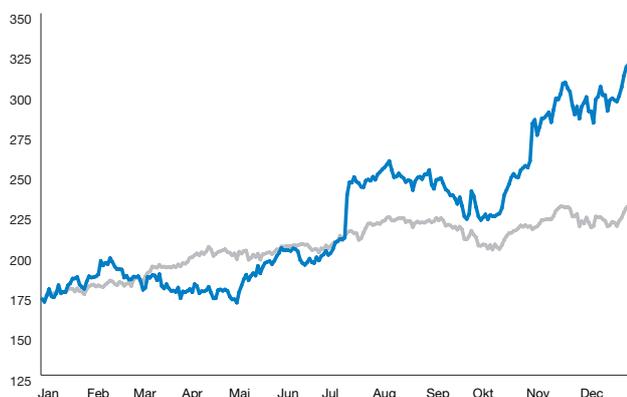


Share price performance, 1 December 2006 – 31 December 2021, SEK

— Lindab
— OMXSPI

Ticker: LIAB
 Exchange: Nasdaq Stockholm
 List: Mid Cap (Large Cap 2022)
 Sector: Industrials
 Market capitalisation: SEK 25.3 billion

Share price performance in 2021



Share price performance, 1 January–31 December 2021, SEK

— Lindab
 — OMXSPI

- The share price increased by 88.6 percent to SEK 321.40.
- The highest price paid was SEK 325.00 on 30 December and the lowest price paid was SEK 168.30 on 4 March.
- On average, 194,731 shares (212,677) were traded per day and the turnover rate was 62 percent (68).
- At the end of the year, 4 (4) analysts were monitoring Lindab, of whom 3 (1) had a Buy/Increase recommendation, 1 (3) a Hold recommendation and 0 (0) a Sell/Decrease recommendation.

Considering the strong earnings in continuing operations and a strong financial position, the Board of Directors proposes an increased dividend to SEK 4.00 (3.40) for the financial year 2021, to be disbursed on two occasions, in May and November.

Lindab's largest shareholders

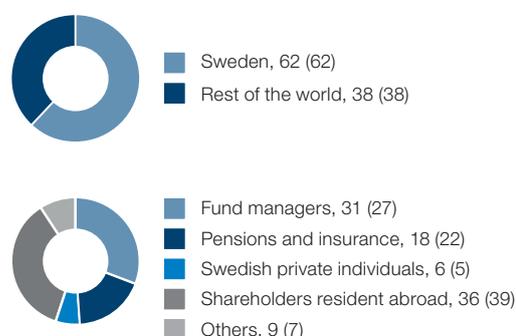
	2021		2020	
	Shares	Capital & votes, %	Capital & votes, %	Capital & votes, %
Fjärde AP-fonden	7,140,534	9.3	8.9	
Handelsbanken Fonder	5,374,336	7.0	7.3	
Lannebo Fonder	4,867,227	6.4	9.3	
Didner & Gerge Fonder Aktiebolag	3,614,664	4.7	4.3	
Livförsäkringsbolaget Skandia	2,724,702	3.6	3.7	
AFA Försäkring	2,392,700	3.1	5.3	
Others	50,352,819	65.9	61.2	
Total no. of shares outstanding¹⁾	76,466,982	100.0	100.0	

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

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

Source: Euroclear

Shareholder distribution, %



Per share data

SEK/share, unless otherwise stated	2021	2020	2019	2018	2017	2016	2015	2014	2013
Earnings per share before dilution (continuing operations) ¹⁾	12.5	7.25	–	–	–	–	–	–	–
Earnings per share before dilution (total operations) ¹⁾	7.02	7.80	8.89	5.16	4.54	4.02	3.99	3.71	3.05
Earnings per share after dilution (total operations) ¹⁾	7.00	7.80	8.89	5.16	4.54	4.02	3.99	3.71	3.05
Dividend	4.00 ²⁾	3.40	1.75	1.75	1.55	1.40	1.25	1.10	–
Yield, % ³⁾	1.24	1.99	1.46	2.75	2.27	1.90	1.99	1.68	na
Dividend as % of profit after tax ¹⁾	57.1	40.3	20.0	34.0	34.1	35.0	31.0	30.0	na
Share price at end of period	321.40	170.40	119.60	63.50	68.20	73.05	62.90	65.60	63.40
Highest price paid	325.00	172.90	121.00	74.50	98.00	89.60	78.35	83.70	65.20
Lowest price paid	168.30	64.30	63.80	56.10	64.75	54.50	55.95	52.35	42.17
Shareholders' equity, after dilution	73.89	67.82	65.89	58.49	54.09	50.41	45.98	43.81	38.87
Number of shares outstanding	76,466,982	76,356,982	76,331,982	76,331,982	76,331,982	76,331,982	76,331,982	76,331,982	76,331,982

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

172

A good indoor climate can increase someone's capacity to comprehend and apply information by up to 172 percent and to almost double their capacity for resolving problems and crises.



Lindab – For a better climate

Source: <https://www.hsph.harvard.edu/news/press-releases/green-office-environments-linked-with-higher-cognitive-function-scores/>

Corporate governance report

A word from the Chairman of the Board

Lindab has developed well during the year and I would like to say that the collaboration between the Board of Directors and Executive Management progressed further, becoming a well-oiled machinery. We have reached a level in the dialogue at which we are able to discuss all types of issues, regardless of the timing, and prepare the organisation mentally for the next step in Lindab's development. Because the development will continue. For a long time to come.

During the year, we fine-tuned the Group's structure so we can continue to focus on profitable growth. The divestment of business area Building Systems has been expected for a long time and finally this has been achieved. Its project-based business was not suited to Lindab's strategy. We now have two business areas on which to place all of our focus. Ventilation is our core. This is where we are building world-leading operations, both organically and through acquisitions. This entails always being at the forefront in product development and adapting the offering, in terms of both depth and breadth. Although we have made a number of acquisitions that strengthen our positions, there is much more to do, and many companies still to acquire. Our leading ventilation business is complemented by a strong, profitable and important construction business. It feels very rewarding to see how Profile Systems has developed in recent years, and consolidated its position within the Group. Naturally we are also making acquisitions that can develop this business area, with two companies being added in 2021.



"Sustainability issues are central elements in our meetings and are part of all topics that we continuously address, including acquisitions and investments."



Now that we have this structure in place, a Group that is in better shape in all respects than a few years ago, we must of course fine tune our targets. By raising our margin target and growth ambitions, we are showing the market what it can expect based on our strategy. And we are raising the dividend in line with the previously increased mandate, proposing that a dividend of SEK 4 per share be paid for 2021. We have also significantly increased our ambitions in terms of our sustainability agenda. With a high level of quality in our data collection and analysis, we have launched a large number of new targets. We want to highlight even more clearly that Lindab is a sustainable company by nature, and how we, for example, contribute to industry's energy transition and the establishment of circular business models. Sustainability issues are central elements in our meetings and are part of all topics that we continuously address, including acquisitions and investments.

During the year, we took decisions on issues of fundamental importance for Lindab's future. It is now a matter of delivering on the strategy – of refining, acquiring, investing, and of delivering quality to customers with superior precision. In this way, we can continue to deliver a good return to shareholders, while also contributing to Lindab's higher purpose, a better climate. Those of us who sit on the Board of Directors look forward to contributing to this development, and to continuing our close and constructive dialogue with Executive Management.

Peter Nilsson
Chairman of the Board

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

Shareholders

Lindab has 76,466,982 shares (76,356,982) outstanding of a single series and conveying equal rights to the company's assets and earnings. Lindab also holds 2,375,838 (2,375,838) of its own shares of the same series, bringing the total number of shares to 78,842,820 (78,732,820). As of 31 December 2021, Lindab had 14,013 (10,156) shareholders. The largest shareholders, in relation to the number of shares outstanding, were Fjärde AP-fonden with 9.3 percent (8.9), Handelsbanken Fonder with 7.0 percent (7.3) and Lannebo Fonder with 6.4 percent (9.3). At the end of the year, the ten largest shareholders held 42.0 percent (49.8) of the number of shares outstanding. Additional information on shareholders and performance of the share in 2021 can be found on pages 44–45.

Annual General Meeting

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

Annual General Meeting 2021

The Annual General Meeting for the 2020 financial year was held on 5 May 2021. Due to the continued corona pandemic and the official guidelines regarding social distancing and gatherings, the Annual General Meeting was conducted without shareholders, proxies or third parties attending in person. An opportunity for shareholders to exercise their voting rights by mail prior to the meeting was arranged. At the Annual General Meeting, 191 shareholders were represented by postal voting, corresponding to

52.4 percent of the capital and votes. The minutes of the Annual General Meeting have been available on the company website since 11 May 2021. The Annual General Meeting 2021 reached resolutions on matters including:

- the re-election of Board members Peter Nilsson, Per Bertland, Sonat Burman-Olsson, Viveka Ekberg and Anette Frumerie, Marcus Hedblom and Staffan Pehrson
- the re-election of Peter Nilsson as Chairman of the Board,
- the re-election of auditing company Deloitte AB as the company's auditor
- guidelines for the remuneration of senior executives
- a share option program for senior executives
- a dividend of SEK 3.40 per share with a semi-annual payment of SEK 1.70 per share, with the record date set as 7 May, and a second dividend of SEK 1.70 per share, with the record date set as 5 November
- the authorisation of the Board of Directors to approve transfers of the company's own shares.

Annual General Meeting 2022

The 2022 Annual General Meeting will be held on 12 May 2022. In accordance with the Articles of Association, the notice to attend the Annual General Meeting shall be posted in Post- och Inrikes Tidningar (Swedish official gazette) and on the company's website. An advertisement stating that the notice has been issued is to be placed in Swedish financial newspaper Dagens Industri. Shareholders wishing to participate in the Meeting by postal voting shall (a) be entered in the company's share register six weekdays prior to the Meeting, that is, by 4 May 2022, and (b) register by casting their postal votes in the manner specified in the notice to attend Annual General Meeting.

Nomination Committee

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

In accordance with instructions adopted by the Annual General Meeting for the Nomination Committee the company shall have a Nomination Committee comprising of at least four members,

How Lindab is governed



one of whom shall be the Chairman of the Board. The chairman of the Nomination Committee shall be the member appointed by the largest shareholder in the event that the Nomination Committee does not agree otherwise. The Nomination Committee's term of office extends until a new Nomination Committee has been constituted. A Nomination Committee was constituted on 19 October 2021, comprising:

- Per Colléen, appointed by Fjärde AP-fonden (chairman),
- Anna Sundberg, appointed by Handelsbanken Fonder,
- Per Trygg, appointed by Lannebo Fonder,
- Peter Nilsson, as Chairman of the Board of Lindab International AB (publ).

In accordance with the resolution by the Annual General Meeting, the Nomination Committee shall assess the composition and work of the Board of Directors and prepare proposals for the 2022 Annual General Meeting regarding:

- election of a chairman for the 2022 Annual General Meeting,
- election the Board of Directors and the Chairman of the Board,
- fees to be paid to the Board of Directors, any Board committees and the auditors.

In 2021, the Nomination Committee held two minuted meetings. In 2022, the Nomination Committee has held one minuted meeting ahead of the 2022 Annual General Meeting.

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

Board of Directors

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

Composition of the Board of Directors in 2021

The Annual General Meeting on 5 May 2021 resolved that the Board of Directors shall comprise seven members with no deputies. The CEO attends Board meetings in a reporting capacity. Parts of the Executive Management participate in Board meetings. The various assignments of the Board members are shown on pages 54–55.

Responsibilities of the Chairman of the Board

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

Responsibilities of the Board of Directors

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

Work of the Board of Directors

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

In 2021, the Board of Directors held 11 meetings. Financial performance was reported and followed up on at each ordinary meeting. The Board of Directors held one meeting with the Auditor without company management being in attendance. This meeting reviewed the effectiveness of the Auditor's cooperation with company management in conducting the audit and related matters. Members of Executive Management were in attendance at all Board meetings.

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

Board remunerations

The Annual General Meeting of 5 May 2021, resolved that fees to the Chairman of the Board and the members elected by the Annual General Meeting should be paid as follows. The fees paid for the regular work of the Board of Directors total SEK

Main topics at Board meetings in 2021

8 Feb	Year-end report, dividend. Report from the auditors
15 Mar	Annual Report, notice to attend the Annual General Meeting
4 May	Interim report
5 May	Statutory meeting
22 Jun	Sustainability, internal audits and control
11 Jul	Reverse profit warning
19 Jul	Interim report, acquisition plan
19 Sep	Disposal of operations
23 Sep	Investment plans, financial targets, sustainability targets, IT security
28 Oct	Interim report
15 Dec	Budget

Board of Directors and breakdown of Board fees

Name	Year elected	Company	Ownership	Board fee incl. committee, SEK	Remuneration Committee meetings	Audit Committee meetings	Attendance at Board meetings
Peter Nilsson ¹⁾	2016	Independent	Independent	1,039,700	6/6	-	11/11
Per Bertland	2016	Independent	Independent	444,100	6/6	-	11/11
Sonat Burman-Olsson	2011	Independent	Independent	400,400	-	-	11/11
Viveka Ekberg	2016	Independent	Independent	535,400	-	7/7	11/11
Anette Frumerie	2017	Independent	Independent	467,400	-	7/7	11/11
Marcus Hedblom	2020	Independent	Independent	467,400	-	7/7	11/11
Staffan Pehrson	2020	Independent	Independent	400,400	-	-	11/11
Pontus Andersson ²⁾	1995			26,400	-	-	11/11
Anders Lundberg ²⁾	2016			26,400	-	-	11/11
Total				3,807,600			

1) Chairman

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

3,482,500, divided between SEK 1,000,000 paid to the Chairman of the Board, SEK 405,000 to each of the other members elected by the Annual General Meeting, and SEK 26,250 to each of the ordinary employee representatives. It was also resolved that SEK 150,000 be paid to the chairman of the Audit Committee and SEK 75,000 to each of this Committee's ordinary members, and that SEK 100,000 be paid to the chairman of the Remuneration Committee and SEK 50,000 to each of this Committee's ordinary members.

Responsibility of the Board of Directors for financial reporting

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

Audit Committee

The Board of Directors has appointed an Audit Committee with the aim of deepening and streamlining the Board's supervisory responsibility with regard to internal control, auditing, internal auditing, risk management, accounting and financial reporting. The Audit Committee shall also prepare matters involving the procurement of auditing and other services from the auditor and shall prepare certain accounting and auditing matters to be addressed by the Board of Directors. During 2021, the Audit Committee comprised Viveka Ekberg (chairman), Anette Frumerie and Marcus Hedblom. The work of the Audit Committee is governed by rules of procedure adopted by the Board of Directors. The Committee met on seven occasions in 2021. The auditors participated in all of the meetings. The Committee continuously submits oral and written reports to the Board of Directors and submits proposals on matters requiring decisions by the Board of Directors. In 2021, the fees paid to the Audit Committee amounted to SEK 150,000 to the chairman of the Committee and SEK 75,000 to each of the Committee's ordinary members.

Remuneration Committee

A Remuneration Committee has been appointed by the Board of Directors to prepare proposals on remuneration matters and to continuously monitor and assess remuneration structures and levels for the CEO and other members of Executive Management. In 2021, the Remuneration Committee comprised Peter Nilsson (Chairman) and Per Bertland. The Committee met on six occasions in 2021. The Committee continuously submits oral reports to the Board of Directors and submits proposals on matters requiring decisions by the Board of Directors. In 2021, the fees paid to the Remuneration Committee amounted to SEK 100,000 to the chairman of the Committee and SEK 50,000 to each of the Committee's ordinary members.

Auditor

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

The 2021 Annual General Meeting elected auditing company Deloitte AB as the company's auditor. Authorised Public Accountant Harald Jagner was appointed as the lead auditor. Although Harald Jagner also performs assignments for other listed companies, this is not to an extent that would prevent the necessary amount of time from being devoted to Lindab. Auditing company Deloitte AB does not accept assignments where their independence could be called into question. Nor do the auditors' other assignments for Lindab, beyond the audit assignment, alter this assessment.

Remuneration of the Auditors

Audit fees paid to Deloitte for 2021 amounted to SEK 0.5 m for the Parent Company and SEK 8.1 m for the Group. Fees paid to Deloitte AB for other assignments for the Group amounted to SEK 0.3 m.

External control

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

Internal control

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

Internal audit

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

Sustainability

Lindab's work on sustainability constitutes a key component in the Group's governance. By contributing to healthy build-

ings, Lindab can indirectly make a difference for many people. Lindab can also influence customers' environmental impact directly through its products and systems. The company's own operations shall hold a leading-edge position from a sustainability perspective, focusing, for example, on a beneficial working environment and continuous environmental improvements.

Compliance

Compliance entails ensuring that Lindab complies with laws and other applicable regulations and that the operations are conducted with ambitious demands in terms of integrity and ethics. In this area, Lindab has, for example, adopted policies to combat all forms of corruption and actions in violation of competition law.

CEO and Executive Management

Ola Ringdahl has been President and CEO since 18 June 2018. Throughout 2021, Executive Management included: Director of Division Ventilation Systems Olof Christensson, Director of Operations, Division Ventilation Systems Karel Kleinmond, Director of Business Development and M&A Lars Christensson, Director of Sales Region West Europe Mette Brøndum, Director of Sales Region North Europe Joakim Lönnberg, Director of Sales Region Mid Europe Pascal Gelugne and Director of Sales Region East Europe Sorin Badea. Director of Business Area Building Systems Stefaan Sonjeau was a member of Executive Management until the divestment of Astron Building Systems was announced on 23 September. Madeleine Hjelmberg held the role of Acting CFO until 20 September 2021, when Jonas Arkestad took office as CFO.

Policies

Anti-Corruption Policy

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

Antitrust Policy

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

Code of Ethics

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

Communication Policy

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

Equal Opportunity Policy

Guidelines to ensure that Lindab employees are

treated equally and that no one is discriminated against on the basis of gender, religion, ethnicity or similar grounds.

Insider Policy

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

IPR Policy

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

IS/IT and Data Protection Policy

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

Occupational Health and Safety Policy

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

Quality and Environmental Policy

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

Remuneration Policy

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

Treasury Policy

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

Remuneration of senior executives

Remuneration principles

The 2021 Annual General Meeting adopted guidelines for the remuneration of senior executives. The guidelines assume that remunerations are to be based on the market and the environment in which each of the executives works, are competitive, facilitate recruitment of new executives while also motivating senior executives to remain at the company. Remunerations may comprise fixed salary, short- and long-term variable cash salary, pensions and other benefits. Fixed salary should be determined individually based on the specific responsibilities, experience, expertise and performance of the individual executive. Fixed salary should be reviewed at least every two years.

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

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

Pension benefits are to be provided in accordance with a defined contribution plan. Senior executives not covered by the ITP plan should receive at most 30 percent of their annual fixed salary as an annual contribution-based pension provision. Other benefits should not constitute a significant portion of the overall remuneration. In specific cases, the Board of Directors may deviate from the guidelines. The Board of Directors did not exercise this mandate in 2021. Remuneration and other benefits for Executive Management are presented in the table on the right. A further SEK 11.9 m has been booked for social security contributions, including a specific payroll tax on pensions.

Remuneration of the CEO

Ola Ringdahl's fixed salary for 2021 amounted to SEK 6,258,939. Ola Ringdahl is also entitled to a short and long-term variable cash salary. In addition, Ola Ringdahl is entitled to a company car and certain other benefits. The remunerations received by Ola Ringdahl in 2021 are shown in a separate table. Ola Ringdahl is subject to a 12-month notice period on dismissal by the company and of six months on resignation. Ola Ringdahl is bound by a non-competition clause for a period of two years from the point at which his employment ceases, during which time he is entitled to separate remuneration. The company is entitled to waive the non-competition clause, resulting in no remuneration being paid to Ola Ringdahl.

Remuneration of other members of the Executive Management

Throughout the year, Executive Management included: CEO Ola Ringdahl, Director of Division Ventilation Systems Olof Christensson, Director of Operations, Director of Division Ventilation Systems Karel Kleinmond, Director of Business Development and M&A Lars Christensson, Director of Sales Region West Europe Mette Brøndum, Director of Sales Region North Europe Joakim Lönnberg, Director of Sales Region Mid Europe Pascal Gelugne and Director of Sales Region East Europe Sorin Badea. Director of Business Area Building Systems Stefaan Sonjeau was a member of Executive Management until the divestment of Astron Building Systems was announced on 23 September. Madeleine Hjelmberg held the role of Acting CFO until 20 September, when Jonas Arkestad took office as CFO. Remunerations for Executive Management adhere to the guidelines adopted by the Annual General Meeting. The employment contracts of the current Executive Management include notice periods of at most 12 months on dismissal by the company and of six months on resignation by the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. The other members of the Executive Management is bound by non-competition clauses for one year from the cessation of employment, during which they are entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Evaluation

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

Remuneration and other benefits to Executive Management in 2021

SEK	Ola Ringdahl	Remuneration of other Executive Management ¹⁾	Total
Fixed salary incl. holiday pay	6,258,939	17,500,527	23,759,466
Variable salary	7,640,542	10,950,889	18,591,431
Pensions	1,808,039	2,524,223	4,332,262
Benefits	128,208	909,978	1,038,186
Total	15,835,728	31,885,617	47,721,345

¹⁾ Remuneration of other Executive Management pertains to 9 (10) individuals. The remuneration excludes social charges and special payroll tax.

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After home, people spend most of their time at work. Workplaces are increasingly moving indoors, especially to office environments. About 36 percent of the workforce in Europe today works in an office.



Lindab – For a better climate

Källa: Healthy Homes Barometer 2020.

Board of Directors



Peter Nilsson, Chairman



Per Bertland



Sonat Burman-Olsson

<i>Born:</i>	1962	1957	1958
<i>Elected:</i>	2016	2016	2011
<i>Status:</i>	Independent	Independent	Independent
<i>Other assignments:</i>	Board member of Creaspac AB.	Chairman of the Boards of Inwido and Dendera Holding. Board member of Beijer Ref, Fortnox and IV Produkt Partner in Small Cap Partners SCP.	Board member of NESTE Corporation, Postnord AB, Lantmännen and Raizen S.A.
<i>Previous assignments:</i>	Deputy Chairman of the Board of Cramo OYJ, CEO of Sanitec and Duni AB. Chairman of the Boards of Duni AB, Securitas Direct AB and Sanitec Holdings Oy. Management positions within the Swedish Match Group. Chairman of the Boards of Adapteo OYJ and Unilode Aviation Solution.	President and CEO of Beijer Ref AB. Management positions within the Aritmos Group.	President and CEO of COOP Sweden, Deputy CEO and CFO of the ICA Group, Vice President of Electrolux Group responsible for Global Market Strategies. Chairman of the Board of the Swedish Food Retailers Federation, Member of the Boards of Directors of the Swedish Trade Federation, ICC Sweden, AP3, ICA Banken and iZettle.
<i>Principal education:</i>	M.Sc. in Business and Economics, Stockholm School of Economics.	M.Sc. in Business and Economics, Lund University.	M.Sc. in Business and Economics, Executive MBA, Strategic Management. Oxford and Harvard.
<i>Holding:</i>	88,734 shares	26,000 shares	1,737 shares

Board committees

Remuneration Committee

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

Audit Committee

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

Auditors

Deloitte AB

Principal Auditor:

Harald Jagner

Born: 1971

Authorised Public Accountant, Deloitte AB, Gothenburg

Auditor for Lindab since 2021.

Extensive experience of public companies.



Viveka Ekberg

1962

2016

Independent

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

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

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

18,300 shares



Anette Frumerie

1968

2017

Independent

CEO of Rikshem AB.

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

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

3,000 shares



Marcus Hedblom

1970

2020

Independent

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

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

M.Sc. in Industrial Economics, Linköping University.

13,000 shares



Staffan Pehrson

1968

2020

Independent

President and CEO of Anticimex Group.

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

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

6,500 shares



Pontus Andersson

Born: 1966

Elected: 1995

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

Holding: 250 shares



Anders Lundberg

Born: 1962

Elected: 2016

Employee representative for LO (Swedish Trade Union Confederation). Employed since 1997 and currently working in research and development at Lindab Ventilation.

Holding: 10 shares

Executive Management

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



Ola Ringdahl

Born: 1972

President and CEO

Employed since 2018. Member of Executive Management since 2018.

Holding: 77,000 shares, 300,000 CO¹⁾

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

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



Jonas Arkestad

Born: 1963

CFO

Employed since 2021. Member of Executive Management since 2021.

Holding: 16,500 CO¹⁾

Professional experience: CFO of the Blenta Group since 2019. Extensive experience from leading positions in finance and accounting at international industrial companies and as CFO at Partner-Tech and Copenhagen Malmö Port.

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



Olof Christensson

Born: 1966

Director of Division Ventilation Systems

Employed since 2017. Member of Executive Management since 2017.

Holding: 11,000 shares

Professional experience: President Business Area Engineering Services, Semcon Group. CEO ASKO at Hushåll AB, Marketing and Sales Director at Sensel AB, Regional Director Storel AB and Regional Director Nordic Countries at Stena Technoworld AB.

Principal education: M.Sc. in Business and Economics, Karlstad University.



Lars Christensson

Born: 1971

Director of Business Development and M&A

Employed since 2019. Member of Executive Management since 2019.

Holding: 3,000 shares, 52,000 CO¹⁾

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

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



Karel Kleinmond

Born: 1969

Director of Operations, Division Ventilation Systems

Employed since 2007. Member of Executive Management since 2019.

Holding: 2,700 shares, 21,000 CO¹⁾

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

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

1) CO = Call options 2019, 2020, 2021 programs



Mette Brøndum

Born: 1963

Director of Sales Region West Europe

Employed since 1997. Member of Executive Management since 2019.

Holding: 800 shares, 50,000 CO¹⁾

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

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



Joakim Lönnberg

Born: 1966

Director of Sales, Region North Europe

Employed since 1991. Member of Executive Management since 2019.

Holding: 8,085 shares, 65,000 CO¹⁾

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

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



Pascal Gelugne

Born: 1964

Director of Sales, Region Mid Europe

Employed since 2007. Member of Executive Management since 2019.

Holding: 5,300 shares, 4,000 CO¹⁾

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

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



Sorin Badea

Born: 1974

Director of Sales, Region East Europe

Employed since 1998. Member of Executive Management since 2019.

Holding: 450 CO¹⁾

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

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

1) CO = Call options 2019, 2020, 2021 programs

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for Financial Year 2021

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

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

Control environment and control instruments

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

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

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

In 2021, Lindab continued the process of developing, improving and further raising the degree of maturity in the Group's internal control. The company works continuously and pro-actively with the internal control environment and also conducts reviews aimed at validating the true functionality of the control environment

Risk assessment

The Group conducts ongoing risk assessment to identify and evaluate material risks. Lindab's risk management consists of

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

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

Control activities

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

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

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

Information and communication

Lindab maintains internal information and communication channels aimed at ensuring completeness and accuracy in the

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

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

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

Follow-up

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

Before interim and annual reports are published, the Audit Committee and the Board of Directors review the financial

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

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

Internal audit

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

Båstad, 25 March 2022

Board of Directors, Lindab International AB (publ)

Auditor's report on the Corporate Governance Report

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

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance report for the financial year 2021 on pages 47–59 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 *Auditor's examination of the corporate governance report*. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Stan-

dards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

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

Gothenburg, 25 March 2022

Deloitte AB

Harald Jagner

Authorised Public Accountant

RISKS

Effective risk management

Operational risks

Financial risks

UNCERTAINTY REGARDING FUTURE events is a natural element of any business. The capacity to identify, assess, manage and review risks plays a central role in Lindab's management. The objective is to implement the Group's strategy with a well-considered and well-balanced level of risk.

Many of the factors or events described could affect the company both positively and negatively.

Operational risks

Risk	Trend	Management
<p>Demand Demand for Lindab's products is influenced by factors such as the general economic situation, construction trends and demand for a healthy indoor climate.</p>	→	<p>Lindab has few competitors with operations in several countries or regions. Lindab has an advantaged with the large scale of its operations and its well-developed distribution network. Lindab's business is late in the construction cycle, with approximately 80 percent of sales related to the non-residential construction market, and a range of products that are mostly installed at a later stage of the construction process. The market for non-residential construction is often somewhat later in the business cycle than residential construction as the projects involved are generally larger and extend over longer lead times. During normal business cycles, this allows Lindab some flexibility to manage capacity planning. However, in the event of macroeconomic crises, such as the financial crisis of 2008, the opposite generally occurs with rapid and significantly greater fluctuations in construction activity compared with the general economy.</p>
<p>Influence of political decisions Lindab's operations are influenced by political decisions and the introduction of new laws and regulations.</p>	↗	<p>Lindab produces high-quality ventilation systems in the highest air-tightness classes. Stricter regulation of building standards usually benefits Lindab's competitiveness. The EU's Green Deal, with its increased investment in building renovation and sharpened requirements for good indoor air, is expected to favourably impact Lindab's long-term sales.</p> <p>The UK's withdrawal from the EU has had a certain negative impact on Lindab's sales volumes in the UK. Lindab has worked purposefully to safeguard access to products, maintaining appropriate inventory levels and developing contingencies based on the import barriers indicated in connection with Brexit.</p>
<p>Global and regional crises Pandemics and other socially pervasive crises can negatively impact demand for Lindab's products, as well as Lindab's and its subcontractors' delivery capacity.</p>	→	<p>Covid-19 also affected Lindab's sales volumes in 2021, although only to a limited extent. When construction activity is limited due to restrictions, construction projects are delayed or postponed. Lindab's customers value high availability and delivery performance, and Lindab's extensive distribution network and high degree of local production have been a strength. At Lindab's facilities, routines have been introduced to prevent the spread of infections and to increase the safety of employees. Where Covid-19 cases have been confirmed among Lindab's employees, measures have been taken to prevent further spread of the infection. Protective equipment has been put on stock to secure future availability.</p> <p>Russia's invasion of Ukraine has created an uncertain situation in the world, with the risk that the conflict will escalate further. Lindab has a low dependence on Russia, Belarus and Ukraine. These three countries represent 0.5 percent of Lindab's sales. There are no operations in Ukraine or Belarus. At the beginning of 2022, 16 people were employed by a sales company in Moscow, which is being phased out. A lengthy conflict entails a risk of longer delivery times and higher prices, especially for energy and raw materials. Lindab's operations are not dependent on gas from Russia and production is not so energy-intensive that higher energy prices would be a serious problem. Lindab already has high inventory levels to be able to compensate for longer delivery times and shortage of raw materials.</p> <p>Lindab's dependence on suppliers outside Europe is low, which was an advantage during the pandemic, although it can be a risk in other crisis scenarios.</p>

Cont. Operational risks

<p>Raw material prices Lindab purchases large quantities of steel, predominantly sheet metal, and is influenced by developments in the market for raw materials.</p>		<p>Lindab has central purchasing of steel to build long-term relationships, benefit from competitive prices and to obtain transparency regarding future price adjustments. Lindab only purchase steel based on its needs and does not speculate on or hedge future steel prices. Steel is purchased 3–6 months in advance which reduce risk, as it gives Lindab room for adjusting prices. High volatility in purchase prices entails a certain profitability risk as the change in prices charged to customers takes effect with a certain delay.</p>
<p>Operational disruptions Lindab may be adversely affected by operational disruptions including equipment failure, strikes or fire.</p>		<p>With a presence in several European locations, operations can be redirected in the event of operational disruptions. Lindab's global insurance programs cover property damage, stoppages and breakdowns.</p>
<p>Customer exposure Lindab has a large number of customers. Only a few customers spread their purchases over several countries.</p>		<p>With its large number of customers, Lindab's exposure to individual customer losses is limited. A number of Group companies are insured against customer losses. Lindab's largest individual customer accounts for 1.9 percent (1.9) of the Group's annual sales.</p>
<p>Suppliers Lindab is dependent on a large number of suppliers. The loss of a key supplier may incur additional costs and production problems. Suppliers failing to adhere to Lindab's Code of Conduct can also cause problems for Lindab.</p>		<p>To reduce its dependence on individual suppliers, Lindab has agreements with a large number of suppliers. For steel, the main raw material in Lindab's products, several suppliers are used in different parts of the world.</p> <p>Lindab has established a Supplier Code of Conduct addressing, for example, working conditions, health and safety and business ethics. Suppliers in high-risk countries will be audited every two years. Other audits are planned and conducted, based on risk level.</p>
<p>Environmental impact Lindab has production facilities that affect the environment.</p>		<p>Lindab's Quality and Environmental Policy is a key document that forms the basis for the Group's environmental work. Although Lindab's operations in the manufacture of steel products have only a limited direct environmental impact, there is an indirect impact in the form of CO₂ emissions from the original production of the steel. The two greatest efforts that Lindab is making to reduce its environmental impact are gradually starting to use steel with lower CO₂ emissions, as it becomes available, as well as optimising transport and switching to more environmentally friendly transport alternatives.</p> <p>The waste products generated through production consist mainly of scrap metal which is recovered completely and other waste, of which up to 90 percent is recycled. Anything not used is sorted and disposed of in accordance with applicable regulations.</p> <p>To protect the company and third parties in the event of environmental accidents, Lindab holds environmental insurance in several countries. The insurance includes liability for damages that are part of or are the result of environmental damage.</p>
<p>Climate change Climate change in the form of increased warming, storms, droughts and other climate effects impact Lindab's opportunities to conduct its operations.</p>		<p>More storms and floods increases the risk of damage to Lindab's facilities, as well as of disruptions in the transport of raw materials and finished products. Electricity shortages or higher electricity prices will affect Lindab's ability to produce competitive products.</p>
<p>Business ethics Unethical conduct or poor management of business ethical risks can harm Lindab's brand and market reputation.</p>		<p>A Code of Ethics has been implemented in the Group to ensure that all employees in Lindab's markets follow best business practice. This includes overarching rules regarding how Lindab conducts its business and how company employees should behave towards one another and in business relationships. The Code is reviewed annually to ensure that it remains relevant. The Code includes principles regarding, for example, business ethics, employee relations and respect for human rights and the environment. Employees are encouraged to report violations. A whistle-blower system has been established and suspected violations are investigated and handled.</p>
<p>Risks of confidence Events may occur that damage confidence in Lindab. This may, for example, involve employees or suppliers failing to comply with applicable laws and regulations, or with Lindab's values.</p>		<p>Lindab updates its information regarding current regulations and the company's values on an ongoing basis. Lindab's Code of Conduct has been prepared for both employees and suppliers. Lindab has developed procedures for sudden events, such as accidents or injuries in the form of fire, natural disasters and other types of crises.</p>
<p>Health and safety Accidents and inadequate safety at Lindab's facilities could cause injury or death. Health risks also include mental illness caused, for example, by harassment, high stress levels and a poor working environment.</p>		<p>The physical safety of our employees is a high-priority area and systematic efforts to prevent accidents are conducted on a daily basis, particularly at Lindab's production facilities, where the risks are at their highest. For several years now, Lindab has been intensifying its efforts regarding a favourable working environment by working on values, behaviours and education. Lindab's investment program, introducing more modern equipment, has had the additional positive effect of increasing safety in the working environment.</p>

Cont. Operational risks

<p>Expertise Attracting competent personnel and retaining key individuals is of significance for Lindab's continued success.</p>		<p>The shortage of manpower is becoming increasingly apparent and efforts to be regarded as an attractive employer have therefore become important. Lindab applies targeted initiatives to attract critical expertise and to strengthen the employer brand. Through training, coaching and annual development interviews, employees' skills are developed. Salaries and other conditions are to be in-line with the market and linked to the company's business priorities. Lindab seeks to maintain favourable relations with the trade unions.</p> <p>Lindab's investment program is automating certain parts of production, counteracting a shortage of labour in manufacturing.</p>
<p>Legal risks Lindab may be subject to commercial disputes and other legal proceedings.</p>		<p>Lindab monitors legal developments in relevant areas to safeguard its regulatory compliance. A central function headed by the Group's General Counsel is tasked with monitoring and steering the management of legal risks. During the year, Group companies were only involved in minor disputes that are directly related to the business. Within Ventilation Systems and Profile Systems, provisions are made for disputes that arise and that are deemed to result in a payment liability. Warranty provisions at the end of the financial year amounted to SEK -5 m (-21). For further information, see Note 28.</p>
<p>IT security Disruptions or errors in critical systems can have a direct impact on production and business processes. Intrusion by unauthorised individuals may cause financial loss or other harm.</p>		<p>IT security efforts include continuous risk assessment, introducing preventive measures and applying security technologies. To ensure high availability and disaster preparedness and to minimise the risk of disruptions to critical business systems, IS/IT security solutions have been implemented and the relevant degree of redundancy in IT infrastructure equipment has been established (communication lines, servers, storage and server rooms). With an increased degree of digitalisation, the risks in this area are expected to gradually increase.</p>

Financial risks

For further details regarding financial risks, see Note 3.

Risk	Trend	Management
<p>Financing Financing risk refers to the risk that the financing of the Group's capital needs and refinancing of outstanding loans will become more difficult or more expensive.</p>		<p>On December 31, 2020, Lindab's total credit limits amounted to SEK 1,902 m (1,922). The credit limits expire in July 2022. Lindab's credit agreements with Nordea/Danske Bank and Raiffeisen Bank International include two covenants in the form of the net debt to EBITDA ratio and the interest coverage ratio, which are followed up quarterly. As of 31 December 2020, Lindab complies with the covenants. According to the Group's Treasury Policy, long term financing should always be in place 12 months before existing financing expires.</p>
<p>Liquidity Liquidity risk is defined as the risk that the Group would incur increased costs due to a lack of liquidity.</p>		<p>All centrally managed loan maturities are planned in relation to the consolidated cash flow. Lindab's credit agreements safeguard liquidity needs. Lindab's business is seasonal, which has an effect on the cash flow. During the period January-June, cash flow is normally negative, to then become positive in July-December. According to the Group's Treasury Policy, the Group must at all times have available funds, including unutilised credit facilities, to cover the liquidity needs of the operating activities.</p>
<p>Interest Interest rate risk is defined as the risk that changes in current interest rates will have a negative effect on the Group.</p>		<p>Surplus liquidity is always used to amortise existing loans. In accordance with the Treasury Policy, the fixed interest rate period will be 1-12 months. On 31 December 2020 it was three months (three). The interest rate, calculated as the Group's interest expense in relation to average liabilities amounted to 2.6 percent (2.3).</p>
<p>Currency Currency risk is the risk of negative effects on the consolidated statement of comprehensive income, cash flow and statement of financial position as a result of changes in exchange rates. The profit is affected when income and expenses in foreign currencies are translated into Swedish kronor. The statement of financial position is affected when assets and liabilities in foreign currencies are recalculated in Swedish kronor.</p>		<p>To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company is responsible for identifying its own currency exposure. Some special orders, projects, investments and purchases can be hedged to create certainty of future cash flows. With the divestment of Building Systems, exposure to the Russian rouble has decreased.</p> <p>Currency hedging of the Group's translation exposure is determined by the CFO, which is in accordance with the Group's Treasury Policy. Hedging may be arranged for up to 90 percent of the value of the underlying asset.</p>

THE EU TAXONOMY

The EU taxonomy

As of 1 January 2022, companies such as Lindab are to report according to EU's taxonomy and classify sales and expenses. In the initial stage only the share that is covered by the taxonomy must be reported. In the next stage, the share classified as sustainable, in accordance with the taxonomy, must also be stated. This year, Lindab has already chosen to report not only the share that is eligible, but also the share of sales that are aligned with the sustainability criteria for the taxonomy's first objective.

Of Lindab's sales, ventilation systems account for about two thirds. This is a type of product that the taxonomy seeks to highlight, as efficient ventilation reduces energy consumption. This means that 98 percent of sales from the ventilation range are classified as eligible according to the taxonomy. In a further analysis of what share that is to be considered aligned with the sustainability criteria for the first objective (climate change mitigation), 89 percent of sales have been classified as sustainable. Some ventilation products in the lower air-tightness classes are not considered to be aligned with the first objective. The first objective is particularly relevant for Lindab's type of products.

Building products account for a third of Lindab's sales. According to the taxonomy, only building products that reduce energy consumption are eligible, such as insulated walls and gates. Traditional sheet metal roofing, where the insulation is added when laying the roof, may not be included. In Lindab's assessment, 26 percent of sales are eligible according to the taxonomy. For the first objective, the assessment is that 22 percent of sales is also aligned with the sustainable criteria.

For the second objective (climate change adaptation), the taxonomy is inexplicit in several places and there is a great deal of uncertainty about the classification. Lindab has therefore chosen not to communicate any numbers for the second objective.

In total, 73 percent of Lindab's sales are eligible according to the taxonomy. For the first objective, 66 percent of sales are assessed to be aligned with the sustainability criteria.

About the EU's green taxonomy

To achieve the EU's climate targets and the objectives of the EU's Green Deal, investment must, to a greater extent, be steered towards sustainable projects and operations. The establishment of a classification system for environmentally sustainable operations, a green taxonomy, is therefore a key activity within EU's action plan for financing sustainable growth.

For a certain economic activity to be classified as environmentally sustainable, it must contribute significantly to one or more of six predetermined environmental targets, do no significant harm to any of the other targets, and meet certain minimum requirements in the area of sustainability. At the initial stage, the two first climate-related targets in the taxonomy are to be reported on.

Objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

	Total (SEK thousands)	Share of economic activities eligible for the taxonomy (%)	Share of economic activities not eligible for the taxonomy (%)
Sales	9,648	73	27
Operational expenditures	161	0	100
Capital expenditures	408	54	46

Comments on the analysis performed

Sales, ventilation products

Objective 1

According to Lindab's assessment, based on the technical screening criteria, a large part of the ventilation products makes a significant contribution to mitigating climate change and also meets the criteria for not doing any significant harm (DNSH). Lindab also meets the minimum guarantees set out in the delegated acts. Lindab manufactures products that are part of a highly energy-efficient ventilation system in buildings. Air duct systems that transport air in the ventilation system that are classified in the tightness classes C or D are considered aligned with the sustainability criteria in the taxonomy. Other products without a specific energy efficiency rating are included if considered part of the energy-efficient ventilation system, including roof hoods, mountings and support systems and various room products, including thermostats and water-borne solutions. Residential fans and air handling units with energy label A or B, in accordance with the Ecodesign Directive, are included. For industrial solutions, for which no energy label is available, European requirements on ErP (Energy related Products) have been followed. Also considered to be included are machines manufactured by Lindab for the production of air duct system parts meeting tightness class C or D.

Part of the product range is not considered to be aligned with the requirements for climate change mitigation. Examples are air duct systems with tightness class A or B, as well as products for which data is lacking to determine a significant contribution to climate change mitigation or compliance with DNSH.

Sales, building products

Objective 1

According to Lindab's assessment, based on the technical screening criteria, a smaller part of the building products range makes a significant contribution to climate change mitigation and also meets the criteria for not doing any significant harm (DNSH). Lindab also meets the minimum guarantees set out in the delegated acts

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

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

Most sales are not considered to be eligible according to the taxonomy, such as rainwater systems, metal roofs and roof safety systems.

Purchases of taxonomy-related products and services

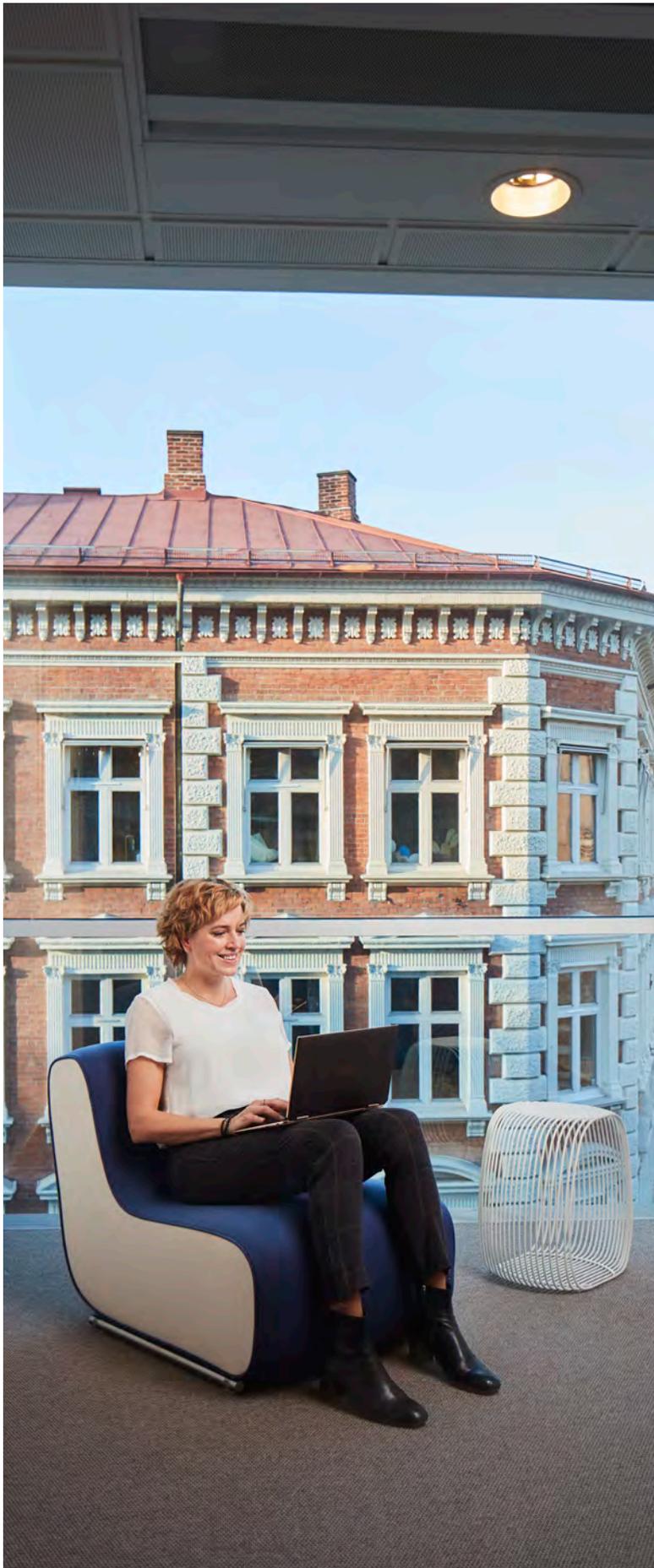
Operational and capital expenditures are also to be classified based on the established criteria. Expenses for purchases in operations covered by the taxonomy, but that do not directly generate income, are to be reported if they help limit the impact on the climate or are covered by the taxonomy by definition.

Capital expenditures

Lindab's reporting of capital expenditures shows the investments made in capitalized intangible assets and tangible fixed assets, respectively. Intangible assets and tangible fixed assets added through business acquisitions are also included, with the exception of goodwill and acquisitions that, during the year, mainly generated indirect capital expenditures for fixed assets in the building products category. In the calculation of capital expenditures in accordance with the taxonomy, adjustments have also been made for discontinued operations and indirect non-financial activities. For further information regarding capital expenditures, see Notes 5, 18, 19 and 20.

Operational expenditures

In accordance with the taxonomy's definition, operational expenditures, mainly pertain to the Group's direct costs for certain research and development activities, excluding depreciation, building renovations, short-term leases, as well as maintenance and repairs. Based on a general conservative analysis, the operational expenditures defined are not considered directly associated with the financial activity covered by the taxonomy. Adjustments have been made for discontinued operations.



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Directors' Report

Continuing operations

- Net sales for 2021 amounted to SEK 9,648 m (8,220), an increase of 17 percent compared with previous year.
- Adjusted operating profit increased to SEK 1,266 m (860). No one-off items or restructuring costs were reported as operating profit during the period compared with SEK –70 m in previous year, which was related to Lindab's closing and divestment of IMP Klima Group.
- Adjusted operating margin increased to 13.1 percent (10.5).
- Operating profit increased to SEK 1,266 m (790) and operating margin was 13.1 percent (9.6).

Total operations

- Net sales for 2021 amounted to SEK 10,619 m (9,166), an increase of 16 percent compared with previous year.
- Adjusted operating profit increased to SEK 1,297 m (916). Operating profit was adjusted for one-off items and restructuring costs of SEK –456 m (–70), related to Lindab's divestment of Building Systems (IMP Klima Group).
- Adjusted operating margin increased to 12.2 percent (10.0).
- Operating profit amounted to SEK 841 m (846) and operating margin was 7.9 percent (9.2).
- The Board of Directors proposes a dividend of SEK 4.00 (3.40).

The Board of Directors and the CEO of Lindab International AB (publ.), corporate identity no. 556606-5446, registered in Sweden, with its head office in Båstad and address SE-269 82 Båstad, hereby present the Annual Report for the financial year 2021.

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

The business

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

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

Discontinued operations

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

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

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

Financial key performance indicators

Amounts in SEK m unless otherwise indicated.

	2021	2020	Change %
Continuing operations			
Net sales	9,648	8,220	17
Growth:	17	-3	
of which organic growth, %	17	-2	
of which acquired/divested, %	2	0	
of which currency effects, %	-2	-1	
Operating profit before amortisation/depreciation and impairment losses, EBITDA ¹⁾	1,660	1,185	40
EBITDA margin, % ^{1) 2)}	17.2	14.4	
Adjusted operating profit ^{1) 2)}	1,266	860	47
Operating profit	1,266	790	60
Adjusted operating margin, % ^{1) 2)}	13.1	10.5	
Operating margin, %	13.1	9.6	
Earnings before tax	1,223	752	63
Total operations			
Net sales	10,619	9,166	16
Growth:	16	7	
of which organic growth, %	17	-6	
of which acquired/divested, %	2	1	
of which currency effects, %	-3	-2	
Operating profit before amortisation/depreciation and impairment losses, EBITDA ¹⁾	1,645	1,284	28
EBITDA margin, % ^{1) 2)}	15.5	14.0	
Adjusted operating profit ^{1) 2)}	1,297	916	42
Operating profit	841	846	-1
Adjusted operating margin, % ^{1) 2)}	12.2	10.0	
Operating margin, %	7.9	9.2	
Earnings before tax	802	811	-1
Profit for the year	537	596	-10
Earnings per share before dilution, SEK	7.02	7.80	-10
Earnings per share after dilution, SEK	7.00	7.80	-10
Dividend per share, SEK	4,00 ³⁾	3.40	
Cash flow from operating activities	704	1,129	-38
Shareholders' equity	5,650	5,178	9
Net debt ¹⁾	1,696	1,640	3
Return on shareholders' equity, % ^{1) 2)}	9.9	11.6	
Return on capital employed, % ^{1) 2)}	11.0	11.5	
Net debt/EBITDA, excluding one-off items and restructuring costs ^{1) 2)}	1.0	1.4	
Net debt/equity ratio, times ^{1) 2)}	0.3	0.3	
Average number of employees	5,189	5,121	1
of which, discontinued operations	655	707	

1) This is an "alternative key performance indicator" not defined in accordance with IFRS. For definition, see page 134.

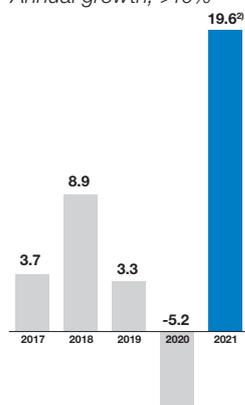
2) Adjusted for one-off items and restructuring costs, see table on page 132.

3) Board of Directors' proposed dividend for 2021. It is proposed that the dividend be divided between two payment dates, in May and November respectively.

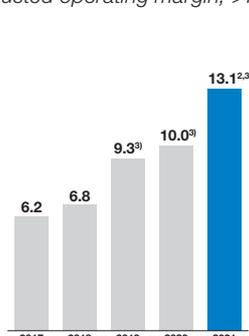
Financial targets

For 2021 the outcome regarding annual growth and adjusted operating margin is reported for continuing operations, while net debt/EBITDA is reported for total operations.

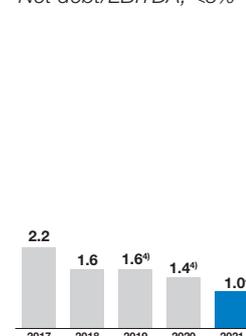
Annual growth, >10%¹⁾



Adjusted operating margin, >10%



Net debt/EBITDA, <3%⁵⁾



1) Growth excluding currency effects.

2) The outcome for total operations was 18.5 percent for annual growth and 12.2 percent for adjusted operating margin.

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

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

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

Financial targets and target fulfilment 2021

Lindab's ambition is to generate value for customers and for the environment. The Group also aims to generate value for shareholders and other stakeholders based on a business model with clear financial targets. For several years, Lindab has been working towards financial targets decided by the Board of Directors within the categories of growth, profitability and debt ratio. The underlying purpose of these targets is to create long-term value for shareholders, increase Lindab's financial strength and enable the Group's future strategic investments in the third quarter of 2021, Lindab updated its targets for growth and profitability. Lindab's financial targets are:

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

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

Lindab's sales growth during the year for continuing operations, excluding currency effects, was 19.6 percent. Operating profit developed positively and the operating margin, excluding one-off items and restructuring costs, increased to 13.1 percent. The previous year's corresponding key performance indicators, calculated for total operations, amounted to -5.2 percent for sales growth and 10.0 percent for operating margin excluding one-off items and restructuring costs. At the end of 2021, the ratio of net debt to EBITDA was 1.0 (1.4).

Lindab's Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 4.00 (3.40) per share, corresponding to a dividend of SEK 306 m (260) and approximately 57 percent (44) of reported net profit. It is proposed that the dividend be divided between two payment dates, in May and November, respectively. This proposal is in accordance with the Group's Dividend Policy.

Investments

Lindab's investments in intangible assets and tangible fixed assets amounted to SEK 395 m (425). The Group is currently implementing the largest investment program in Lindab's history. The focus is on increased automation and efficiency, increased production capacity, and at the same time aims to reduce the Group's environmental impact and create a safer working environment for employees. The investment program relates to a number of Group facilities.

Business combinations

In July, Lindab acquired all shares and voting rights of the Swedish company KAMI, Kalix Mekaniska Industrier AB. The company is mainly a manufacturer and distributor of premium sheet metal roofs, especially developed and designed for the Nordic climate. The acquisition is a good complement to Lindab's current range of sheet metal roofs. The company has an annual turnover of approximately SEK 100 m.

In September, Lindab finalised the acquisition of all shares and voting rights of the Norwegian ventilation company H.A. Helgesen & Sønner AS. The company is primarily a manufacturer of rectangular ventilation ducts and has an extensive logistics network in western Norway. The aim of the acquisition is

to further complement Lindab's business presence in Norway, both in terms of products and distribution. The company has an annual turnover of approximately SEK 15 m.

In October, Lindab acquired all shares and voting rights of the Swiss company Tecnovent SA. The main business of the company is production and sales of ventilation grilles, roof hoods and rectangular ventilation ducts. The acquisition complements Lindab's current local product range and strengthens the Group's position in the south-east part of Switzerland. The company has an annual turnover of approximately SEK 20 m.

In November, Lindab acquired all shares and voting rights of the Danish company Klimatek Ventilationsmateriel A/S. The company manufactures both standardised and customised components to ventilation systems for customers. The purpose of the acquisition is to complement Lindab's extensive range of standardised ventilation products, but it will also contribute to the marine business of the Group. The company has an annual turnover of approximately SEK 30 m.

In November, Lindab acquired all shares and voting rights of the Swedish company Profilplåt i Sverige AB. The company's main operations are production and sales of sheet metal roofs and walls. The purpose of the acquisition is mainly to complement Lindab's current production of these products, improve transportation possibilities to customer in the north of Sweden and strengthen the Group's geographical presence in the area. The company has an annual turnover of approximately SEK 70 m.

At the end of December, Lindab divested all shares and voting rights in the business area, and segment, Building Systems to the French construction company Groupe Briand. The agreement of the divestment was signed in September, but the transaction was among other things subject to anti-trust approval in Russia. This approval was obtained during the fourth quarter, when the transaction was also finalised. The business of Building Systems is focused on construction, production and sales of complete prefabricated steel construction systems. Sales in 2021 amounted to SEK 971 m.

Four companies were acquired in the previous year: Smofir Trading Ltd. (Ireland), Crenna Plåt AB (Sweden), Ekovent AB (Sweden) and Aer Faber AS (Norway). In addition, Lindab became a partner by acquiring 36.6 percent of Leapcraft ApS (Denmark). IMP Klima Group was divested in 2020.

For further information on business combinations, see Note 5.

Research and development

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

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

In 2021, Lindab's research and development focused even more clearly on

its future product and system offering, responds to strict demands regarding future sustainability. During the year, Lindab launched a new system to easily and cost-effectively upgrade existing buildings' ventilation systems to a demand-controlled ventilation system that automatically adjusts the volume of air to current needs. With the new system, Lindab's customers will be able to save energy compared with previously, without having to replace large parts of existing ventilation systems.

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

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

In 2021, research and development expenses amounted to SEK 53 m (55), of which SEK 41 m (42) related to Ventilation Systems and SEK 12 m (13) to Profile Systems. The number of people employed in product development in the continuing operations totalled 50 (49), of whom 35 (31) were in Ventilation Systems and 15 (18) in Profile Systems. For discontinued operations, expenses for research and development amounted to SEK 12 m (9) and the number of employees to 12 (12).

Personnel and personnel development

In 2021, the average number of employees within the Lindab Group was 5,189 (5,271), with continuing operations accounting for 4,534 (4,564). The number of employees at the end of the year for continuing operations was 4,549 (4,386). Adjusted for acquisitions and divestments, the number of employees in the continuing operations increased by 31. The average number of employees in Sweden was 1,283 (1,157), which corresponded to 25 percent (22) of all employees in the Group. For further details on the average number of employees and personnel costs, see Note 6.

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

Guidelines for remuneration of senior executives

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

Profit sharing foundation

For employees with permanent positions in some Swedish Lindab companies, there is an agreement for annual payment of contributions into a profit sharing foundation. In 2021, provisions amounted to SEK 7 m (7), including special employers' contributions. At the end of 2021, the profit sharing foundation held 476,000 shares (497,000) in Lindab. In addition to the Swedish profit sharing scheme, there is also a small profit sharing scheme in Lindab's French company. See also Note 6.

Sustainability Report

Sustainability is taken very seriously in Lindab's business operations. In 2021,

the sustainability work has continued, among other things with updated sustainability goals. Lindab has prepared a Sustainability Report in accordance with GRI (Global Reporting Initiative). The Sustainability Report has been prepared in a report separate from the Directors' Report to meet the requirements for a statutory Sustainability Report in accordance with the Annual Accounts Act (AAC), Chapter 6, Section 11. The contents of the Sustainability Report are listed in the GRI index and the AAC table presented on pages 136-138 of this report. The auditor's opinion regarding the statutory Sustainability Report can be found on page 138. There is an index on page 138 with references indicating where information about the various subjects covered by the Sustainability Report in accordance with the Annual Accounts Act (1995:1554) can be found in the Annual Report.

Environment

Consistent environmental work

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

Products

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

Environmental permits

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

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

Environmental impact

Lindab's production of steel products has a relatively limited impact on the environment. The Group pursues activities on properties where soil contamination may occur. The company controls, monitors and addresses any issues in consultation with the local authorities. The waste products generated during production consist primarily of scrap metal which is recovered completely. Other waste is recycled up to 90 percent. Anything not used is sorted and disposed of in accordance with applicable regulations.

Climate impact

Lindab's climate impact comprise energy consumption as well as transportation and consumption of raw materials. Several projects focusing on energy efficiency and reducing scrap volumes are being conducted within the Group.

Corporate governance

See the Corporate Governance Report on pages 47-59.

Risks and risk management

Exposure to risk is, to a certain extent, part of the business activities. Lindab's

risk management consists of identifying, measuring and trying to prevent risks from occurring, and continually making improvements to minimise potential risks. For the Group, risk prevention is principally aimed at preventing potential risks from developing into damage and/or losses. If Lindab does not succeed, the next step is to mitigate the effect of damage that has already occurred.

The Group's risks have been divided into four main risk areas; Operational risks, Strategic risks, Financial risks and Compliance risks. The probability of each risk and its impact on Lindab's business is assessed continuously with a subsequent action plan. Reporting, monitoring and control are conducted through formally established procedures and processes. The Group's main identified risk areas are described below.

Operational risks

Steel price development

Lindab purchases large quantities of steel, mainly in the form of sheet metal, and is influenced by the developments in the market for raw materials. The purchasing strategy developed by Lindab is based on long relations with the most important suppliers of steel and sheet metal, enabling the company to purchase directly from steel mills rather than intermediaries. Lindab's close relationship with steel mills has also enabled it to develop certain qualities of steel and specific finishes that are adapted to the company's systems and products. Lindab only purchases steel to meet stock holding requirements and does not speculate or hedge on future steel prices.

Lindab has chosen to coordinate most of its steel purchasing in order to achieve economies of scale, as well as to secure competitive prices and terms with steel mills. A thorough internal review is also being conducted to enable the Group to react and adapt its prices to customers when price increases arise at the purchasing stage that cannot be absorbed by the organisation through rationalisation. High volatility in the purchase price of steel entails a certain profitability risk as offsetting through customer prices may be delayed. During the year, Lindab implemented price increases to compensate for historically high steel prices, which had a positive effect on sales.

Stoppages

Lindab may be affected by stoppages due to various reasons such as breakdowns and strikes, as well as other reasons outside of the Group's control. Due to its global presence, the Group has the ability to move its operations to other locations if any unit would be negatively affected, thereby ensuring that any projects undertaken are completed.

Lindab has had stable access to raw materials throughout the year, at a time when there was a shortage of steel and other inputs during certain parts of the year. The market situation is a result of the pandemic, with, for example, several steel mills being closed during in 2020. This caused a general imbalance in steel, particularly during the first half of 2021.

The Group holds global insurance programs to cover significant property damage, stoppages and breakdowns.

Bad debt losses

Lindab sells its products to a large number of customers, which means that the Group has limited exposure to individual customer losses. However, there is always a risk that customers' financial position may change, which can negatively impact their ability to pay, which may in turn, result in Lindab not receiving payment for products sold. In order to minimise the risk of bad debt losses, a number of companies within the Group have insured receivables against bad debt losses. Furthermore, the Group obtains credit information about customers whenever possible. Lindab's largest individual customer accounts for 1.9 percent (1.9) of the Group's annual sales.

Lindab has been using a valuation method for calculating bad debt loss provisions which is based on expected bad debt losses. In practice, this means that the Group categorises its outstanding accounts receivable in six different levels depending on due date, ranging from accounts receivable that are not due to receivables that are overdue by more than 360 days. The respective levels have an expected degree of bad debt loss of between 0.5 percent (0.6) and 95.3 percent (95.6). Accounting loss provisions are formed based on these expected degrees of bad debt loss. Degrees of bad debt loss are estimated based on the Group's own experience, but also reflect future expectations of different payment structures given the economic climate and other important conditions. In addition to the model-based provisions for bad debt losses, individual assessments are also made of accounts receivable as soon as there are indications of an increased risk of loss on individual commitments. In this way, the Group works actively on an ongoing basis to reflect known information in total reported provisions for anticipated bad debt losses in the best possible manner. For further information on the valuation of accounts receivable, see Note 2 and Note 25.

Based on the described valuation method, the provision for expected bad debt losses amounted to SEK -69 m (-81) at the end of the financial year. During the year, earnings were affected by costs for expected and actual bad debt losses corresponding to 0.1 percent (0.2) of net sales, see Note 25.

Disputes

The financial risk associated with disputes relates to the costs that may arise from the Group's involvement in various legal disputes. The responsibility for monitoring and guiding the legal risk management lies with Lindab's legal department led by the Group's General Counsel. During the year, Group companies were only involved in minor disputes that are directly related to the business.

Within Ventilation Systems and Profile Systems, provisions are made for disputes that arise and that are deemed likely to result in a payment obligation. Warranty provisions for continuing operations at the end of the financial year, amounted to SEK -5 m (-7). For further information, see Note 28.

IS/IT

Lindab Group IS/IT packages and offers IS/IT services to Group companies with aim to establish an efficient and sustainable value chain that offers different customer and market segments deliveries and services on time and with the appropriate level of quality at a competitive price.

In order to offer robust IS/IT services with high availability, Lindab works continuously with risk reducing measures for business critical systems. Information and IT security solutions and applicable degrees of redundancy in IT infrastructure equipment (communication lines, servers, storage and server halls) have been established. Regular risk analyses are conducted of critical IS/IT systems, including identification, analysis and mitigation measures.

Strategic risks

Competition

In the various markets, Lindab competes against a large number of small companies and a small number of relatively large national and multinational companies. The company's competitors include Ruukki Construction, Tata Steel, Arcelor Mittal Construction, Marley, Balex Metal, Budmat, Pruszyński, Fläkt Woods, Swegon, Systemair, Trox and Llentab.

To face this competition, Lindab has opted to use highly automated central production units for volume products. These products can be easily transported. This is combined with smaller, local production units for products that require local adaptation. Local production is also applied for bulky products

in order to reduce transport costs and achieve greater sustainability in the process. Through a well developed distribution network, Lindab can stay informed of changes, trends and new demands from customers and lay the foundations for the adaptation of products, systems solutions and services.

Lindab's primary raw material is steel, mainly in sheet metal form, and Lindab's competitive strength is partially affected by changes in the price of raw materials. Lindab is continuously rationalising production, distribution and organisation to maintain its competitive edge. Steel has many advantages over competing materials such as plastic and concrete. Customer campaigns also have an influence on customers' product choices. Lindab is working towards building long-term relationships with customers and to provide added value by simplifying construction through the use of Lindab's products and system solutions.

Customer behaviour

Demand for Lindab's products is affected by changes in customers' investment plans and production levels. Customers' investments can change if the political or economic situation in a country or an industry changes. At the end of 2021, Lindab maintained operations in 20 countries, balancing the various country specific risks in the construction industry. However, since construction is a cyclical industry, it is not possible to protect against a downturn in the global economy. The current economic climate in Europe is affecting the majority of Lindab's markets and therefore also has an impact on Lindab. Similarly, political unrest, national restrictions or instability may have an effect on Lindab's operations.

Macro-economy/market

Lindab's business is late in the construction cycle, with approximately 80 percent of sales related to the non-residential construction market and a range of products and solutions that are mostly installed at a later stage of the construction process. Generally, over time the construction market follows overall GDP growth, although with greater fluctuation. The market for non-residential construction is often somewhat later in the business cycle than residential construction as the projects involved are generally larger and extend over longer lead times.

During normal business cycles, this allows Lindab some flexibility to manage capacity planning. However, in the event of macroeconomic crises, such as the financial crisis of 2008, the opposite generally occurs with rapid and significantly greater fluctuations in construction activity compared with the general economy.

During the year, construction activity continued to recover, particularly in Western and Central Europe, which in 2020 were significantly affected by the restrictions implemented as a result of covid-19. Construction activity in Lindab's largest market, the Nordic region, has been relatively stable throughout the pandemic.

Lindab's objective has been to keep factories, distribution and sales channels open to the greatest extent possible. Customers value high availability and delivery precision. The Group's dependence on suppliers outside Europe is low and through Lindab's extensive distribution network and a high degree of local production, Lindab has strengthened its competitiveness and customer loyalty. At Lindab's facilities, routines have been introduced to prevent the spread of infections and to increase the safety of employees. Where covid-19 cases have been confirmed among Lindab's employees, measures have been taken to prevent further spread of the infection.

Financial risks

For a description of financial risks, see Note 3.

Compliance risks

Taxes

Lindab conducts operations in many different countries, mainly in Europe, and has generally perceived tax legislation and its application to have become more complex. Predictability has decreased and it has become increasingly important to maintain updated and fully functional systems and processes for handling taxes and levies.

Within the field of income taxes, focus is also on transfer pricing issues, which relate to the prices agreed in cross-border transactions between related companies. Internal prices impact revenues and costs and thereby taxable profits in the countries where the companies operate. The internationally accepted view is that the conditions should be consistent with what would be agreed between independent parties, known as the arm's length principle. The OECD has issued guidelines for cross-border internal transactions in multinational groups, and Lindab works continuously to ensure that the Group complies both with these guidelines and local tax legislation in each jurisdiction.

Lindab is also working to develop and adapt procedures to identify tax risks and manage them effectively. Lindab has regular contact with tax advisers for the interpretation of tax laws and to assess how various issues should be handled. An incorrect treatment could impact Lindab through higher operating expenses or tax expenses together with interest and penalties.

The Group is not involved in any tax disputes deemed to be able to have a material negative impact on the Group's result or financial position.

Environment

Lindab is actively working to minimise the environmental impact created by the Group's operations and products. Lindab's Quality and Environmental Policy is a key document that forms the basis for the Group's environmental work. Lindab's production of steel products has a limited direct environmental impact. In cases where there is a risk of environmental liability, an assessment is made to determine whether a provision is required. No provisions were made for anticipated future environmental liabilities in 2021. The waste products generated through production consist mainly of scrap metal, which is reused completely, and other waste, of which up to 90 percent is recycled. Anything not used is sorted and disposed of in accordance with applicable regulations.

Lindab works continuously with efficient tools for monitoring and analysing the Group's sustainability work. During 2021, Lindab has also initiated the work with Science Based Targets to be able to, in 2022, present how the Group will achieve the climate targets in line with the Paris Agreement.

In order to protect the company and third parties in the event of environmental accidents, Lindab has environmental insurance where required by local law, and in some cases this has been extended to include voluntary insurance environmental liability. The insurance includes liability for damages that are part of or are the result of environmental damage.

Business ethics

Lindab's reputation is a valuable asset that can be influenced by Lindab's actions as well as by external stakeholders. The Group strives to avoid engaging in conduct that might jeopardise Lindab's good standing. Lindab aims to be a good corporate citizen wherever the Group is active. A Code of Conduct is implemented in the Group to ensure that all Lindab employees follow best business practice.

Working environment

A good and safe working environment is a strategic issue for the Group. Lindab applies a Quality and Environment Policy with clearly defined responsibilities for both managers and employees. Emphasis is placed on preventive work, which is done in cooperation with Management, employees, the safety organisation and occupational health organisation.

Accidents that resulted in time lost from work of at least one day are monitored and reported as LTIF (Lost Time Injury Frequency). During 2021, LTIF amounted to 6.7 (6.4). In the event of serious accidents involving a risk of permanent disability, the President and CEO is informed within 24 hours and corrective and preventive actions are followed up and implemented within two weeks. In 2021, 3 (10) serious accidents occurred. Lindab follows up incidents closely to ensure that the people affected receive the best possible support in their return to work. A safe work environment is a priority in Lindab's ongoing investment program.

Share capital

On December 31, 2021, the share capital amounted to SEK 78,842,820 (78,732,820) consisting of 78,842,820 (78,732,820) class A shares only. All shares have a quotient value of SEK 1.00.

Lindab holds 2,375,838 treasury shares (2,375,838), equivalent to 3.0 percent (3.0) of the total number of Lindab shares. The number of shares outstanding is 76,466,982 (76,356,982).

The 2021 Annual General Meeting resolved on a share option program for senior executives in the Lindab Group through a private placement of at most 275,000 share options. Under this program, 183,950 share options were acquired by senior executives in Lindab in accordance with a market valuation based on established agreements. Each share option entitles the holder to acquire one share in Lindab at a exercise price of SEK 222.00. Acquisitions of shares supported by share options may take place after Lindab has published the half-year report for the year 2024 and up until August 31 of the same year.

At the Annual General Meetings in 2019 and 2020, respectively, there were also resolutions to implement share option programs for senior executives. From the 2019 share option program, there are 175,000 remaining options with a exercise price of SEK 120.00 exercisable during summer 2022. From the 2020 share option program there are 210,000 remaining share options with a exercise price of SEK 101.90 exercisable during summer 2023. For further information, see Note 6.

During 2021, 110,000 externally held warrants from the 2018 warrant program, were utilised to subscribe for shares in accordance with agreed terms. This transaction has triggered the issuance of 110,000 shares in Lindab International AB to the benefit of these individuals. The subscription of shares was exercised at a price of SEK 86.40 per share. Other unused options from the 2018 warrant program have matured.

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

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

On December 31, 2021, the company had a market capitalisation of SEK 24,576 m (13,011) and 14,013 shareholders (10,156). Lindab's largest shareholder at the end of the year, was Fjärde AP-fonden with 9.3 percent (8.9) of the shares outstanding. This was followed by Handelsbanken Fonder with 7.0 percent (7.3), Lannebo Fonder with 6.4 percent (9.3), Didner & Gerge Fonder AB with 4.7 percent (4.3) and Livförsäkringsbolaget Skandia with 3.6 percent (3.7). The five largest shareholders together held 31.0 percent (35.1) of the share capital and voting rights. The ten largest holdings constituted 42.0 percent (49.8) of the shares, excluding Lindab's treasury shares.

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

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

Dividend

Dividend Policy

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

Proposed appropriation of profits for the financial year 2021

Lindab's Board proposes that the Annual General Meeting on May 12, 2022 resolve on a dividend of SEK 4.00 per share, which is compliant with the company's Dividend Policy and results in a total dividend of SEK 306 m. It is proposed that the dividend will be paid on two occasions, with SEK 2.00 respectively. The proposed reconciliation dates for dividend rights are May 16 and November 7, 2022, respectively, whereupon it is estimated that payments of dividends to shareholders will take place on May 19 and November 10, 2022, respectively.

At the disposal of the Annual General Meeting:

SEK	2021
Profit brought forward	2,071,964,452
Profit for the year	13,535,780
Profit brought forward at the end of the year	2,085,500,232

The Board of Directors proposes the following appropriation of profits:

SEK	
Dividend to shareholders, SEK 4.00 per share	305,867,928
To be carried forward	1,779,632,304
Total	2,085,500,232

Net sales and profit

Continuing operations

- Net sales for 2021 amounted to SEK 9,648 m (8,220), an increase of 17 percent compared with previous year.
- Adjusted operating profit increased to SEK 1,266 m (860). No one-off items or restructuring costs were reported as operating profit during the period compared with SEK -70 m in previous year, which was related to Lindab's closing and divestment of IMP Klima Group.
- Adjusted operating margin increased to 13.1 percent (10.5).
- Profit for the year amounted to SEK 958 m (554) and earnings per share after dilution amounted to SEK 12.50 (7.25).

Total operations

- Net sales for 2021 amounted to SEK 10,619 m (9,166), an increase of 16 percent compared with previous year.
- Adjusted operating profit increased to SEK 1,297 m (916). Operating profit was adjusted for one-off items and restructuring costs of SEK -456 m (-70), related to Lindab's divestment of Building Systems (IMP Klima Group).
- Adjusted operating margin increased to 12.2 percent (10.0).
- Profit for the year amounted to SEK 537 m (596) and earnings per share after dilution amounted to SEK 7.00 (7.80).

Net sales - continuing operations

Net sales for the continuing operations amounted to SEK 9,648 m (8,220), an increase of 17 percent compared with previous year. Organic growth increased by 17 percent and currency effects had a negative impact on growth by 2 percent. Structural changes contributed positively by 2 percent.

Increased sales during the year were affected by historically high steel prices, for which Lindab implemented price increases to customers to compensate for the underlying change in the cost of raw materials. Due to Lindab's central purchasing function, the Group has been a reliable partner to manufacture and supply customers with demanded products, despite a general imbalance between supply and demand for raw materials. During the year, there was also a clear recovery in the construction market the comparison period was affected by the restrictions related to covid-19. This also contributed to sales growth.

Foreign net sales increased by 12 percent and amounted to SEK 6,590 m (5,887), corresponding to 68 percent (72) of the continuing operations total sales.

Net sales and growth, continuing operations

	2021	2020	2019	2018	2017
Net sales, SEK m	9,648	8,220	8,512	8,260	7,360
Change, SEK m	1,428	-292	252	900	411
Change,	17	-3	3	12	6
Of which					
Organic growth, %	17	-2	1	7	5
Acquired/divested, %	2	0	0	1	0
Currency effects, %	-2	-1	2	4	1

Net sales per region, continuing operations

SEK m	2021	%	2020	%	2019	%	2018	%	2017	%
Nordic region	5,296	55	4,380	53	4,225	50	4,196	51	3,741	51
Western Europe	2,842	29	2,530	31	2,753	32	2,646	32	2,368	32
Central Europe	1,351	14	1,179	14	1,387	16	1,266	15	1,081	15
Other markets	159	2	131	2	147	2	152	2	170	2
Total	9,648	100	8,220	100	8,512	100	8,260	100	7,360	100

At the end of 2021, Lindab was established in 20 countries (24). During the year, the continuing operations had a geographic distribution with 55 percent (53) of total sales in the Nordic region, 29 percent (31) in Western Europe, 14 percent (14) in Central Europe and 2 percent (2) in other markets.

Organic sales growth for the larger segment Ventilation Systems increased by 14 percent for the full year, while Profile Systems had organic growth of 26 percent.

Covid-19, which had a significant impact on sales volumes during the comparison period, had a restraining effect in some markets during the year, although both Ventilation Systems and Profile Systems experienced a clear recovery in the construction market.

Seasonal variations - continuing operations

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

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

	2021				2020			
	Ventilation Systems	Profile Systems	Other ¹⁾	Total	Ventilation Systems	Profile Systems	Other ¹⁾	Total
Adjusted operating profit	822	505	-61	1,266	586	318	-44	860
One-off items and restructuring costs	-	-	-	-	-70 ²⁾	-	-	-70 ²⁾
Operating profit	822	505	-61	1,266	516	318	-44	790

1) Costs of Group functions and activities.

2) Operating profit has been adjusted for one-off items and restructuring costs of SEK -70 m. The amount related to the decision to close IMP Klima Group (SEK -74 m), and in part to the subsequent decision to divest the Group in question. Of the total amount of SEK -70 m, SEK -40 m was related to impairment of fixed assets (of which SEK -32 m was related to properties), SEK -15 m to impairment of stock, SEK -19 m to personnel provisions and SEK 4 m to capital gains from the disposal. All items are reported under Other operating income and operating expenses, see Note 13.

Gross profit - continuing operations

Gross profit amounted to SEK 2,948 m (2,389). The gross margin increased to 31 percent (29) of net sales.

Other operating income - continuing operations

Other operating income amounted to SEK 73 m (84). This income primarily related to exchange rate gains on operating receivables/liabilities in both 2021 and 2020.

Indirect costs - continuing operations

Selling and administrative expenses increased by 11 percent and amounted to SEK 1,626 m (1,463), corresponding to 17 percent (18) of net sales. Costs were normalised in comparison with previous year, when activities continued at a slightly lower pace due to covid-19. The structural changes also affected the cost trend. Research and development expenses amounted to SEK 53 m (55), equivalent to 0.5 percent (0.7) of net sales.

Other operating expenses - continuing operations

Other operating expenses amounted to SEK 76 m (164). The expenses largely consisted of exchange rate losses on operating receivables/liabilities. In previous year, this item also included one-off and restructuring costs of SEK -74 m related to the decision to close IMP Klima Group.

Amortisation/depreciation and impairment losses - continuing operations

Total amortisation/depreciation for continuing operations, which was included in the expenses for each function (see Note 9), amounted to SEK 391 m (352), of which SEK 30 m (26) was related to intangible assets and SEK 215 m (200) to right-of-use assets related to rental agreements and leases. In addition, impairment losses of SEK 3 m (43) was reported. Of the impairment losses previous year, SEK 42 m was reported as other operating expenses in the consolidated statement of profit or loss, of which SEK 40 m was classified as one-off items and restructuring costs.

Operating profit - continuing operations

Adjusted operating profit increased to SEK 1,266 m (860). The improvement in adjusted operating profit was mainly due to strong sales, a stronger gross margin in Ventilation Systems and Profile Systems and positive effects of structural changes. This was partially offset by an increase in underlying costs compared with previous year. Adjusted operating margin increased to 13.1 percent (10.5), which is above Lindab's financial target of at least 10 percent.

Operating profit amounted to SEK 1,266 m (790) and the operating margin was 13.1 percent (9.6). No one-off items or restructuring costs were recognised in the financial year compared with SEK -70 m previous year.

Profit before tax - continuing operations

Profit before tax amounted to SEK 1,223 m (752). The balance included a net financial expense of SEK -43 m (-38).

Taxes - continuing operations

The Group's tax expense for the year amounted to SEK -265 m (-198) and the effective tax rate was 22 percent (26). The average tax rate was 20 percent (20). Current tax amounted to SEK -269 m (-202) and deferred tax to SEK 4 m (4).

The lower effective tax rate during the period, compared to previous year, was mainly explained by that Lindab during 2020 was not able to fully recognise carry-forward tax losses to reduce the total tax on profit. Further, the effective tax rate was negatively impacted by withholding tax during previous year. During 2021, Lindab divested Building Systems, resulting in termination of the Group's German tax union. Consequently, Lindab has reassessed deferred tax assets related to previously recognised carry-forward tax losses in Germany, which have had a negative effect on the effective tax rate in the period. The revaluation of deferred tax assets was also the main explanation to the difference between the effective tax rate and the average tax rate in the period. For further information, see Note 16.

Discontinued operations

Profit for the year from discontinued operations, net after tax, related to the divested segment Building Systems' share of the Group's total profit. The result of SEK -421 m (42) includes one-off items and restructuring costs, which amounted to SEK -441 m (-). These costs included goodwill impairment of SEK -380 m. For a consolidated statement of profit or loss, classified by function, regarding discontinued operations, see Note 5.

Profit for the year and earnings per share

Profit for the year for continuing operations amounted to SEK 958 m (554), corresponding to earnings per share after dilution of SEK 12.50 (7.25). Profit for the year for total operations amounted to SEK 537 m (596), corresponding to earnings per share after dilution of SEK 7.00 (7.80).

Comprehensive income - total operations

Comprehensive income amounted to SEK 719 m (281). Comprehensive income includes Other comprehensive income, comprising translation differences arising when foreign operations are translated to SEK, the value of hedges of net investments, actuarial gains and losses regarding defined benefit plans and tax. Translation differences concerning foreign operations and hedges of net investments amounted to SEK 177 m (-319) and thereby accounted for most of the year-on-year difference. The development in translation differences was driven primarily by net investments in foreign subsidiaries. The amounts also include the reversal, against the statement of profit or loss, of translation differences in foreign operations, as well as, where applicable, ef-

facts from the hedging of net investments, in connection with the divestment of operations.

Performance by segment

In September 2021, Lindab signed an agreement to divest business area Building Systems, which was Lindab's operations for steel buildings under the Astron brand. The change of ownership took place before year end, meaning that the business area is no longer part of Lindab's operations and is presented as a discontinued operation in the 2021 Annual Report.

Ventilation Systems segment

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

Net sales amounted to SEK 6,391 m (5,654), corresponding to an increase of 13 percent. Organically, sales increased by 14 percent. Currency effects had a negative impact on growth by 3 percent while structural changes contributed positively by 2 percent.

During 2021, sales increased in all geographical regions. The Nordic region, which accounted for 44 percent of the segment's sales, reported a stable sales trend, with sales increasing in all markets except Denmark, where sales decreased marginally. Western Europe, representing 42 percent of Ventilation Systems' total sales, organic growth was positive. This region, together with Central Europe, was clearly negatively impacted by covid-19 during the comparison period, contributing to the region's strong growth. Of the segment's four largest markets in the region (UK, France, Germany and Ireland), all reported strong organic growth. Central Europe, which accounted for 12 percent of the segment's sales, sales increased over the year as a whole, although the variation between individual markets was extensive. Particularly strong growth was reported in the markets of Poland, Hungary, the Czech Republic and Estonia.

Adjusted operating profit increased to SEK 822 m (586). Adjusted operating margin increased to 12.9 percent (10.4). The improved adjusted operating profit was mainly explained by increased sales, a strengthened gross margin and structural changes, which were partly offset by higher underlying costs.

Profile Systems segment

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

Net sales amounted to SEK 3,257 m (2,566), corresponding to an increase of 27 percent. Organically, sales increased by 26 percent. Currency effects had a negative impact on growth by 1 percent while structural changes contributed positively by 2 percent.

During 2021, sales increased in all geographical regions. The largest region, the Nordics, which accounts for 76 percent of Profile Systems' total net sales, reported strong organic growth. The region's largest market, Sweden, which in turn accounts for about half of Profile Systems' total sales, reported significant growth in all product areas. The sales trend for major industrial projects was particularly strong. In Central Europe, which accounts for 19 percent of the segment's sales, growth was also strong throughout the year, with organic growth in the region's four largest markets Hungary, Romania, the Czech Republic and Slovakia. Sales in Western Europe increased slightly, but the impact was marginal as the region only represents a small part of Profile Systems' total sales.

Adjusted operating profit increased to SEK 505 m (318). Adjusted operating margin increased to 15.5 percent (12.4). The improvement of adjusted operating profit was mainly explained by increased sales, a strengthened gross margin and structural changes, which were partly offset by higher underlying costs.

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

Net sales

SEK m	2021	2020	2019	2018	2017
Ventilation Systems	6,391	5,654	6,018	5,786	-
Profile Systems	3,257	2,566	2,494	2,474	-
Products & Solutions ¹⁾	-	-	-	-	7,360
Other ²⁾	-	-	-	-	-
Total	9,648	8,220	8,512	8,260	7,360

Operating profit

SEK m	2021	2020	2019	2018 ³⁾	2017 ³⁾
Ventilation Systems	822	586	609	472	-
Profile Systems	505	318	270	198	-
Products & Solutions ¹⁾	-	-	-	-	590
Other ²⁾	-61	-44	-49	-45	-37
Total, adjusted for one-off items and restructuring costs	1,266	860	830	625	553
One-off items and restructuring costs	-	-70	-	-62	-19
Total, including one-off items and restructuring costs	1,266	790	830	563	534

Operating margin

Percent	2021	2020	2019	2018 ³⁾	2017 ³⁾
Ventilation Systems	12.9	10.4	10.1	8.2	-
Profile Systems	15.5	12.4	10.8	8.0	-
Products & Solutions ¹⁾	-	-	-	-	8.0
Other ²⁾	-	-	-	-	-
Total, adjusted for one-off items and restructuring costs	13.1	10.5	9.8	7.6	7.5
Total, including one-off items and restructuring costs	13.1	9.6	9.8	6.9	7.3

1) In 2019, the former Products & Solutions was replaced by Ventilation Systems and Profile Systems. Comparison figures for 2018 have been recalculated.

2) Costs of Group functions and activities.

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

Consolidated statement of profit or loss

SEK m	Note	2021	2020
Continuing operations			
Net sales	7, 8	9,648	8,220
Cost of goods sold	6, 9, 10, 14, 31	-6,700	-5,831
Gross profit		2,948	2,389
Other operating income	13, 14	73	84
Selling expenses	6, 9, 10, 14, 31	-1,114	-1,020
Administrative expenses	6, 9, 10, 11, 14, 31	-512	-443
R&D expenses	6, 9, 10, 12, 14, 31	-53	-55
Other operating expenses	9, 10, 13	-76	-164
Profit or loss from participations in associated companies	21	0	-1
Total operating expenses		-1,682	-1,599
Operating profit		1,266	790
Interest income	15	3	6
Interest expenses	15	-39	-40
Other financial income and expenses	15	-7	-4
Financial items		-43	-38
Earnings before tax		1,223	752
Tax on profit for the year	16	-265	-198
Profit for the year, continuing operations		958	554
Discontinued operations			
Profit or loss for the year, discontinued operations, net after tax	5	-421	42
Profit or loss for the year, discontinued operations		-421	42
Total operations			
Profit for the year, total operations		537	596
– of which attributable to the Parent company's shareholders		537	596
– of which attributable to non-controlling interests		0	0
Earnings per share before dilution, SEK	17	7.02	7.80
– of which attributable to continuing operations		12.53	7.25
Earnings per share after dilution, SEK	17	7.00	7.80
– of which attributable to continuing operations		12.50	7.25

Consolidated statement of comprehensive income

SEK m	Note	2021	2020
Profit for the year, total operations		537	596
Items that will not be reclassified to the statement of profit or loss			
Actuarial gains/losses, defined benefit plans		5	5
Deferred tax attributable to defined benefit plans	16	0	-1
Total		5	4
Items that will later be reclassified to the statement of profit or loss			
Translation differences, foreign operations ¹⁾		148	-356
Hedges of net investments ¹⁾		37	47
Tax attributable to hedges of net investments ¹⁾	16	-8	-10
Total		177	-319
Other comprehensive income, net of tax		182	-315
Total comprehensive income		719	281
– of which attributable to the Parent company's shareholders		719	281
– of which attributable to non-controlling interests		0	0

¹⁾ In 2021, Translation differences, foreign operations included a negative effect of SEK -29 m regarding the reversal of translation effects in the statement of profit or loss in connection with the divestment of Building Systems. At the same time, a positive effect of SEK 69 m is included in the reported balance for Hedges of net investments and a negative effect of SEK -15 m in Tax attributable to hedges of net investments. All items are related to the discontinued operations and their net effect on the consolidated statement of comprehensive income amounts to SEK 25 m.

Cash flow

- Cash flow before change in working capital increased by SEK 303 m and amounted to SEK 1,396 m (1,093). Cash flow from operating activities amounted to SEK 704 m (1,129).
- Cash flow related to investments in tangible fixed assets amounted to SEK -375 m (-398).
- Lindab acquired 5 companies (4) during the year. Cash flow attributable to acquisitions of Group companies and associated companies amounted to SEK -178 m (-310).
- Lindab divested Building Systems, which resulted in a net cash inflow of SEK 159 m at the time of the transaction. Last year, IMP Klima Group was divested, which resulted in a net cash inflow of SEK 67 m.

Cash flow before change in working capital

Cash flow before change in working capital improved compared with previous year and amounted to SEK 1,396 m (1,093). The improvement of SEK 303 m (112) was mainly attributable to the underlying operating profit for continuing operations which increased by SEK 476 m to SEK 1,266 m (790). Discontinued operations reported an operating loss of SEK -425 m (56), which did mainly not affect cash flow for 2021.

The change in working capital amounted to SEK -692 m (36) for the year. In comparison with previous year, the development from working capital was mainly related to increased capital tied up in stock and operating receivables. On the other hand, the development of accounts payable and cash advances from customers within Building Systems had a positive effect. In total, changes in stock had a cash flow effect of SEK -823 m (3), operating receivables impacted cash flow with SEK -492 m (44) and operating liabilities with SEK 623 m (-11). Cash flow from operating activities amounted to SEK 704 m (1,129).

Items not affecting cash flow

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

Reported amortisation, depreciation and impairment losses amounted to SEK 804 m (438), of which SEK 410 m (43) related to discontinued operations. Of impairment losses for the year, SEK 380 m related to goodwill connected to Building Systems and was classified as one-off items and restructuring costs.

Cash flow from investing activities

The Group's investments in intangible assets and tangible fixed assets amounted to SEK -395 m (-425). The continued high rate of investment is mainly a part of the Group's ongoing investment program with investments in efficiency, capacity increases and a safer work environment.

Investment activities were affected by a positive cash flow of SEK 10 m (5) as a result of intangible assets and tangible fixed assets being divested.

Investing activities amounted net to SEK -385 m (-420), excluding business combinations.

Business combinations

During the year, Lindab acquired the controlling influence over five companies: KAMI, Kalix Mekaniska Industrier AB (Sweden), H.A. Helgesen & Sønner AS (Norway), Tecnovent SA (Switzerland), Klimatek Ventilationsmateriel A/S (Denmark) and Profilplåt i Sverige AB (Sweden). The acquisitions were mainly settled in cash at time of each acquisition, resulting in an accumulated cash flow for the year of SEK -167 m. In addition to new acquisitions, cash flow for the year was also affected by the settlement of previously agreed contingent purchase considerations in connection with the acquisitions of Crenna Plåt AB (Sweden) in 2020 and of A.C. Manufacturing Ltd. (Ireland) in 2017, as well as the acquisition of the outstanding minority interest (5 percent) in Smofir Trading Ltd. Total cash flow for the year related to acquisitions amounted to SEK -178 m. In the previous year, the corresponding cash flow was SEK -310 m, which, at that time, related mainly to acquisitions of Aer Faber AS (Norway), Ekovent AB (Sweden), Crenna Plåt AB (Sweden) and 95 percent of Smofir Trading Ltd. (Ireland), but also to a certain extent contingent additional purchase consideration associated with A.C. Manufacturing Ltd. (Ireland) and the investment in the associated company Leapcraft ApS (Denmark).

At the end of the year, Lindab divested all shares and voting rights in the business area Building Systems. The divestment was settled in cash at the time of transaction. Net cash flow related to the sale of Building Systems amounted to SEK 159 m. In previous year, the wholly-owned subsidiary Lindab, klima sistemi, d.o.o. (IMP Klima Group) was divested, resulting in a net cash flow of SEK 67 m.

For further information on business combinations, see Note 5.

Financing activities

Cash flow from financing activities amounted net to SEK -319 m (-395). This included cash flow of SEK -233 m (-222) related to lease liabilities. The dividend paid to the company's shareholders amounted to SEK -260 m (-134). Other changes in financing activities related mainly to changes in borrowings and utilisation of credit limits.

Consolidated statement of cash flows

<i>SEK m</i>	Note	2021	2020
Operating activities			
Operating profit, continuing operations		1,266	790
Operating profit, discontinued operations ¹⁾	5	-425	56
Reversal of amortisation/depreciation and impairment losses	9	804	438
Reversal of capital gains (-)/losses (+) reported in operating profit		-3	-3
Provisions, items not affecting cash flow		8	36
Adjustment for other items not affecting cash flow		-6	-4
Total		1,644	1,313
Interest received		8	13
Interest paid		-52	-47
Tax paid		-204	-186
Cash flow from operating activities before change in working capital		1,396	1,093
Change in working capital²⁾			
Stock (increase - /decrease +)		-823	3
Operating receivables (increase - /decrease +)		-492	44
Operating liabilities (increase + /decrease -)		623	-11
<i>Total change in working capital</i>		<i>-692</i>	<i>36</i>
Cash flow from operating activities		704	1,129
Investing activities			
Acquisitions of Group companies and associated companies	5	-178	-310
Divestment of Group companies	5	159	67
Investments in intangible assets	18	-20	-27
Investments in tangible fixed assets	19	-375	-398
Change in financial fixed assets		0	0
Disposal of intangible assets	18	1	-
Disposal of tangible fixed assets	19	9	5
Cash flow from investing activities		-404	-663
Financing activities			
Proceeds from borrowings	29	224	90
Repayment of borrowings	29	-63	-133
Repayment of lease liabilities	29, 31	-233	-222
Issue of share options/shares		13	4
Dividends to shareholders		-260	-134
Cash flow from financing activities		-319	-395
Cash flow for the year			
Cash and cash equivalents at the beginning of the year		541	536
Effect of exchange rate differences on cash and cash equivalents		20	-66
Cash and cash equivalents at the end of the year	29	542	541

1) For information of cash flow per category in terms of discontinued operations, i.e. Building Systems, see Note 5.

2) Working capital, see the definition on page 134.

Financial position

- The equity/assets ratio was 54.8 percent (55.1).
- Net debt amounted to SEK 1,696 m (1,640).
- The net debt ratio was 0.3 times (0.3).

Fixed assets and investments

Information on changes in the composition of fixed assets can be found in the comments on the consolidated statement of cash flow on the page 77. Lindab is currently implementing the largest investment program in the Group's history, which is also reflected in non-current assets. The program aims to increase automation and efficiency, increase production capacity, reduce Lindab's environmental impact and create a safer work environment for employees.

Stock and accounts receivable

Stock increased compared with previous year and amounted to SEK 2,090 m (1,425), which is an increase of 47 percent compared with previous year when stock decreased by 3 percent. Accounts receivable also increased compared with previous year and amounted to SEK 1,602 m (1,278), corresponding to an increase of 25 percent compared with previous year when they decreased by 5 percent. The increase in both stock value and accounts receivable was influenced by historically high steel prices, Lindab's efforts to secure its supply of raw materials during a period of imbalance between supply and demand, the strategic balancing of stock levels to maintain a high level of reliability in customer deliveries and the recovery in the market following the uncertainty of covid-19. In relation to net sales, stock and accounts receivable was at year-end 22 percent (16) and 17 percent (14), respectively.

Cash and cash equivalents

At the end of the year, cash and cash equivalents amounted to SEK 542 m (541). Cash and cash equivalents included escrow funds of SEK 0 m (0). Available cash and cash equivalents, including unutilised credits, amounted to SEK 1,948 m (1,977), based on an underlying credit facility of SEK 2,016 m (1,902) as of December 31, 2021.

Capital employed

The Group's average capital employed, including goodwill and consolidated surplus values, amounted to SEK 7,741 m (7,522). Return on capital employed, including goodwill, amounted to 11.0 percent (11.5).

Shareholders' equity

At the end of 2021, shareholders' equity amounted to SEK 5,650 m (5,178). The net of translation differences, foreign operations and hedging of net investments, excluding tax, affected shareholders' equity positively by SEK 185 m (-309) over the year. The amounts also include reversal against the income statement, as well as, where applicable, effects from hedging of net investments, in connection with the divestment of operations. Shareholders' equity increased by SEK 5 m (5), excluding tax, as a result of actuarial gains regarding defined benefit pension plans. The dividend to shareholders in Lindab International AB

amounted to SEK -260 m (-134), in accordance with the resolution of the Annual General Meeting. Equity per share amounted to SEK 73.89 (67.82) at the end of the year and the return on shareholders' equity for the year amounted to 9.9 percent (11.6).

Net debt

On December 31, 2021, net debt amounted to SEK 1,696 m (1,640). The currency effect increased net debt by SEK 47 m compared with previous year. Net debt consists of long-term and short-term interest-bearing liabilities, including interest-bearing provisions less interest-bearing assets and cash and bank balances. Interest-bearing liabilities amounted to SEK 2,270 m (2,241), of which lease liabilities accounted for SEK 876 m (977). Pension provisions amounted to SEK 270 m (279). Interest-bearing assets including cash and bank balances amounted to SEK 574 m (601).

Net debt is included as part of the Group's financial targets. The target is for net debt¹⁾ in relation to EBITDA, excluding one-off items and restructuring costs, shall not exceed 3.0. On December 31, 2021, net debt in relation to EBITDA amounted to 1.0 (1.4). The net debt/equity ratio, i.e. net debt relative to shareholders' equity, amounted to 0.3 times (0.3).

Interest coverage ratio

The interest coverage ratio, which reflects the Group's capacity to pay interest, amounted to 20.0 times (19.0).

Equity/asset ratio

The Group's equity/assets ratio, i.e. shareholders' equity in relation to total assets, amounted to 54.8 percent (55.1).

Credit agreement

Credit facility agreements, entered into during the year, with Nordea and Raiffeisen Bank International replaced previous credit agreements with Nordea, Danske Bank and Raiffeisen Bank International. The new credit facility agreements partly comprise a credit facility of SEK 1,300 m with Nordea and Raiffeisen Bank International, and partly of a term loan of EUR 70 m with Raiffeisen Bank International. The new agreements are valid until June 2024. The previous credit facility agreements amounted to SEK 1,400 m and EUR 50 m. The credit facility agreements include a covenant that is monitored quarterly. Lindab fulfilled all conditions as of December 31, 2021.

Pledged assets and contingent liabilities

In connection with the divestment of Building Systems, Lindab continued to be responsible for certain operational guarantee commitments amounting to EUR 30 m. At the time of divestment, Lindab received a parent company guarantee from the buyer of Building Systems corresponding to the value of the aforementioned guarantee commitments. At the beginning of 2022, all significant outstanding operational guarantee commitments had been transferred from Lindab to the buyer of Building Systems.

Pledged assets increased to SEK 96 m (94) in connection with company acquisitions. Contingent liabilities amounted to SEK 21 m (20).

¹⁾ Average net debt for the year.

Consolidated statement of financial position

SEK m	Note	31 Dec 2021	31 Dec 2020	SEK m	Note	31 Dec 2021	31 Dec 2020
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Non-current assets				Shareholders' equity			
<i>Intangible assets</i>				<i>Shareholders' equity attributable to Parent company shareholders</i>			
Goodwill	18	3,014	3,239	Share capital	26	79	79
Capitalised expenditures for development work	18	14	16	Other contributed capital		2,272	2,262
Patents and similar rights	18	2	5	Foreign currency translation reserve		180	3
Other intangible assets	18	85	91	Profit brought forward incl. profit for the year		3,119	2,834
Total intangible assets		3,115	3,351	Total		5,650	5,178
<i>Tangible fixed assets</i>				<i>Non-controlling interest</i>			
Building and lands	19	803	720			-	0
Machinery and equipment	19	710	636	Total shareholders' equity		5,650	5,178
Construction in progress and advances regarding tangible fixed assets	19	166	157	Non-current liabilities			
Right-of-use assets	20, 31	869	953	<i>Interest-bearing liabilities</i>			
Total tangible fixed assets		2,548	2,466	Liabilities to credit institutions	29	1,110	976
<i>Financial fixed assets</i>				Lease liabilities	29, 31	643	745
Financial investment	27	28	30	Provisions for pensions and similar obligations	27	270	279
Other non-current securities holdings	22	4	4	Total interest-bearing liabilities		2,023	2,000
Participations in associated companies	21	18	18	<i>Non-interest-bearing liabilities</i>			
Other non-current receivables	23	4	4	Deferred tax liabilities	16	107	92
Total financial fixed assets		54	56	Other provisions	28	5	24
Deferred tax assets	16	82	76	Other liabilities		7	8
				Total non-interest-bearing liabilities		119	124
Total non-current assets		5,799	5,949	Total non-current liabilities		2,142	2,124
Current assets				Current liabilities			
<i>Interest-bearing liabilities</i>				<i>Interest-bearing liabilities</i>			
Stock	24	2,090	1,425	Liabilities to credit institutions	29	4	5
Accounts receivable	25	1,602	1,278	Overdraft facility	29	0	0
Other receivables	25	57	62	Lease liabilities	29, 31	233	232
Current tax assets		2	2	Accrued expenses and deferred income	30	10	4
Prepaid expenses and accrued income	25	209	118	Total interest-bearing liabilities		247	241
Prepaid expenses and accrued income, interest-bearing	25	4	30	<i>Non-interest-bearing liabilities</i>			
Cash and cash equivalents		542	541	Advance payments from customers		63	182
Total current assets		4,506	3,456	Accounts payable		1,062	712
TOTAL ASSETS		10,305	9,405	Current tax liabilities		158	88
				Other provisions	28	18	27
				Other liabilities		149	163
				Accrued expenses and deferred income	30	816	690
				Total non-interest-bearing liabilities		2,266	1,862
				Total current liabilities		2,513	2,103
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		10,305	9,405

Statement of consolidated changes in equity

SEK m	Shareholders' equity attributable to Parent company shareholders						
	Share capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year	Total	Non-controlling interests	Total shareholders' equity
Opening balance, 1 January 2021	79	2,262	3	2,834	5,178	0	5,178
Profit for the year				537	537	0	537
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				5	5	-	5
Translation differences, foreign operations			148		148	0	148
Hedges of net investments, after tax			29		29	-	29
<i>Total comprehensive income</i>	-	-	177	542	719	0	719
Dividends to shareholders				-260	-260	-	-260
Issuance of shares	0	10			10	-	10
Issuance of share options				3	3	-	3
<i>Transactions with shareholders</i>	0	10	-	-257	-247	-	-247
Closing balance, 31 December 2021	79	2,272	180	3,119	5,650	-	5,650
Opening balance, 1 January 2020	79	2,260	322	2,366	5,027	-	5,027
Profit for the year				596	596	0	596
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				4	4	-	4
Translation differences, foreign operations			-356		-356	0	-356
Hedges of net investments, after tax			37		37	-	37
<i>Total comprehensive income</i>	-	-	-319	600	281	0	281
Dividends to shareholders				-134	-134	-	-134
Issuance of shares	0	2			2	-	2
Issuance of share options				2	2	-	2
<i>Transactions with shareholders</i>	0	2	-	-132	-130	-	-130
Closing balance, 31 December 2020	79	2,262	3	2,834	5,178	0	5,178

Parent company

The Parent company is a holding company that owns the shares in Lindab AB, in which the functions of the head office are included. Lindab AB, which was the original Parent company of the Lindab Group, also has direct and indirect ownership of most of the subsidiaries. The Parent company also holds the shares in Lindab LTIP 17-19 AB. This company was initiated when implementing warrant programs for senior executives in 2017.

The Parent company's net sales for the financial year amounted to SEK 5 m (5). Profit for the year amounted to SEK 14 m (11). Group contributions received from subsidiaries amounted to SEK 25 m (20).

Statement of financial position

SEK m	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
<i>Financial fixed assets</i>			
Shares in Group companies	35	3,467	3,467
Financial interest-bearing fixed assets		5	4
Deferred tax assets		1	1
Total non-current assets		3,473	3,472
Current assets			
Receivables from Group companies		26	21
Cash and cash equivalents		0	0
Total current assets		26	21
TOTAL ASSETS		3,499	3,493
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	26	79	79
Statutory reserve		708	708
<i>Unrestricted shareholders' equity</i>			
Share premium reserve		90	90
Profit brought forward		1,982	2,222
Profit for the year ¹⁾		14	11
Total shareholders' equity		2,873	3,110
Provisions			
Interest-bearing provisions		5	4
Total provisions		5	4
Current liabilities			
<i>Non-interest-bearing liabilities</i>			
Liabilities to Group companies		615	373
Accounts payable		-	0
Current tax liability		4	4
Accrued expenses and deferred income	30	2	2
<i>Total non-interest-bearing liabilities</i>		<i>621</i>	<i>379</i>
Total current liabilities		621	379
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,499	3,493

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

Statement of profit or loss

SEK m	Note	2021	2020
Net sales		5	5
Administrative expenses	6, 10, 11	-8	-7
Other operating income	13	-	-
Other operating expenses	13	-	-
Operating profit		-3	-2
Profit from subsidiaries	15	25	20
Interest expenses, intra-group	15	-5	-4
Earnings before tax		17	14
Tax on profit for the year	16	-3	-3
Profit for the year¹⁾		14	11

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

Statement of cash flow

SEK m	2021	2020
Operating activities		
Operating profit	-3	-2
Provisions, not affecting cash flow	0	0
Interest paid	-5	-4
Tax paid	0	0
Cash flow from operating activities before change in working capital	-11	-6
Change in working capital		
Operating receivables	-1	8
Operating liabilities	242	116
Cash flow from operating activities	230	118
Financing activities		
Group contribution received	20	12
Dividends to shareholders	-260	-134
Issuance of shares/share options	10	4
Cash flow from financing activities	-230	-118
Cash flow for the year	0	0
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at the end of the year	0	0

Shareholders' equity

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

Risks, risk management and internal control

See the Board of Directors' Report on pages 66-72, and the Corporate Governance Report on page 47-59 and in Note 3.

Statement of changes in Parent company equity

SEK m	Shareholders' equity attributable to Parent company shareholders					
	Restricted shareholders' equity		Unrestricted shareholders' equity			Total shareholders' equity
	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit for the year ¹⁾	
Opening balance, 1 January 2021	79	708	90	2,232		3,110
Profit for the year					14	14
<i>Transactions with shareholders</i>						
Dividends to shareholders				-260		-260
Issuance of shares	0			10		10
Closing balance, 31 December 2021	79	708	90	1,982	14	2,873
Opening balance, 1 January 2020	79	708	90	2,352		3,229
Profit for the year					11	11
<i>Transactions with shareholders</i>						
Dividends to shareholders				-134		-134
Issuance of shares	0			2		2
Closing balance, 31 December 2020	79	708	90	2,222	11	3,110

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

Group: Five-year summary

Amounts in SEK m unless otherwise indicated.

	2021	2020	2019	2018 ¹⁾	2017 ¹⁾
Net sales and profit, continuing operations					
Net sales	9,648	8,220	8,512	8,260	7,360
Growth, %	17	-3	3	12	6
of which organic	17	-2	1	7	5
of which acquisitions/divestments	2	0	0	1	0
of which currency effects	-2	-1	2	4	1
Foreign sales, %	68	72	75	74	74
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,660	1,185	1,183	710	673
Amortisation/depreciation and impairment losses	394	395	353	147	139
Operating profit	1,266	790	830	563	534
One-off items and restructuring costs ²⁾	-	-70	-	-62	-19
Adjusted operating profit	1,266	860	830	625	553
Earnings before tax	1,223	752	778	533	490
Net sales and profit, total operations					
Net sales	10,619	9,166	9,872	9,326	8,242
Growth, %	16	-7	6	13	5
of which organic	17	-6	3	8	4
of which acquisitions/divestments	2	1	0	1	0
of which currency effects	-3	-2	3	4	1
Foreign sales, %	71	74	78	76	76
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,645	1,284	1,315	715	654
Amortisation/depreciation and impairment losses	804	438	400	168	162
Operating profit	841	846	915	547	492
One-off items and restructuring costs ²⁾	-456	-70	-	-87	-19
Adjusted operating profit	1,297	916	915	634	511
Earnings before tax	802	811	881	531	467
Profit for the year	537	596	678	394	347
Total comprehensive income	719	281	746	453	387
Cash flow, total operations					
Cash flow from operating activities	704	1,129	1,017	593	410
Cash flow from investing activities	-404	-663	-300	-105	-131
Cash flow from financing activities	-319	-395	-484	-547	-360
Cash flow for the year	-19	71	233	-59	-81
Operating cash flow	979	965	918	716	484
Capital employed and financing, total operations					
Total assets	10,305	9,405	9,438	7,802	7,731
Capital employed	7,920	7,419	7,383	5,848	5,826
Net debt	1,696	1,640	1,771	1,052	1,305
Shareholders' equity attributable to Parent company shareholders	5,650	5,178	5,027	4,464	4,129
Shareholders' equity attributable to non-controlling interests	-	0	-	0	1

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

2) One-off items and restructuring costs for:

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

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

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

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

- 2017, SEK -19 m in total, related to termination costs for the CEO, assessments of structural alternatives and governance projects. The amount is recognised in continuing operations.

<i>Amounts in SEK m unless otherwise indicated</i>	2021	2020	2019	2018 ¹⁾	2017 ¹⁾
Per share data, total operations					
Average number of shares outstanding, thousands	76,396	76,340	76,332	76,332	76,332
Number of shares outstanding, thousands	76,467	76,357	76,332	76,332	76,332
Earnings per share after dilution, SEK	7.00	7.80	8.89	5.16	4.54
Shareholders' equity per share, SEK	73.89	67.82	65.86	58.49	54.09
Cash flow from operating activities per share, SEK	9.22	14.79	13.32	7.77	5.37
Dividend per share (for 2021 in accordance with the proposal by the Board of Directors), SEK	4.00	3.40	1.75	1.75	1.55
P/E ratio	45.9	21.8	13.6	12.3	15.0
Share price at the end of the year, SEK	321.40	170.40	119.60	63.50	68.20
Market capitalisation at the end of the year	24,576	13,011	9,129	4,847	5,206
Investments, total operations					
Intangible assets and tangible fixed assets	395	425	278	120	100
Key performance indicators, continuing operations					
EBITDA margin, %	17.2	14.4	13.9	8.5	9.1
Operating margin, %	13.1	9.6	9.8	6.9	7.3
Adjusted operating margin, %	13.1	10.5	9.8	7.6	7.5
Profit margin (before tax), %	12.7	9.1	9.1	6.5	6.6
Key performance indicators, total operations					
EBITDA margin, %	15.5	14.0	13.3	7.7	7.9
Operating margin, %	7.9	9.2	9.3	5.9	6.0
Adjusted operating margin, %	12.2	10.0	9.3	6.8	6.2
Profit margin (before tax), %	7.6	8.8	8.9	5.7	5.7
Return on capital employed, %	11.0	11.5	13.6	9.4	8.8
Return on shareholders' equity, %	9.9	11.6	14.3	9.1	8.8
Equity/asset ratio, %	54.8	55.1	53.3	57.2	53.4
Net debt/EBITDA, excluding one-off items and restructuring costs	1.0	1.4	1.6	1.6	2.2
Net debt/equity ratio, times	0.3	0.3	0.4	0.2	0.3
Interest coverage ratio, times	20.0	19.0	18.8	21.4	14.1
Employees					
Average number of employees	5,189	5,271	5,202	5,126	5,143
<i>of which abroad</i>	3,906	4,114	4,077	3,983	4,016
<i>of which discontinued operations</i>	655	707	716	701	685
Number of employees at end of the year	4,549	5,078	5,196	5,071	5,083
<i>of which discontinued operations</i>	-	692	727	699	684
Payroll expenses, including social security contributions and pension fees	2,503	2,336	2,466	2,324	2,144
Sales per average number of employees, SEK k	2,046	1,739	1,898	1,819	1,603

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

For financial definitions, see page 134.

Notes

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Note 01 General information

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

These consolidated accounts were approved for publication by the Board of Directors and the CEO on March 25, 2022. The consolidated statement of comprehensive

income and statement of financial position, as well as the Parent company's statement of profit and loss and balance sheet, will be matters for approval at the Annual General Meeting of shareholders on May 12, 2022.

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

Unless otherwise indicated, amounts are stated in SEK m.

Note 02 Summary of key accounting principles

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

Basis for the preparation of accounts

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

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

New or revised IFRS standards and new interpretations 2021

None of the new or revised standards, interpretations and improvements adopted by the EU in 2021 have had any significant effect on the Group.

A reform of reference interest rates has been in progress in the financial market, resulting in the former IBOR (Inter Bank Offered Rate) reference rates in some cases being replaced by transaction-based and virtually risk-free daily interest rates. As part of the reference interest rate reform, IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, among others, were amended in two phases. Phase 1, associated primarily with hedge accounting with regard to interest rate risk, took effect in January 2020 and had a limited effect on Lindab as a result of the Group not hedging its interest rate exposure. Phase 2 was implemented on January 1, 2021. In brief, Phase 2 allows companies to reflect the effects of changing from reference rates, such as STIBOR, to other reference rates without causing accounting effects that would not provide useful information for users of financial reports. The Group is mainly affected by the reference interest rate reform in the exposure to IBOR in its external borrowing. The principles for modifying financial liabilities provide an exemption whereby modifications that are a direct effect of the reference interest rate reform are reported by updating the effective interest rate rather than requiring recalculation of reported amounts. All other modifications are reported in accordance with the existing principles for modifications and de-recognition in IFRS 9. The change to new reference interest rates is not considered to have had any significant effect for Lindab.

New or revised standards and new interpretations that have not yet come into effect No new or revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and that will come into effect for financial years beginning after January 1, 2022, have been applied in the preparation of this financial report.

Based on the information available, new or amended standards and new interpretations yet to take effect by December 31, 2021, are not deemed to have had a significant effect on the consolidated accounts.

Consolidated accounts

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

The Parent company reassesses whether or not it controls an investee if the facts and

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

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

The accounting policies of subsidiaries have been adjusted where necessary to conform with the Group's accounting policies. All inter-company transactions, dealings and unrealised gains and losses attributable to inter-company transactions are eliminated when preparing the consolidated accounts.

Business combinations

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

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

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

Discontinued operations

Discontinued operations are those parts of the Group classified as being held for sale or that have been divested. The criteria for meeting this classification is that the asset is available for immediate sale in its current condition and that it is highly probable that a sale will occur. In accounting terms, net profit after tax from discontinued operation is presented on a separate line in the statement of profit or loss, separate from the financial outcome of the continuing operations, with a corresponding recognition for the comparison period. In the consolidated statement of financial position, assets held for sale/discontinued operations are reported on separate lines on both the asset and liability sides, without adjusting

Note 2, cont.

the comparison period. There is no requirement that the consolidated statement of cash flows differentiate the cash flow of continuing operations from that of discontinued operations, neither for the period concerned nor the comparison period.

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

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

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

Translation of foreign subsidiaries and foreign currency

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

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

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

Internal pricing

Market based pricing is used for inter-company transactions.

Segment reporting

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

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

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

Revenue recognition

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

Revenue streams

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

Performance obligations and timing of revenue recognition

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

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

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

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

Warranties

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

Transaction price

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

Note 2, cont.**Other revenue**

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

Financial income

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

Personnel costs**Incentive program**

At the Annual General Meeting in 2021, guidelines for the remuneration of senior executives were resolved. According to the adopted guidelines, the remuneration program for these individuals shall include a long-term variable cash pay element. This element will be based on financial performance targets that reflect the Group's value growth and will be assessed over a three-year measuring period. To all intents and purposes, the remuneration program has the same features as the corresponding programs that were resolved by the 2019 and 2020 Annual General Meetings. All incentive programs are recognised in accordance with IAS 19 *Employee benefits* and are reported during the vesting period as an expense and current liability.

Financial income and expenses

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

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

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

Borrowing costs

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

Income taxes

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

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

Deferred tax receivables are recognised to the extent that it is likely that future taxable profits will be available and against which the temporary differences may be utilised. Deferred tax receivables and tax liabilities are offset when there is a legal right to offset current tax receivables and tax liabilities and when the deferred taxes are levied by the same tax authorities. Deferred tax assets in respect of carry-forward tax losses are recognised to the extent that the losses are expected to

be used to lower tax payments in the foreseeable future. See Note 16 for information on tax on profit for the year and deferred tax receivables and deferred tax liabilities respectively.

Earnings per share

Earnings per share are not affected by preference shares or convertible debentures since Lindab has none of these. Over the past three financial years, however, share options have been issued, indirectly affecting the calculation of earnings per share after dilution. In 2018, warrants were also issued, which have had an impact on the calculation of earnings per share after dilution until the time when they were redeemed after the publication of the half-year report for 2021. At the end of 2021, the following prospective subscription opportunities supported by share options existed: Subscription for shares supported by a share option can take place in the summer of 2022 (right-of-use for 175,000 share options), in the summer of 2023 (right-of-use for 210,000 share options) and in the summer of 2024 (right-of-use for 183,950 share options). Each share option entitles the holder to acquire one Lindab share.

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

Associated companies

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

Intangible assets**Goodwill**

Goodwill arising from the acquisition of a company and operations is recognised according to IFRS 3 *Business combinations*. See also the section on the consolidated accounts on page 87. Goodwill on acquisitions of subsidiaries is reported under intangible assets. Goodwill is tested for impairment at least once a year, or when there is any indication of this. Goodwill is reported as the acquisition value less accumulated impairment losses.

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

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

Trademarks, patents and similar rights

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

Software

Acquired software licences are capitalised on the basis of the costs arising when the software in question was acquired and put into operation. These costs are amortised over an estimated useful life of between 3 and 5 years. The useful life is reviewed at least once a year.

Capitalised expenditure for development work

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

Development costs, where the outcome is used for planning or establishing the production of new or greatly improved processes or products, are capitalised when it is considered that the process or product is technically and commercially via-

Note 2, cont.

ble. Costs that will be capitalised include material costs, direct labour costs and a reasonable proportion of indirect costs. Capitalised development costs are carried at the acquisition value less accumulated amortisation and impairment. The estimated useful life is 3–5 years. The useful life is reviewed at least once a year.

Tangible fixed assets

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

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

The acquisition value of assets is divided into material components and each component must be depreciated separately over its estimated useful life, i.e. component depreciation. This applies to buildings as well as to machinery and equipment. During the investment year, machinery, equipment, vehicles and computers are depreciated from the time that they are put into use or, if that is not possible, for half of the calendar year based on the depreciation rates shown below.

The following depreciation periods have been used

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

Impairment losses

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

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

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

Financial instruments

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

Purchases and sales of financial assets and liabilities are recognised on the trade date. A financial asset or financial liability is included in the statement of financial position when the company is subject to the instrument's contractual terms. Financial assets are de-recognised from the statement of financial position when

the right to obtain cash flow from an asset matures or is transferred to another party by transferring all risks and benefits associated with the asset to the other party. A financial liability is de-recognised from the statement of financial position when the obligation has been met, cancelled or has matured. Accounts receivable are recognised in the statement of financial position once an invoice has been sent. Liabilities are recognised when the counterparty has a contractual obligation to pay, even though an invoice has not yet been received. Accounts payable are recognised once an invoice has been received.

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

Classification of financial assets and liabilities

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

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

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

Amortised cost

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

Assets valued at amortised cost

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

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

Fair value

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

Financial assets measured at fair value through comprehensive income

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

Financial assets measured at fair value through profit or loss

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

Note 2, cont.

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

Impairment of financial assets

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

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

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

Financial liabilities measured at fair value through profit or loss

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

Other financial liabilities

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

Cash and cash equivalents

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

Derivatives

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

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

Hedges of net investments in foreign operations

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

Lindab uses loans and currency swaps as hedging instruments. The effectiveness of a hedge is identified and assessed in accordance with the Group's guidelines when entering an individual hedging relationship. The criteria for effectiveness are documented and the hedging relationship is subsequently analysed and reported on an ongoing basis. The profit or loss on the hedging instrument relating to the effective hedge is recognised in other comprehensive income. The ineffective portion of the profit or loss is recognised immediately in the statement of profit or loss under financial items. Profit or loss recognised in other comprehensive income is reclassified to the statement of profit or loss when the foreign operation is divested.

Stock

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

Shareholders' equity**Share capital**

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

Dividends

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

Repurchase and redemption of shares

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

Share options and warrants

A resolution of the Annual General Meeting in May 2021 approved a share option program for senior executives in the Lindab Group through a private placement of at most 275,000 share options. Under this program, 183,950 share options were acquired by senior executives in Lindab in accordance with a market valuation based on established agreements. The program is thus based on a market transaction with related parties, and no part of the program should be seen as share-based remuneration. Each share option entitles the holder, at a certain point in the future (July/August 2024), to acquire one share in Lindab at an agreed exercise price (SEK 222.00). To all intents and purposes, the share option program that was implemented during the year has the same features as the share option program that was approved by the 2019 and 2020 Annual General Meetings respectively. During the year, 110,000 externally held warrants, from the 2018 warrant program, were exercised to subscribe for shares under the terms of the program, prompting the issue of 110,000 shares in Lindab International AB. The subscription of shares was exercised at a price of SEK 86.40 per share. From the 2019 share options program, 175,000 options remain outstanding with an exercise price of SEK 120.00 and exercisable during the summer of 2022. From the 2020 share option program there are 210,000 options outstanding with an exercise price of SEK 101.90 and exercisable during the summer of 2023. Issued options are valued using the Black-Scholes option valuation model, and any value adjustments are recognised in equity.

Provisions

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

A provision is only reported when:

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

Note 2, cont.**Provisions for pensions and similar obligations**

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

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

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

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

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

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

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

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

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

Leases

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

Lindab assesses at the start of a new lease agreement whether it includes lease components that shall be capitalised in accordance with IFRS 16 *Leases*. Lease

expenses that are capitalised are primarily fixed charges or variable index/price charges as well as any relevant residual value guarantees, option values or termination charges. Leases which include both components that can and cannot be capitalised, are capitalised in full if the latter component is of low value.

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

In 2020, the IASB introduced temporary relief under IFRS 16 *Leases* due to the covid-19 pandemic – a relief rule that was extended until and including June 2022. This relief means that the lessee, under certain circumstances, need not make new calculations of lease liabilities or the reported right-of-use assets for any rental discounts obtained as a direct result of covid-19. Supported by this relief rule, discounts obtained have been reported directly against the earnings as they have been realised. In 2021, the Group received no rent discounts related to covid-19, while these amounted to SEK 0.3 m in previous year.

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

Lease liabilities recognised in the statement of financial position are included on an ongoing basis at amortised cost less lease payments made and taking into account the estimated impact of interest rates. Lease related balance sheet items will be reassessed continually based on changes to interest/index components, lease term, residual value guarantees etc. The weighted average incremental borrowing rate for the Group as at December 31, 2021 was 2.5 percent (2.6).

Statement of cash flow

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

Pledged assets and contingent liabilities

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

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

Government grants

Government grants are actions by the government intended to provide a financial benefit that is specific to a company or a category of company fulfilling certain criteria. Government assistance is conditional upon the recipient complying with

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

Due to covid-19, Lindab reported government grants amounting to SEK 9 m (41) over the year. The grants received are primarily related to compensation for employee related costs and were therefore classified as cost reductions by cost category in the statement of profit or loss. In addition to government grants, the Group also obtained cost reductions through reduction in personnel-related fees corresponding to SEK 3 m (10) as a result of covid-19. See also Note 14.

Related party disclosures

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

Parent company accounts

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

Classification, presentation and layout

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

Group companies

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

Group contributions

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

Impairment of financial assets

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

Note 03 Financial risks

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

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

Financing
Risk

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

Exposure

On December 31, 2021, Lindab's total credit limits amounted to SEK 2,016 m (1,902).

These credit limits expire in July 2024.

Comment

Lindab has two credit agreements, one with Nordea/Raiffeisen Bank International and one with Raiffeisen Bank International. These credit agreements, which were entered into in 2021, include a covenant in the form of net debt/EBITDA ratio, which is monitored on a quarterly basis. As on December 31, 2021, Lindab was compliant with this covenant. According to the Group's Treasury Policy, long-term financing must always be in place 12 months before existing financing matures.

Liquidity
Risk

Liquidity risk is defined as the risk that the Group would incur increased costs due to a lack of liquidity.

Exposure

At the end of the year, the Group's available cash and cash equivalents, including unutilised credit facilities, amounted to SEK 1,948 m (1,977), based mainly on the aforementioned credit limits and overdraft facilities. For financial liabilities on the balance sheet date and their maturity structure, see the "Liquidity risk" table on page 95. As on December 31, 2021, all financial liabilities falling due within 12 months, were covered by available liquid funds and unutilised credits at the time in question.

Comment

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

Interest
Risk

Interest rate risk is the risk that changes in current interest rates will have a negative effect on the Group.

Exposure

Lindab is a net borrower. At the end of the year net debt amounted to SEK 1,696 m (1,640), meaning that rising interest rates will have an adverse effect on the Group. As on December 31, 2021, IFRS 16 Leases affected net debt by SEK 876 m (977).

Comment

Surplus liquidity is used to amortise existing loans. In accordance with the Treasury Policy, the fixed interest rate period shall be 1-12 months. On December 31, 2021 it was 3 months (3). The interest rate, calculated as the Group's interest expense in relation to average liabilities was 2.5 percent (2.6)

Note 3, cont.**Currency**

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

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

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

Transaction risk

Risk
Transaction risk occurs when transactions are made in another currency than the local company's functional currency. A company may also have monetary assets and liabilities in a currency other than the functional currency which are translated to the local currency using the exchange rate at the balance sheet date. The translation of the monetary assets and liabilities results in currency effects, which are recognised in the statement of comprehensive income.

Exposure
Of sales by total operations, 70 percent (74) were conducted in other currencies than SEK. The corresponding proportion for continuing operations was 67 percent (71). In total, sales are made in 11 (11) different currencies, the most important of which, besides SEK, are EUR, DKK, GBP and NOK. Lindab's net exposure translated to SEK is approximately SEK 400 m (200) annually. SEK 0 m (6) of the transaction exposure entered in the balance sheet was hedged at the end of the year.

Comment
To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company is responsible for identifying its own currency exposure. Some special orders, projects, investments and purchases can be hedged to bring certainty regarding future cash flows.

The Treasury function is responsible for the Group's overall currency exposure, and, together with the CFO, makes decisions and implements any hedging of subsidiaries' exposures.

Translation risk

Risk
Translation differences arise when translating foreign subsidiaries' statements of financial position in local currency to SEK. The statement of profit and loss is translated at the average rate for the year and the statement of financial position is translated at the rate on December 31. The translation difference is applied to other comprehensive income. Translation exposure is the risk that the translation difference represents in terms of the impact on comprehensive income. Parts of this exposure have been hedged since 2013.

Lindab AB has currency risks in its lending and borrowing to Group companies, which mainly takes place in the Group companies' local currency.

Exposure
At the end of 2021, the Group's net investments in foreign currency amounted to SEK 4,751 m (4,689). The predominant currencies are EUR at SEK 1,557 m (1,580), DKK at SEK 714 m (687) and PLN at SEK 477 m (449). SEK 739 m (1,229) is hedged by borrowings in foreign currency and currency swaps.

At the end of 2021, Lindab AB's lending in foreign currency amounted to SEK 715 m (540), and its borrowing to SEK 318 m (364).

Comment
Currency hedging of the Group's translation exposure is determined by the CFO, which is in accordance with the Group's Treasury Policy. Hedging may be arranged for up to 90 percent of the value of the underlying asset. Hedging may be arranged by means of currency swaps or loans. Lindab hedges net investments in EUR and CHF, for which hedge accounting is applied. Hedging is arranged by means of currency swaps and loans. No inefficiencies occur in the hedges.

The currency risk in these transactions is hedged using forward exchange agreements. These are evaluated monthly and the effect is recognised in financial items in the statement of comprehensive income.

Liquidity risk

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

	< 3 months	Between 3-12 months	Between 1-2 years	Between 2-5 years	> 5 years
On 31 December 2021					
Borrowings (excluding lease liabilities)	3	10	1,074	9	31
Lease liabilities	63	189	187	285	215
Derivative instruments	111	404	-	-	-
Accounts payable and other liabilities	1,062	435	-	-	-
On 31 December 2020					
Borrowings (excluding lease liabilities)	3	11	929	14	40
Lease liabilities	64	190	194	339	264
Derivative instruments	73	453	-	-	-
Accounts payable and other liabilities	712	313	-	-	-

The amounts included in the table are the contractual undiscounted cash flows. The derivatives flow refers to the gross flow of currency futures. The liquidity risk is limited as it is covered by available credit limits and inflows of financial assets.

Note 3, cont.

Currency futures

		31 Dec 2021		31 Dec 2020	
Corresponding amount in SEK m		Amount	Maturity, months	Amount	Maturity, months
Sell	EUR	-200	3	-223	4
Sell	CHF	-42	3	-70	3
Sell	GBP	-8	3	-11	4
Sell	NOK	-41	4	-38	4
Sell	CZK	-221	4	-184	4
Sell	RUB	-4	8	-	-
Sell, total		-516		-526	
Buy	EUR	-	-	57	2
Buy	USD	77	2	70	3
Buy	CHF	10	2	15	3
Buy	HRK	6	4	6	3
Buy	CZK	16	1	-	-
Buy	HUF	-	-	16	3
Buy, total		109		164	
Net		-407		-362	

Offsetting of assets and liabilities within ISDA agreements

The Lindab Group performs no balance sheet offsetting as the right to offset is contingent on ISDA agreements. In accordance with the table below, the right of offset amounts to SEK 1 m (4).

	Assets, currency derivatives	Liabilities, currency derivatives	Total
31 Dec 2021			
Amounts recognised in the balance sheet	1	7	8
Financial agreements	-8	-7	-15
Net	-7	0	-7
31 Dec 2020			
Amounts recognised in the balance sheet	12	-8	4
Financial agreements	-4	8	4
Net	8	0	8

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

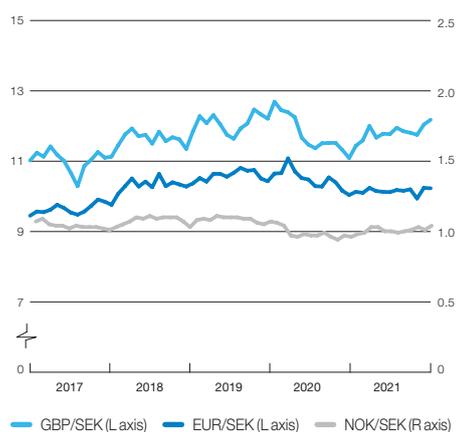
Country	Currency	Currency code	Average exchange rate		Closing day rate	
			2021	2020	2021	2020
Euroland	1	EUR	10.14	10.49	10.23	10.04
Denmark	1	DKK	1.36	1.41	1.38	1.35
Norway	1	NOK	1.00	0.98	1.03	0.95
Poland	1	PLN	2.22	2.36	2.23	2.22
Romania	1	RON	2.06	2.17	2.07	2.06
Russia	100	RUB	11.64	12.83	12.16	11.06
Switzerland	1	CHF	9.38	9.80	9.85	9.25
UK	1	GBP	11.80	11.81	12.18	11.09
Czech Republic	100	CZK	39.55	39.67	41.05	38.31
Hungary	100	HUF	2.83	2.99	2.77	2.75
USA	1	USD	8.58	9.21	9.04	8.19

Sensitivity analysis

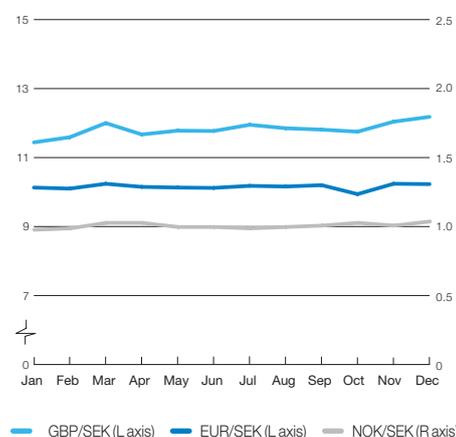
	Change percent	Impact on earnings, SEK m	
		31 Dec 2021	31 Dec 2020
Currency fluctuations, sales	+/-1	+/-75	+/-68
Variation in currency, purchasing of raw materials	+/-1	+/-36	+/-31
Currency fluctuation, net assets	+/-1	+/-40	+/-35
Currency fluctuation, net debt	+/-1	+/-13	+/-13
Interest rate fluctuations	+/-1	+/-15	+/-15

The calculations are based on 2021 and 2020 volumes, based on total operations, and assume that all else remains unchanged, for example that sales prices are not adjusted in response to changes in steel prices. The calculation excludes the tax effect.

Exchange rate development 2017–2021



Exchange rate development January–December 2021



Variation in currency, sales and purchases of raw materials

Of Lindab's total operations, 70 percent (74) of sales and 75 percent (76) of its total purchases of raw materials were conducted in a currency other than SEK, meaning that fluctuations in SEK affect the Group's gross profit. Raw material purchases represent the only major currency exposure in terms of costs. A fluctuation of +/- 1 percent in SEK affects sales by SEK 75 m (68) and raw material purchases by SEK 36 m (31). The most important currencies are EUR, DKK, GBP and NOK. USD is also an important currency as far as raw material purchases are concerned.

Currency fluctuation, net assets

Lindab's net assets in foreign currency amount to SEK 4,751 m (4,689). The single largest net assets are in EUR followed by DKK, PLN and GBP. SEK 739 m (1,229) of the net assets is hedged via loans and currency swaps. A fluctuation of +/- 1 percent in SEK affects net assets by SEK 40 m (35).

Currency fluctuation, net debt

Lindab's net debt amounts to SEK 1,696 m (1,640). Of the net debt, 75 percent (81) is in currencies other than SEK. The greatest exposures in foreign currency are made up of loans in EUR and CHF. A fluctuation of +/- 1 percent in SEK affects net debt by SEK 13 m (13) of which SEK 9 m (9) is recognised in other comprehensive income.

Interest rate fluctuations

Changes in interest rates affect Lindab's profitability and cash flow. A change in interest rates of 1 percent affects Lindab's profit by SEK 15 m (15).

Asset management

Lindab's managed capital comprises the sum of shareholders' equity and the Group's net debt, totalling SEK 7,346 m (6,818).

Note 3, cont.

The Group's capital will be used to retain a high degree of flexibility and to finance acquisitions. Any surplus capital can be transferred to Lindab's shareholders.

The overall objective of asset management is to ensure the Group's ability to continue as a going-concern, while ensuring that the Group's funds are being used optimally to give shareholders a good return and lenders a good level of security.

For a number of years, Lindab has been governed on the basis of financial targets. These targets were updated in 2021 and are as follows:

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

Lindab's Dividend Policy is that the proposed dividend should equal at least 40 percent of the company's profit after tax for the year, taking to account the company's financial position, acquisition opportunities and long-term financing needs. Lindab's Board of Directors proposes to the Annual General Meeting that a dividend of SEK 4.00 per share be paid for 2021, divided between two payment dates. See also Note 26.

To ensure the availability of financing, it is important to meet the obligations to the banks arising pursuant to the credit agreements. The credit agreements include a covenant in the form of the net debt to EBITDA ratio. Lindab meets this requirement.

Lindab's Treasury Policy has been approved by the Board of Directors and this constitutes a framework of guidelines and regulations for the financing operations that are centralised at Group Finance. This enables the Group to monitor all financial risk positions and to safeguard common interests. At the same time, cost efficiency, economies of scale and skills development are achieved.

Credit risk management

Financial assets in the form of accounts receivable represent a credit risk for the Group. Customer credit risk is managed in the context of operating activities by each business unit and is based on the Group's established policies, procedures and controls. Individual credit limits are identified for each customer based on

guidelines and opinions on limits are based on the estimated risk profile. It should also be noted that in some customer-related transactions, Lindab works with advance payments from customers, which may be due both to cash flow optimisation and credit risk management.

Lindab works actively to monitor and ensure that outstanding accounts receivables are paid. In addition, portions of the accounts receivable portfolio are covered by credit insurance. The Group's exposure to individual customers is limited as Lindab's largest customer accounts for 1.9 percent (1.9) of the Group's net sales.

Credit loss provisions are in place for recognised accounts receivable, which, in addition to an individual assessment, correspond to expected losses based on the remaining maturity period. Outstanding receivables are categorised on the balance sheet date based on due date and the number of days arrears. Based on this, loss provisions are calculated on the basis of six different valuation levels, which reflect both the Group's historical loss experience and a future expected credit loss adjustment based on current market conditions. For details of the method used to value accounts receivable and the change in the loss provisions over the year, see also Note 25. On the balance sheet date, the recognised credit loss provision amounted to SEK -69 m (-81).

Lindab is also exposed to credit risk from deposits held with banks and financial institutions. This credit risk is managed by the Group's central Treasury function in accordance with Lindab's Treasury Policy. Taking into account the counterparties' financial position and an independent rating agencies assessment of these, the total credit risk exposure is considered to correspond to the recognised value of these financial assets. In general, it can also be mentioned that the Group's Treasury Policy specifies the lowest permitted rating, by independent rating institutions, for banks used by Lindab for deposits and lending.

Other financial assets are generally considered to have an inherently low credit risk. These are valued on an ongoing basis in order to assess any inherent risk of loss based on objective reasons, on historical experience and also reflect estimated future financial conditions for counterparties. Individual assessments are applied. The assessment process for other financial assets is decentralised with a view to ensuring the best possible expertise is applied when evaluating any loss provisions.

Note 04 Key accounting estimates and judgements

IFRS is a principles-based framework and contains no detailed rules under normal circumstances, but instead develops the overall principles that should characterise the financial statements. This implies that significant estimates and judgements must be made by Lindab which may give rise to specific consequences in the financial statements. The judgements made are central to the financial outcome, and these are combined with detailed information.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable in the circumstances.

In the application of accounting policies, various assumptions have been made that may substantially affect the amounts presented in Lindab's financial statements.

Impairment testing of goodwill*Important sources of estimation uncertainty*

The Group continually tests goodwill for impairment in accordance with the accounting policies described in Note 2. The impairment test is based on a review of the recoverable amount. The value is estimated based on the management's assessment of future cash flows which are based primarily on internal business plans and forecasts.

The Group's impairment of goodwill is conducted at the segment level, which is considered to be the lowest cash-generating unit for the ongoing monitoring of this item from the perspective of the chief operating decision maker (see Notes 2 and 18, respectively). At the end of December 2021, reported goodwill amounted to SEK 3,014 m (3,239). Of this balance, SEK 2,113 m (2,037) related to Ventilation Systems and SEK 901 m (801) to Profile Systems. Last year, goodwill also included SEK 401 m attributable to Building Systems, a segment divested at the

end of 2021 and therefore reported and valued in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* since the end of the third quarter of that year (see Notes 2 and 5, respectively).

When testing for impairment, a management assessment is required of various factors, particularly with regard to events which may affect the value of goodwill, the assumptions underlying cash flow forecasts and whether the discounting of these cash flows is reasonable. Changes in the assumptions made by the management may result in a different outcome and a different future financial position. For further information on impairment testing of goodwill, see Note 18.

Leases*Important sources of uncertainty in estimations and judgements in the application of the Group's accounting policies*

Some subjective estimates and judgements are made in connection with the reporting of leases, both in terms of the possibility/probability of exercising options to extend, terminate and purchase, estimated useful life of a lease that is extended on an ongoing basis if neither party actively terminates the lease and actual expected useful life of the asset under existing leases. From a materiality perspective, these relate primarily for the Group to property leases where these judgements can have a material effect on the financial position. Lindab has a structure for how these components should be assessed and in terms of properties, this structure is largely based on the main character of the property (production, warehouse, branches or offices). The guidelines aim to set out and reflect expected useful lives in a fair manner and therefore also the value of right-of-use assets and the carrying amount of liabilities in the form of future lease expenses. This being based on known information in connection with each closing of the books. In accordance with IAS 36 *Impairment of Assets*, judgements also include testing the carrying amount of assets from an impairment loss perspective.

Note 4, cont.

Furthermore, a component that affects the carrying value of leases in the Group's financial position is the underlying discounting factors. When calculating the balance sheet values, Lindab applies an incremental borrowing rate for the relevant currency and asset type that is assessed relevant, with the aim of best reflecting lease related assets and financial obligations in a fair manner. The weighted average incremental borrowing rate was 2.6 percent at the beginning of 2021 and 2.5 percent at the end of December 2021.

Further information regarding leases is provided in Note 31.

Deferred tax assets*Important sources of estimation uncertainty*

Deferred tax assets and liabilities are reported for temporary differences and unutilised carry-forward tax losses. Deferred tax assets, which are attributable to carry-forward tax losses, are reported to the extent that it is likely that future taxable surpluses will be available, against which the accumulated loss may be utilised. The Group's carry-forward tax losses relate primarily to countries with long or indefinite periods of utilisation. Lindab recognises deferred tax assets based on the management's estimates of future taxable results in various tax jurisdictions.

At the end of 2021, deferred tax assets related to carry-forward tax losses totalled SEK 16 m (34). The change in relation to the comparison period mainly related to the divestment of Building Systems, resulting in the termination of an internal tax union in Germany, requiring the reassessment of deferred tax assets attributable to previously capitalised carry-forward tax losses in Germany. See also Note 16.

Recognition of stock*Important sources of estimation uncertainty*

Stock is recognised at the lower of costs and net realisable value. Valuations and assessments of stock are governed by internal regulations which all companies within the Group are obliged to comply with. The aim is to ensure that stock is valued at the lower of cost and net realisable value at all times.

When calculating the net realisable value, an assessment is made of discontinued items, surplus items, damaged goods, and the estimated sales value based on available information. On December 31, 2021, the provision for stock obsolescence amounted to SEK 72 m (76), see Note 24.

Expected bad debt losses*Important sources of estimation uncertainty*

Lindab applies an assessment of expected bad debt losses to its valuation of recognised accounts receivable. The valuation method is based on an estimate of expected bad debt losses for all outstanding receivables, including receivables that are not due. Provisions for expected bad debt losses are calculated on the basis of central guidelines, which are based on judgement of expected bad debt losses in different due date categories and based on a combination of historical experience and changes expected in the individual categories/markets. It should be noted that Lindab has carefully reassessed the need for changed estimates and judgements over the past two years as consequence of covid-19 and omicron. This valuation has resulted in a certain marginally increased adjustment of existing calculations of expected customer credit losses as a result of estimated increased risk. In addition to the calculation of provisions for bad debt losses based on the guidelines given for forming provisions, an individual judgement is also made of individual customer exposures. This judgement is made based on circumstances that may significantly impact the valuation, such as the solvency and financial position of significant customers as known at the balance sheet date. For further information regarding the valuation method, see Note 2 and Note 25. At the end of 2021, the provision for expected customer credit losses amounted to SEK 69 m (81). The change in relation to the comparison period was to a significant extent related to the divestment of Building Systems. See also Note 25.

Other provisions*Important sources of estimation uncertainty*

Provisions for future expenses resulting from the warranty commitments are reported at the estimated amount required to settle the commitment at the balance sheet date. The estimated amount is based on calculations, judgements and experience. Through experience, Lindab has developed a common calculation principle for warranty provisions.

Lindab's production of steel products has a relatively limited impact on the environment. The Group pursues activities on properties where soil contamination may occur. In cases where there is a risk of environmental liability, a judgement

is made to determine whether a provision is required based on known information, the perceptions of representatives and other advisers, the probability that a present obligation exists and the reliability of the figure that the obligation is estimated to amount to.

The amount reported as a provision is the best estimate of the expense required to settle the obligation in question at the balance sheet date. The Group's reporting of provisions means that SEK 23 m (51) was reported as other provisions as of December 31, 2021. The change in relation to the comparison period was to a significant extent related to the divestment of Building Systems. See also Note 28.

Outstanding legal matters are reviewed regularly. An assessment is made of whether a liability should be recognised and whether an obligation has resulted from an event. Furthermore, it is assessed whether an outflow of economic resources is likely to be required to settle the obligation, and whether a reliable estimate of the amount can be made.

Whether an existing obligation is likely or not is a matter of judgement. The risk types for these provisions vary, and the management assesses the nature of the provision and scope when determining whether an outflow of resources is likely or not.

Pensions*Important sources of estimation uncertainty*

Provisions and the costs of post-employment benefits, mainly pensions, depend on the assumptions made when the debt is calculated. Specific assumptions and actuarial calculations are made for each of the countries where Lindab's operations result in such obligations. The assumptions concern discount rates, inflation, salary growth rates, departure rates, mortality and other factors.

In determining the discount rate, Lindab takes into account the discount rate for each country which is denominated in the currency in which the benefits will be paid and which have a maturity corresponding to the estimates for the current pension obligation. Other important assumptions are based in part on prevailing market conditions. Lindab assesses actuarial assumptions on a quarterly basis and adjusts them as appropriate. Any change in these assumptions will impact the carrying amount of the pension obligations. For sensitivity analysis, see Note 27.

The Group's provisions for defined benefit plans amounted on the balance sheet date to SEK 242 m (249) net after deductions for plan assets.

Covid-19*Important sources of estimation uncertainty*

During the year, construction activity continued to recover, particularly in Western and Central Europe, which in the previous year were significantly affected by the restrictions implemented as a result of covid-19. Construction activity in Lindab's largest market, the Nordics, has been relatively stable throughout the pandemic.

Lindab's objective during the pandemic was to keep our factories and our distribution and sales channels open to the greatest extent possible. Lindab customers value high availability and delivery precision and these aspects were prioritised. Lindab's dependence on suppliers outside Europe is low and through the Group's distribution network and a high degree of local production, Lindab further strengthened its competitiveness during the pandemic. To facilitate the operation, in best possible way, the Group applies contagion-prevention procedures at its facilities, enhancing safety for employees and other stakeholders alike. During this time, Lindab has also actively monitored costs in particular to offset any decreased demand in individual markets. The pandemic also affected some significant estimates made for the purposes of financial assessment. More frequent assessments were made of expected bad debt losses, for example. Although most markets have recovered, the Lindab Group is monitoring the development of the pandemic closely and continuously evaluates various scenarios to reasonably quickly adapt operations to the current circumstances.

Note 05 Business combinations**Business combinations 2021***KAMI, Kalix Mekaniska Industrier AB*

On July 7, 2021, Lindab acquired all shares and voting rights of the Swedish company KAMI, Kalix Mekaniska Industrier AB. The company is mainly a manufacturer and distributor of premium sheet metal roofs, especially developed and designed for the Nordic climate. The acquisition is a good complement to Lindab's current range of sheet metal roofs. KAMI, Kalix Mekaniska Industrier AB, is registered in Kalix, Sweden. The company has an annual turnover of approximately SEK 100 m and 22 employees.

The acquisition of KAMI, Kalix Mekaniska Industrier AB, was mainly settled in cash at the time of acquisition and there is no additional purchase consideration. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This relates primarily to expertise regarding sheet metal roofing and a well-managed distribution network in northern Sweden and Norway. Identified intangible asset is related to the trademark of KAMI. KAMI, Kalix Mekaniska Industrier AB, is part of the Profile Systems segment.

H.A. Helgesen & Sønner AS

On September 22, 2021, Lindab acquired all shares and voting rights of the Norwegian ventilation company H.A. Helgesen & Sønner AS. The company is primarily a manufacturer of rectangular ventilation ducts and has an extensive logistics network in western Norway. The aim of the acquisition is to further complement Lindab's business presence in Norway, both in terms of products and distribution. H.A. Helgesen & Sønner AS is registered in Sula, Norway. The company has an annual turnover of approximately SEK 15 m and has 9 employees.

The purchase consideration of H.A. Helgesen & Sønner AS was mainly settled at the time of acquisition. According to finalised purchase price allocation analysis, the acquisition generated a goodwill. This is, among other things, related to knowledge of rectangular ventilation ducts and local market presence in the western part of Norway. Identified intangible asset is related the trademark of H.A. Helgesen & Sønner. The company is part of the Ventilation Systems segment.

Tecnovent SA

On October 5, 2021, Lindab acquired all shares and voting rights of the Swiss company Tecnovent SA. The main business of the company is production and sales of ventilation grilles, roof hoods and rectangular ventilation ducts. The acquisition complements Lindab's current product range and strengthens the Group's position in south-eastern Switzerland. Tecnovent SA is based in Bioggio, Switzerland. The company has annual turnover of approximately SEK 20 m and 15 employees.

The purchase consideration of Tecnovent SA was mainly settled at time of acquisition. According to finalised purchase price allocation analysis, the acquisition generated a goodwill. This goodwill is, among other things, related to local know-how in terms of production of rectangular ventilation ducts and a strong market presence in regions of Switzerland where Lindab is not so much represented currently. Identified intangible asset is related the trademark of Tecnovent. Tecnovent SA is part of the Ventilation Systems segment.

Klimatek Ventilationsmateriel A/S

On November 18, 2021, Lindab acquired all shares and voting rights of the Danish company Klimatek Ventilationsmateriel A/S. The company manufactures both standardised and customised components for ventilation systems. The aim of the acquisition is to complement Lindab's extensive range of standardised ventilation products, but it will also contribute to the marine business of the Group. Klimatek Ventilationsmateriel A/S is based in Skive, Denmark. The company has an annual turnover of approximately SEK 30 m and has 22 employees.

The purchase consideration of Klimatek Ventilationsmateriel A/S was mainly settled at the time of acquisition. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This goodwill is primarily related to know-how in terms of customised ventilation products and production thereof. Identified intangible assets are related to customer relations and the trademark of Klimatek. Klimatek Ventilationsmateriel A/S is part of the Ventilation Systems segment.

Profilplåt i Sverige AB

On November 22, 2021, Lindab acquired all shares and voting rights of the Swedish company Profilplåt i Sverige AB. The company's main operations are pro-

duction and sales of sheet metal roofs and walls. The purpose of the acquisition is mainly to complement Lindab's current production of these products, improve transportation possibilities to customers in the north of Sweden and strengthen the Group's geographical presence in the area. Profilplåt i Sverige AB is registered in Sundsvall, Sweden. The company has an annual turnover of approximately SEK 70 m and has 13 employees.

The purchase consideration of Profilplåt i Sverige AB was mainly settled at the time of acquisition. According to finalised purchase price allocation analysis, the acquisition generated a goodwill. This derives, for example, from product expertise, a locally established presence in an expansive region and improved transport conditions. Identified intangible assets are primarily related to customer relations and the trademark of Profilplåt. Profilplåt i Sverige AB is part of the Profile Systems segment.

Building Systems (Astron)

At the end of December 2021, Lindab divested all shares and voting rights in the business area Building Systems to the French construction company Groupe Briand. The strategic decision to divest the operations was taken by the Board of Directors in the third quarter and a divestment agreement was signed with the counterparty on September 23. The transaction was among other things conditional on anti-trust approval in Russia, an approval that was obtained in the fourth quarter when the divestment was completed. The divestment of the segment was part of Lindab's strategy of streamlining operations and focusing on the Group's core business. The business of Building Systems is focused on construction, production and sales of complete steel construction systems.

The divestment of Building Systems was settled in cash at the time of transaction. In connection with the decision and agreement to divestment, as well as the structure of the operations at the time, all criteria were assessed to have been met to report the segment as a business held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Among other effects, this changed the classification of the operations in the accounts, as well as these being measured at the lower of the carrying amount or fair value less cost to sell, see also Note 2. In the third quarter, this entailed, among other things, the Group reporting one-off items and restructuring costs, attributable to the divestment of Building Systems of SEK 432 m, of which SEK 380 m was goodwill impairment. Of the total for one-off items and restructuring costs, SEK 418 m was reported as costs in operations held for sale and SEK 14 m in continuing operations. The latter amount was attributable to the revaluation of deferred tax assets for previous carry-forward tax losses in Germany, a revaluation necessitated by the termination of the Group's tax union in Germany due the divestment.

At the end of the fourth quarter, the segment was divested and Building Systems was classified as a discontinued operation. Recognised one-off items and restructuring costs attributable to the transaction amounted to SEK 455 m for the year, of which SEK 441 m was reported in costs for discontinued operations and SEK 14 m in continuing operations. Additional one-off items and restructuring costs during the fourth quarter related mainly to confirmed capital gains/losses, certain changed assessments in transaction-related costs and translation/hedging effects attributable to divested operations. In 2021, Building Systems' turnover amounted to SEK 971 m and the business area reported an adjusted operating profit of SEK 31 m. At the time of the divestment Building Systems had 684 employees.

General information on acquisitions 2021

All acquired companies have been consolidated in Lindab from the time of acquisition, i.e. from when Lindab gained a controlling influence. The acquisitions of KAMI, Kalix Mekaniska Industrier AB, HA Helgesen & Sønner AS, Tecnovent SA, Klimatek Ventilationsmateriel A/S and Profilplåt i Sverige AB have meant that Lindab's turnover, accumulated from each acquisition date until December 31, 2021, increased by SEK 75 m. The Group's profit after tax was affected marginally. If all five acquisitions had been implemented as of January 1, 2021, the Group's net sales would have increased by approximately SEK 249 m. Acquisition-related costs for acquisitions made during the year amounted to SEK 4 m (6), with these being included under other operating expenses.

The acquisitions of H.A. Helgesen & Sønner AS, Tecnovent SA, Klimatek Ventilationsmateriel A/S and Profilplåt i Sverige AB included contingent additional

Note 5, cont.

purchase considerations of an accumulated SEK 12 m, to be disbursed in part or in full depending on whether future expectations regarding identified sales and profit levels are met within a defined period (maximum 36 months). As of the balance sheet date, the possible undiscounted amount of the future contingent additional purchase consideration for these acquisitions was SEK 0-12 m. On December 31, 2021, it was considered likely that the maximum outcome of the remaining consideration would occur.

Business combinations 2020*Smofir Trading Ltd. (Thor Duct)*

On June 5, 2020, Lindab acquired 95 percent of the shares and voting rights in the Irish company Smofir Trading Ltd. The business is mainly focused on the licensing of certified duct systems for handling fire and smoke gases and sales of components related to these systems. The technology is licensed under the Thor Duct brand and the operation focuses primarily on customers in Ireland and the UK. The acquisition was a step for Lindab to further strengthen the offering in ventilation systems in the markets in question. Smofir Trading Ltd. is registered in Dublin, Ireland. In 2021, Smofir Trading Ltd. contributed by approximately SEK 33 m to the net sales of Lindab.

The acquisition of Smofir Trading Ltd. was settled in cash at the time of the transaction, with no additional purchase consideration applicable. The purchase agreement included an option entitling Lindab to acquire the remaining 5 percent of the shares and voting rights at a later date, and this option was exercised by Lindab in 2021. Accordingly, Lindab held all shares and voting rights in Smofir Trading Ltd. at the end of 2021. According to finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This is due to, among other things, the market-leading position in Ireland and the UK, as well as expected synergies. Identified intangible assets in Smofir Trading Ltd. mainly relate to technology and license agreements. Smofir Trading Ltd. is part of the Ventilation Systems segment.

Crenna Plåt AB

On July 3, 2020, Lindab acquired all shares and voting rights in the Swedish company Crenna Plåt AB, with its subsidiaries. Crenna Group is primarily a leading manufacturer of high-quality rectangular ventilation ducts on the Swedish market. Through the acquisition, Lindab further strengthened its market position and can now offer a complete range of ventilation ducts and ventilation-related accessories in Sweden. Crenna Plåt AB is registered in Enköping, Sweden. In 2021, the Crenna Group contributed by approximately SEK 122 m to Lindab's net sales.

The acquisition of Crenna Plåt AB was mainly settled in cash at the time of the transaction. According to the finalised purchase price allocation analysis, the acquisition resulted in goodwill. This is due to, among other things, to a strong knowledge of rectangular ventilation ducts and a well-established market presence in Sweden in this product segment. Identified intangible assets in the acquired Group mainly related to the Crenna trademark. Crenna Plåt AB with subsidiaries is part of the Ventilation Systems segment.

Lindab, klima sistemi, d.o.o. (IMP Klima Group)

On September 18, 2020, Lindab divested all shares and voting rights in the Slovenian subsidiary Lindab, klima sistemi, d.o.o. (IMP Klima Group). The operations are

primarily focused on the production and sales of air handling units. The divestment also included an inter-company loan receivable against Lindab, klima sistemi, d.o.o.

In June, 2020, Lindab made the strategic decision to close IMP Klima Group, for the second quarter resulting in one-off items and restructuring costs equivalent to SEK -74 m being recognised in operating profit. In September, IMP Klima Group was divested to an external party. The divestment of, and also the previous decision to close IMP Klima Group, was in line with Lindab's strategy to focus on long-term sustainable and profitable growth. The divestment of IMP Klima Group was partly settled in cash at time of the divestment, with the remainder being settled during 2020. The divestment of IMP Klima Group and the associated inter-company loan receivable resulted in a capital gain of SEK 4 m, including transaction-related costs. The capital gain is recognised as other operating income and per definition is also classified as a one-off item. In 2019, IMP Klima Group generated sales of SEK 269 m and recognised an operating result of SEK -2 m. The Group had 226 employees at the time of divestment. IMP Klima Group was part of the Ventilation Systems segment

Ekovent AB

On October 1, 2020, Lindab acquired all shares and voting rights in the Swedish company Ekovent AB with its subsidiaries. The Group manufactures high quality products for ventilation and fire and smoke protection. With the acquisition, Lindab further extended its offering in ventilation solutions, strengthening the Group's position in fire protection in the Swedish market. Ekovent AB is registered in Vellinge, Sweden. In 2021, Ekovent with subsidiaries contributed by approximately SEK 141 m to the net sales of Lindab.

The acquisition of Ekovent AB was settled in cash at the time of the acquisition, with no additional purchase consideration applicable. According to the finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This is attributable, among other things, to its considerable technical expertise in ventilation products, with an emphasis on smoke and fire protection products for the Swedish market. Identified intangible assets in the acquired Group relates mainly to the trademark of Ekovent, patents and licenses. Ekovent AB with subsidiaries is part of the Ventilation Systems segment.

Aer Faber AS

On April 3, 2020, Lindab acquired all shares and voting rights in the Norwegian company Aer Faber AS. The company has extensive experience of rectangular ventilation ducts and produces and distributes ventilation products within the Oslo area. The acquisition served to complement Lindab's current operations in Norway, both in terms of products and market. Aer Faber AS is registered in Spydeberg, Norway. In 2021, Aer Faber AS contributed by approximately SEK 61 m to the net sales of Lindab.

The acquisition of Aer Faber AS was mainly settled in cash at the time of the acquisition. According to the finalised purchase price allocation analysis, the acquisition resulted in a goodwill. This is due, among other things, to its expertise in rectangular ventilation ducts and a well-established market presence in the Oslo area, a region in which Lindab sought to further strengthen its presence. Identified intangible assets related mainly to the trademark of Aer Faber. Aer Faber AS is part of Ventilation Systems.

Transferred considerations, goodwill and effect on cash and cash equivalents

Details regarding purchase consideration, goodwill and the impact of acquisitions/divestments on the Group's cash and cash equivalents.

	Acquired businesses		Divested businesses	
	2021	2020	2021	2020
Consideration transferred at the time of acquisition/divestment	204	314	316	26
Contingent future additional purchase consideration	12	12	-	-
Non-contingent future additional purchase consideration	-	-	-	51
Direct costs in connection with acquisitions/divestments ¹⁾	4	6	24	2
Total acquisitions/divestments	220	332	340	79
Less direct costs in connection with acquisitions/divestments	-4	-6	-24	-2
Total consideration/contingent additional purchase consideration transferred	216	326	316	77
Fair value of acquired/divested net assets/liabilities	106	158	328	73
Goodwill/capital gain/loss¹⁾	110	168	-12	4
Consideration transferred at the time of acquisition/divestment				
Consideration transferred at the time of acquisition/divestment	204	314	316	77
Cash and cash equivalents in the acquired/divested subsidiary	-37	-30	-157	-10
Effect of acquisition/divestment on consolidated cash and cash equivalents	167	284	159	67

¹⁾ Direct costs and capital losses are reported in the income statement under other operating expenses, while capital gains are reported under other operating income.

In addition to the aforementioned impact on consolidated cash and cash equivalents in connection with acquisitions/divestments, in 2021, Lindab also settled part of the contingent additional purchase consideration from previous acquisitions and acquired the outstanding minority interest (5 percent) in Smofir Trading Ltd. (Ireland). The contingent additional purchase considerations related to the acquisition of Crenna Plåt AB (Sweden) in 2020 and of A.C. Manufacturing Ltd. (Ireland) in 2017. The settlements amounted to SEK 12 m (6) and were paid to the former owners. It is estimated, as previously, that the extent to which remaining contingent additional purchase considerations attributable to acquisitions will be paid corresponds to the maximum outcome of the remaining opportunity. The statement of profit or loss has over the past two years therefore not been affected

by changed assessments in relation to remaining contingent additional purchase considerations, with the exception of SEK 2 m in income reported in connection with the final settlement in 2021 regarding the acquisition of A.C. Manufacturing Ltd. This transaction-related income is recognised as other operating income.

The fair value of acquired assets and liabilities corresponds mainly to book value, with the exception of properties and intangible assets identified in connection with acquisitions, and the net value of the acquired assets is essentially the same as their gross value.

No portion of reported goodwill is deductible for income tax.

Acquired/divested assets and assumed liabilities

Acquired/divested net assets, acquired liabilities and goodwill related to acquisitions/divestments are presented in the table below. Intangible assets reported for 2021 related primarily to customer and brand-related values. In the previous year, intangible assets reported related primarily to patents, licenses, technologies and trademark-related assets.

	Acquired businesses		Divested/discontinued businesses	
	2021	2020	2021	2020
Intangible assets	6	27	36	0
Tangible fixed assets	33	111	126	97
Right-of-use assets	21	40	117	0
Financial fixed assets	-	21	0	-
Deferred tax assets	0	0	13	0
Stock	35	33	230	5
Accounts receivable and other current assets	43	54	177	32
Cash and cash equivalents	37	30	157	10
Total acquired/divested assets	175	316	856	144
Deferred tax liabilities	-8	-27	-10	-2
Pensions	-	0	-11	-5
Non-current lease liabilities	-15	-34	-100	-1
Non-current liabilities	-3	-29	-19	-52
Current lease liabilities	-6	-6	-24	0
Current liabilities	-37	-62	-364	-62
Total acquired/divested liabilities	-69	-158	-528	-122
Divested financial receivables	-	-	-	51
Fair value of acquired/divested net assets	106	158	328	73
Goodwill	110	168	-	-
Capital gain/loss	-	-	-12	4
Consideration transferred at the time of acquisition/divestment, including future contingent/non-contingent additional purchase consideration/purchase consideration	216	326	316	77

Statement of profit or loss, discontinued operations

SEK m	2021	2020
Net sales	971	946
Cost of goods sold	-746	-712
Gross profit	225	234
Other operating income	4	4
Selling expenses	-86	-82
Administrative expenses	-85	-75
R&D expenses	-12	-9
Other operating expenses	-471	-16
Total operating expenses	-650	-178
Operating profit¹⁾	-425	56
Net financial items	4	3
Earnings before tax	-421	59
Tax on profit/loss for the year	0	-17
Profit/loss for the year²⁾	-421	42
Earnings per share before dilution	-5.51	0.55
Earnings per share after dilution	-5.50	0.55

Cash flow, discontinued operations

SEK m	2021	2020
Cash flow from operating activities	38	-16
Cash flow from investing activities	-16	-5
Cash flow from financing activities	-24	-16
Cash flow for the year	-2	-37

One-off items and restructuring costs, discontinued operations

SEK m	2021	2020
Adjusted operating profit	31	56
One-off items and restructuring costs ¹⁾	-456	-
Operating profit	-425¹⁾	56

1) Operating profit for 2021 was adjusted for one-off items and restructuring costs of SEK -456 m (-). The value was a consequence of the made decision to divest Building Systems and mainly related to impairment of goodwill, when assessing the value to the lower of carrying amount and fair value less costs to sell.

2) Operating profit for 2021 was impacted by one-off items and restructuring costs of SEK -441 m (-).

Note 06 Employees and senior executives

Average number of employees	31 Dec 2021			31 Dec 2020		
	Men	Women	Total	Men	Women	Total
<i>Parent company, Sweden</i>	-	-	-	-	-	-
<i>Subsidiaries</i>						
Sweden	1,026	257	1,283	918	239	1,157
Belgium	22	5	27	24	4	28
Bosnia and Herzegovina	-	-	-	2	2	4
Denmark	393	105	498	418	108	526
Estonia	63	11	74	55	12	67
Finland	72	18	90	75	15	90
France	122	36	158	117	32	149
Ireland	67	6	73	76	6	82
Italy	91	43	134	91	51	142
Latvia	11	1	12	12	1	13
Luxembourg	130	19	149	150	21	171
Macedonia	-	-	-	0	0	0
Montenegro	-	-	-	1	1	2
Norway	105	16	121	59	30	89
Poland	252	113	365	261	141	402
Romania	85	13	98	80	13	93
Russia	245	57	302	262	64	326
Switzerland	86	12	98	83	13	96
Serbia	-	-	-	2	2	4
Slovakia	33	14	47	34	14	48
Slovenia	-	-	-	104	30	134
UK	282	69	351	284	70	354
Czech Republic	770	233	1,003	613	357	970
Germany	120	26	146	112	25	137
Hungary	118	35	153	142	39	181
USA	6	1	7	6	0	6
Subsidiaries, total	4,099	1,090	5,189	3,981	1,290	5,271
<i>of which, discontinued operations</i>	547	108	655	591	116	707
Group, total	4,099	1,090	5,189	3,981	1,290	5,271

Gender balance, senior executives	31 Dec 2021			31 Dec 2020		
	Men	Women	Total	Men	Women	Total
<i>Parent company, Sweden</i>						
Board of Directors, elected by the Annual General Meeting	4	3	7	4	3	7
Board of Directors, employee representatives	2	-	2	2	-	2
<i>Group</i>						
CEO/Executive Management	8	1	9 ¹⁾	8	2	10 ²⁾

1) Executive Management included Madeleine Hjelmberg until September 2021, Jonas Arkestad is included from September 2021 and Stefaan Sonjeau was included until September 2021.

2) Bengt Andersson was a member of Executive Management until February 2020, Malin Samuelsson was a member until October 2020 and Madeleine Hjelmberg was a member of Executive Management as of October 2020.

Personnel costs	2021			2020		
	Board of Directors/ CEO and Executive Management	Other employees	Total salaries and remuneration	Board of Directors/ CEO and Executive Management	Other employees	Total salaries and remuneration
Salaries and remuneration						
Parent company, Sweden	3.8	-	3.8	3.6	-	3.6
Subsidiaries, total	77.8	1,875.0	1,952.9	65.4	1,758.6	1,824.0
Group, total	81.6	1,875.0	1,956.6	69.0	1,758.6	1,827.6
Payroll overheads						
Parent company, Sweden	1.2	-	1.2	1.1	-	1.1
<i>of which, pensions</i>	0	-	0	0	-	0
Group, total	34.3	510.7	545.0	23.0	483.9	506.9
<i>of which, pensions</i>	7.2	117.8	125.0	7.3	110.7	118.1
Total personnel costs	117.1	2,385.7	2,502.8¹⁾	93.1	2,242.5	2,335.6¹⁾

1) For total personnel costs regarding the discontinued operations, see Note 10.

Note 6, cont.

Of the total pension provisions of SEK 270 m (279) in the statement of financial position, SEK 24 m (25) comprises pension obligations relating to former CEOs. The obligations are invested in endowment insurance funds. The value of these amounts to SEK 24 m (25).

In 2021, total remuneration paid to Board members amounted to SEK 3,808 k (3,560), according to the table below.

At the Annual General Meeting on May 5, 2021, it was resolved that fees totalling SEK 3,483 k should be paid to the Board members. Of this SEK 1,000 k to the Chairman of the Board, SEK 405 k to each of the elected Board members and SEK 26 k each to the employee representatives. Remuneration to Board members serving on the Audit Committee shall be paid in the amount of SEK 150 k to the Chairman and SEK 75 k to each of the Audit Committee's ordinary members. Remuneration to Board members serving on the Remuneration Committee shall be paid in the amount of SEK 100 k to the Chairman and SEK 50 k to each of the Remuneration Committee's ordinary members. The total fees payable to the members of the Audit and Remuneration Committees shall not exceed SEK 450 k. In total, remuneration of SEK 3,933 k can be paid to the Board and committee members in accordance with the resolution of the 2021 Annual General Meeting.

Board fees including committee fees

SEK k	2021	2020
Peter Nilsson	1,039.7	920.1
Per Bertland	444.1	423.1
Sonat Burman-Olsson	400.4	392.1
Viveka Ekberg	535.4	494.1
Anette Frumerie	467.4	443.1
Marcus Hedblom (elected 2020)	467.4	294.8
Staffan Pehrson (elected 2020)	400.4	260.8
John Hedberg (resigned in 2020)	-	148.3
Bent Johannesson (resigned in 2020)	-	131.3
Pontus Andersson	26.4	26.2
Anders Lundberg	26.4	26.2
Total	3,807.6	3,560.1

No Board members or deputies are entitled to any benefits on termination of the Board assignment.

Remuneration to Executive Management and other terms of employment

2021 SEK	Ola Ringdahl ¹⁾	Remuneration of other Executive Management ¹⁾	Total
Fixed salary incl. holiday pay	6,258,939	17,500,527	23,759,466
Variable salary	7,640,542	10,950,889	18,591,431
Pensions	1,808,039	2,524,223	4,332,262
Benefits	128,208	909,978	1,038,186
Total	15,835,728	31,885,617	47,721,345

2020 SEK	Ola Ringdahl ¹⁾	Remuneration of other Executive Management ¹⁾	Total
Fixed salary incl. holiday pay	5,695,226	16,793,496	22,488,722
Variable salary	3,780,944	5,041,417	8,822,361
Pensions	1,693,656	3,346,061	5,039,717
Benefits	118,409	315,515	433,924
Total	11,288,235	25,496,489	36,784,724
Severance pay, incl. variable salary, benefits and pension	-	4,243,276	4,243,276
Total	11,288,235	29,739,765	41,028,000

1) The remuneration excludes social charges and special payroll tax. Remuneration of other Executive Management related to 9 (9) individuals.

Fixed and variable salary

Remuneration to Executive Management is based on a combination of fixed and variable salary. The variable remuneration comprises short-term respectively long-term cash remuneration programs based on the results achieved.

The maximum short-term variable salary amounts to 40 percent of the employee's fixed salary, with the exception of the company's President and CEO who is entitled to a maximum short-term variable salary amounting to 60 percent of annual

fixed salary. The long-term variable cash remuneration amounts to a maximum of 40 percent of the employee's fixed salary, with the exception of the company's President and CEO who is entitled to a maximum long-term variable remuneration amounting to 70 percent of annual fixed salary. Ola Ringdahl's fixed salary for 2021 amounted to SEK 6,258,939. He is entitled to pension premiums corresponding to 30 percent of his fixed remuneration. In addition, Ola Ringdahl is entitled to a company car and certain other benefits.

The remunerations paid to the President and CEO and other members of Executive Management in 2021 are presented in the table on this page.

Termination regulations

Ola Ringdahl is subject to a 12-month notice period on dismissal by the company and of six months on resignation. During the notice period, Ola Ringdahl is entitled to unchanged salary and employment benefits, with the exception of variable remuneration. Ola Ringdahl is bound by a non-competition clause for a period of two years from the point at which his employment ceases, during which time he is entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Ola Ringdahl.

The notice period for other senior executives is 12 months on dismissal by the company and six months on resignation by the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. Other senior executives are bound by non-competition clauses for one year from the cessation of employment, during which they are entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Pensions

The retirement age for all senior executives is 65 years.

The company has undertaken to pay pension contributions for Ola Ringdahl corresponding to 30 percent of his annual gross salary. During 2021, the costs for these pension contributions amounted to SEK 1,808 k (1,694).

Other senior executives have pension benefits. The pension shall comply with current agreements, be defined-contribution plans in nature and based on the same principles as the fixed salary. The total pension premiums for these individuals amounted to SEK 2,524 k (3,346).

Bonus program

In addition to variable salary for Executive Management, there are bonus programs for other senior executives. Bonus programs are based on performance-oriented targets. Bonus amounts to 10-40 percent of annual salary, depending on the position.

Profit sharing plan

In accordance with agreements, the company has since 1980 made annual provisions to a profit-sharing foundation for permanent employees in certain Swedish companies. This provision is based on the earnings of the Swedish Group companies. The terms of the provision were changed to some extent in 2019 to more clearly reflect how Lindab as Group meets the Group's financial targets with an operating margin equivalent to 10 percent. The maximum amount of the provision is adjusted annually applying the consumer price index (CPI). The year's provision for the profit-sharing plan amounted to SEK 7,268 k (6,979) including special payroll tax. The profit-sharing foundation's shareholding comprises shares in Lindab. At the end of 2021, the profit sharing foundation held 476,000 Lindab shares (497,000). In addition to the Swedish profit sharing scheme, there is also a small profit sharing scheme in Lindab's French company.

Incentive program

At the Annual General Meeting in 2021, guidelines for the remuneration of senior executives were adopted. According to the adopted guidelines, the remuneration program for these individuals shall, among other things, include a variable cash pay element. This variable element shall be based on measurable criteria, which reflects predetermined financial and qualitative targets for Lindab. Based on the resolution at the Annual General Meeting, a long-term incentive program has been implemented. The program has a three-year measuring period and any outcome in terms of long-term variable cash pay is presumed to be invested in shares or share related instruments in Lindab on market terms. The total cost in

Note 6, cont.

the event of a maximum outcome for the three-year measuring period of 2021 to 2023 was estimated at SEK 14 m. At the Annual General Meeting in 2019 and 2020, long-term incentive programs were respectively adopted, with essentially the same principles as the above resolved program. These programs measuring period are 2019-2021 respectively 2020-2022.

Share option program

The 2021 Annual General Meeting resolved on a share option program for senior executives in the Lindab Group through a private placement of at most 275,000 share options. The program essentially follows the same design and purpose as previous share option programs. Under this program, 183,950 share options were acquired by senior executives in Lindab in accordance with a market valuation based on established agreements. Each share option entitles the holder to acquire one share in Lindab at a exercise price of SEK 222.00. Acquisitions of shares supported by share options may take place after Lindab has published the half-year interim report for the year 2024 and up until August 31 of the same year. At the Annual General Meetings in 2019 and 2020, respectively, there were also resolutions to implement share option programs for senior executives.

In 2021, 110,000 (25,000) externally held warrants from the 2018 (2017) warrant program, were utilised to subscribe for shares in accordance with agreed terms. This transaction has triggered the issuance of 110,000 (25,000) shares in Lindab International AB to the benefit of these individuals. The subscription of shares was exercised at a price of SEK 86.40 per share (108.80). Other unutilised warrants from the 2018 and 2017 warrant programs have now expired. From the 2019 share option program there are 175,000 options outstanding with a subscription price of SEK 120.00 and exercisable during the summer of 2022. From the 2020 share option program, there are 210,000 outstanding options with a subscription price of SEK 101.90 exercisable during summer 2023.

When exercising a share option, Lindab can compensate the holder of a share option with treasury shares.

Guidelines for remuneration to senior executives

At the 2021 Annual General Meeting, the following guidelines for the remuneration to senior executives were adopted:

- Remuneration to senior executives shall reflect Lindab's industry affiliation and each executive's area of responsibility.
- Remuneration shall be competitive, facilitate recruitment and motivate senior executives to remain with the company.
- The remuneration system comprises the following components: fixed salary, variable cash remuneration, pension and benefits as detailed below.
- Fixed salary and benefits are to be determined individually on the basis of the aforementioned criteria and each executive's specific expertise, experience and results achieved.
- Variable cash remuneration may be paid on the fulfilment of individual, clearly set targets. The criteria for payment of variable cash remuneration will be measurable over a performance period of one or more years. Variable cash remuneration may amount to at most 130 percent for the President and CEO and 100 percent for other senior executives.
- The pension must comply with current collective agreements and be defined contribution plans in nature. The extent of the pension builds on the same criteria as for fixed remuneration, being based on both fixed and variable salary.
- In specific cases, the Board of Directors may deviate from the guideline. The Board of Directors did not exercise this mandate in 2021.

Regarding guidelines for senior executives for the period following the next Annual General Meeting, please see the Board of Directors' forthcoming proposal to the 2022 Annual General Meeting.

Note 07 Segment reporting

	Ventilation Systems		Profile Systems		Other		Total		Eliminations		Total, continuing operations	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales, external	6,391	5,654	3,257	2,566	-	-	9,648	8,220	-	-	9,648	8,220
Net sales, internal between segments	6	5	30	38	-	-	36	43	-36	-43	-	-
Net sales, total	6,397	5,659	3,287	2,604	-	-	9,684	8,263	-36	-43	9,648	8,220
Adjusted operating profit before amortisation/depreciation and impairment losses	1,118	859	589	388	-47	-32	1,660	1,215	-	-	1,660	1,215
Amortisation/depreciation and impairment losses	-296	-273	-84	-70	-14	-12	-394	-355	-	-	-394	-355
Adjusted operating profit	822	586	505	318	-61	-44	1266	860	-	-	1266	860
One-off items and restructuring costs	-	-70 ¹⁾	-	-	-	-	-	-70 ¹⁾	-	-	-	-70 ¹⁾
Operating profit	822	516	505	318	-61	-44	1266	790	-	-	1,266	790
Net financial items											-43	-38
Earnings before tax											1,223	752
Tax on profit for the year											-265	-198
Profit for the year											958	554
	Ventilation Systems		Profile Systems		Other		Total		Eliminations		Total, total operations	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Fixed assets, excluding financial assets	4,067	3,820	1,420	1,164	176	176	5,663	5,160	-	-	5,663	5,160
Stock	1,332	810	758	504	-	-	2,090	1,314	-	-	2,090	1,314
Other assets	1,179	981	675	387	560	351	2,414	1,719	-547	-332	1,867	1,387
Unallocated assets											685	1,544
Total assets											10,305	9,405²⁾
Shareholders' equity											5,650	5,178
Other liabilities	2,377	2,149	1,065	509	102	67	3,544	2,725	-547	-332	2,997	2,393
Unallocated liabilities											1,658	1,834
Total shareholders' equity and liabilities											10,305	9,405²⁾
Gross investments in fixed assets	238	343	131	56	14	21	383	420 ³⁾	-	-	383 ³⁾	420 ³⁾

1) Includes impairment losses of SEK 40 m. See also Note 9.

2) In 2020, SEK 1,096 m of total assets related to discontinued operations. All assets and liabilities attributable to discontinued operations are reported for the comparative period under Unallocated assets and Unallocated liabilities, respectively.

3) Gross investments in discontinued operations amounted to SEK 12 m in 2021 and to SEK 5 m in 2020.

Note 7, cont.**Segment information**

The Group's segments comprise: Ventilation Systems and Profile Systems. Until the end of the year, the Group had an additional segment, Building Systems, which was divested to an external party in December 2021, see Note 5. As Building Systems was classified as a discontinued operation at the end of 2021, and as a consequence the segment information provided here related only to the continuing operations, i.e. Ventilation Systems and Profile Systems.

The division into segments is based on the various customer offers provided by each business area. The customer offers within each segment are as follows:

- Ventilation Systems offers air duct systems with accessories and indoor climate solutions for ventilation, cooling and heating to installers and other customers in the ventilation industry.
- Profile Systems offers the construction industry products and systems in sheet metal for rainwater systems, roof and wall products as well as steel profiles for wall, roof and beam constructions.

Both Ventilation Systems' and Profile Systems' operations are managed based on geographically divided sales organisations, which are supported by a number of product and system areas with joint production and purchasing functions for each business area. "Other" refers to unallocated items and includes, for example, Parent company functions. The financial targets, on the basis of which Lindab's operations are managed, relate to growth, profitability, debt ratio and Dividend Policy, see page 68.

The segments are responsible for the management of the operating assets, and the profits from these are calculated at this level, while the Treasury function is responsible for financing at the Group and country level. Accordingly, unallocated assets mainly comprise pension assets, as well as current and deferred tax assets. Unallocated liabilities mainly comprise net borrowing, pension provisions and current and deferred tax liabilities.

The purchasing and processing of steel mainly occurs centrally. Profit or loss items from the internal sales by these operations are attributed to the segments in the segment consolidation process.

Information on income from external customers and adjusted operating profit per operating segment is presented in the tables on page 75. Inter-segment transfer pricing in the Group is determined on an arm's-length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported where the asset exists.

Geographical information*Net sales from external customers (based on domicile)*

Reported below are external net sales in Lindab's largest markets based on the customer's domicile. The presentation is based on continuing operations. Lindab's largest customer accounts for 1.9 percent (1.9) of consolidated net sales, meaning that Lindab's dependence on individual customers is limited.

Country	2021	Percent	Country	2020	Percent
Sweden	3,058	32	Sweden	2,333	28
Denmark	1,054	11	Denmark	1,055	13
UK	775	8	UK	651	8
Norway	724	7	Norway	553	7
France	475	5	Germany	450	5
Others	3,562	37	Others	3,178	39
Total, continuing operations	9,648	100	Total, continuing operations	8,220	100
Building Systems, discontinued operations	971	-	Building Systems, discontinued operations	946	-
Total, total operations	10,619	-	Total, total operations	9,166	-

Non-current assets by country

Non-current assets refer to intangible assets and tangible fixed assets, as well as right-of-use assets and are allocated by individually significant countries with regard to production capacity.

Country	2021	Percent	Country	2020	Percent
Sweden	875	33	Sweden	718	28
Czech Republic	422	16	Czech Republic	426	17
Denmark	230	9	Denmark	219	9
UK	179	7	UK	156	6
France	169	6	Luxembourg	138	5
Poland	124	5	France	118	5
Others	650	24	Others	803	30
Total	2,649	100	Total	2,578	100
Goodwill	3,014	-	Goodwill	3,239	-
Total	5,663	-	Total	5,817¹⁾	-

1) SEK 657 m related to discontinued operations.

Note 08 Revenue recognition

Lindab's operations are focused on developing, manufacturing, marketing and selling products within the principal category of Construction. The product portfolio comprises both individual items and entire systems for ventilation, cooling and heating, as well as building products and building solutions, such as steel rainwater systems, cladding products for roofs and walls, steel profiles for wall, roof and beam constructions and large span buildings. Until the end of 2021, when Building Systems was divested, complete, prefabricated steel building systems were also included under the Astron brand. Sales of these steel building systems sometimes included an element of installation, although this was a non-essential part of the Group's sales, with installation services only being sold on request in connection with a material product.

Based on the nature of the products in Lindab's product portfolio and the products offered to the market, a contractual performance obligation towards the customer is mainly considered to result in revenue being recognised at a certain point in time. This usually occurs in connection with the physical delivery to the counterparty, which is when, in reality, the customer obtains control of the product. In sales of larger, complete steel building systems, which may include partial deliveries, revenue is recognised, to all intents and purposes, when the physical delivery takes place and in accordance with what is regulated in the contract.

Based on the current focus and product portfolio of the operations, Lindab's assessment is that revenues are essentially reported at a certain point in time. Accordingly, the revenue recognised reflects the value of the net compensation to which Lindab is expected to be entitled on fulfilment of a contractual performance obligation. This means that any volume discount and/or expected utilisation of any future cash discount reduces, in accounting terms, the gross sales price at the time at which the revenue is recognised. Revenue reductions and provisions for future volume-related discounts are based on both experience and expected outcomes based on current agreements and indicative forward-looking purchasing trends among individual customers. The same criteria form the basis for the assessment and recognition of any cash discounts applied, although then reflecting anticipated future payment patterns. The presence of volume and cash discounts vary between the different geographical markets, as well as between customer categories and products.

Taking into account that Lindab essentially recognises revenue at a certain point in time, i.e. mainly in connection with the physical delivery to the counterparty, accrued income as of the balance sheet date is of minor value. Recognised net sales are reduced by volume/cash discounts for which provisions amounting to SEK -231 m (-184) had been made as per the balance sheet date, see Note 30. These comprise contractual liabilities, which are usually settled within a year.

Note 8, cont.

No disclosures are made regarding unfulfilled or partially unfulfilled performance obligations as these are included in agreements that are valid less than 12 month period.

The Group's revenue is recognised and assessed, primarily based on the segments' respective geographical markets. Ventilation Systems' revenue derives mainly from sales of ventilation-related products and indoor climate solutions, and Profile Systems' revenue derives mainly from sales of various construction products

and building systems in sheet metal, as well as different steel profiles. Building Systems' revenue was generated mainly through sales of steel construction systems. The Building Systems segment was divested at the end of December 2021.

Intra-group transactions between the segments are minor, see Note 7.

Net sales per segment and region

	Nordic region	Western Europe	Central Europe	Others markets	Total
2021					
Ventilation Systems	2,818	2,681	752	140	6,391
Profile Systems	2,478	161	599	19	3,257
Total, continuing operations	5,296	2,842	1,351	159	9,648
Building Systems, discontinued operations	4	422	535	10	971
Total, total operations	5,300	3,264	1,886	169	10,619
2020					
Ventilation Systems	2,438	2,386	708	122	5,654
Profile Systems	1,942	144	471	9	2,566
Total, continuing operations	4,380	2,530	1,179	131	8,220
Building Systems, discontinued operations	23	443	463	17	946
Total, total operations	4,403	2,973	1,642	148	9,166

Note 09 Amortisation/depreciation and impairment losses by type of asset and function

	Note	Continuing operations		Discontinued operations		Total operations	
		2021	2020	2021	2020	2021	2020
Amortisation/depreciation							
Capitalised expenditure for development work	18	5	5	-	-	5	5
Patents and similar rights	18	4	3	-	-	4	3
IT and other intangible assets	18	17	16	2	3	19	19
Trademark	18	4	2	-	-	4	2
Buildings and land	19	37	36	2	4	39	40
Rights of use buildings and land	20	167	158	14	19	181	177
Machinery and other technical facilities	19	82	62	7	10	89	72
Equipment, tools and installations	19	27	28	1	2	28	30
Other rights of use of tangible fixed assets	20	48	42	4	5	52	47
Total		391	352	30	43	421	395
Impairment losses							
IT and other intangible assets	18	-	2	-	-	-	2
Goodwill	18	-	-	380	-	380	-
Buildings and land	19	0	32	-	-	0	32
Machinery and other technical facilities	19	3	2	-	-	3	2
Equipment, tools and installations	19	-	7	-	-	-	7
Total		3	43	380	-	383	43
Total amortisation/depreciation and impairment losses by type of asset		394	395	410	43	804	438
Total amortisation/depreciation distributed by function							
Cost of goods sold		182	153	22	32	204	185
Selling expenses		170	161	5	6	175	167
Administrative expenses		35	32	3	5	38	37
R&D expenses		4	6	0	0	4	6
Total		391	352	30	43	421	395
Total impairment losses distributed by function							
Cost of goods sold		3	1	-	-	3	1
Other operating expenses		-	42 ²⁾	380 ¹⁾	-	380 ¹⁾	42 ²⁾
Total		3	43	380	0	383	43
Total amortisation/depreciation and impairment losses distributed by function		394	395	410	43	804	438

1) Of which, SEK 380 m is recognised as one-off items and restructuring costs.

2) Of which, SEK 40 m is recognised as one-off items and restructuring costs.

Note 10 Costs distributed by cost items

	Note	Continuing operations		Discontinued operations		Total operations		Parent company	
		2021	2020	2021	2020	2021	2020	2021	2020
Cost of direct materials		4,398	3,686	518	471	4,916	4,157	-	-
Other external expenses		1,253	1,161	118	105	1,371	1,266	3	2
Personnel costs		2,334	2,147	263	259	2,597	2,406	5	5
Amortisation/depreciation and impairment losses	9, 18, 19, 20	394	355 ²⁾	30 ¹⁾	43	424 ¹⁾	398 ²⁾	-	-
Other operating expenses	13	76	164 ²⁾	471 ¹⁾	16	547 ¹⁾	180 ²⁾	-	-
Total		8,455	7,513	1,400	894	9,855	8,407	8	7

1) Other operating expenses include one-off items and restructuring costs of SEK -456 m, of which SEK -380 m related to goodwill impairment.

2) Other operating expenses include one-off items and restructuring costs of SEK -70 m, of which SEK -40 m related to impairment of non-current assets.

In the consolidated statement of profit or loss, costs are classified by function. Cost of goods sold, selling expenses, administrative expenses, research and development expenses and other operating expenses for continuing operations totalled SEK 8,455 m (7,513). An alternative breakdown of these costs

into key cost categories is shown above. Personnel costs for continuing operations include payroll costs of SEK 2,240 m (2,076) and temporary personnel at SEK 94 m (70). Other external expenses relate mainly to production, sales and administration costs.

Note 11 Auditors' fees and expenses**Remuneration of the Auditors**

An audit includes an examination of the annual accounts, the accounting policies applied and significant estimates that were made by the management. This

also includes a review in order to determine whether the Board of Directors and CEO may be discharged from liability.

	Continuing operations		Discontinued operations		Total operations		Parent company	
	2021	2020	2021	2020	2021	2020	2021	2020
Deloitte								
Audit assignments	7.0	6.2	1.1	1.5	8.1	7.7	0.5	0.4
Other audit engagements separate from audit assignments	0.0	0.1	-	-	0.0	0.1	-	-
Tax advice	0.1	0.1	-	-	0.1	0.1	-	-
Other assignments	0.2	0.2	-	-	0.2	0.2	-	-
<i>Total, Deloitte</i>	<i>7.3</i>	<i>6.6</i>	<i>1.1</i>	<i>1.5</i>	<i>8.4</i>	<i>8.1</i>	<i>0.5</i>	<i>0.4</i>
Others								
Audit assignments	1.6	1.6	0.5	0.0	2.1	1.6	-	-
Tax advice	0.6	0.7	-	-	0.6	0.7	-	-
Other assignments	0.3	0.2	0.1	-	0.4	0.2	-	-
<i>Total, other</i>	<i>2.5</i>	<i>2.5</i>	<i>0.6</i>	<i>0.0</i>	<i>3.1</i>	<i>2.5</i>	<i>-</i>	<i>-</i>
Total	9.8	9.1	1.7	1.5	11.5	10.6	0.5	0.4

Note 12 Research and development

Research and development expenses for continuing operations amounted to SEK 53 m (55) and are expensed directly in the consolidated statement of profit or loss, of which SEK 5 m (5) relates to the amortisation of capitalised development expenditure. Research and development expenses related to discontinued operations amounted to SEK 12 m (9).

For capitalised development expenditure, see Note 18.

Note 13 Other operating income and expenses

	Continuing operations		Discontinued operations		Total operations		Parent company	
	2021	2020	2021	2020	2021	2020	2021	2020
Income								
Translation differences on operating receivables/liabilities	42	64	1	4	43	68	-	-
Capital gains on disposal of fixed assets	4	5	-	-	4	5	-	-
Other ¹⁾	27	15	3	0	30	15	-	-
Total	73	84	4	4	77	88	-	-
Expenses								
Translation differences on operating liabilities/receivables	-49	-65	-1	-5	-50	-70	-	-
Capital losses on disposal of fixed assets	-1	-4	0	0	-1	-4	-	-
Other ²⁾	-26	-95	-470	-11	-496	-106	-	-
Total	-76	-164	-471	-16	-547	-180	-	-

1) In 2020, Other included one-off items and restructuring costs of SEK 4 m, related to capital gains in connection with the divestment of IMP Klima Group. The income is recognised in continuing operations.

2) In 2021, Other includes one-off items and restructuring costs of SEK -456 m related to the divestment of Building Systems, of which SEK -380 m relates to goodwill impairment. The cost is included in discontinued operations. In 2020, other items included one-off items and restructuring costs of SEK -74 m, related to the decision to close down of the IMP Klima Group. The cost is recognised in continuing operations.

Note 14 Government grants

	Continuing operations		Discontinued operations		Total operations	
	2021	2020	2021	2020	2021	2020
Government grants and cost reductions						
Government grants affecting profit for the year	5	27	3	13	8	40
Government cost reductions affecting profit for the year	3	10	-	0	3	10
Government investment grant, offset against fixed assets	-	1	-	-	-	1
Total	8	38	3	13	11	51

Government grants and cost reductions received in 2021 respectively 2020 consisted mainly of support in relation to covid-19 measures. In 2021, government grants and cost reductions for the total operations were received mainly in Ireland, Luxembourg and Sweden. In the previous year, corresponding support and cost reductions were mainly received in the UK, France, Luxembourg and Sweden.

Government grants compensating for specific costs are recognised as cost reductions in the statement of profit or loss and thus classified within the same category as the underlying cost. Government grants in the nature of more general allowances are recognised as other operating income and amount to SEK 0 m (4).

Note 15 Financial income and expenses

	Note	Continuing operations		Discontinued operations		Total operations		Parent company	
		2021	2020	2021	2020	2021	2020	2021	2020
Result from participations in Group companies									
Group contributions received		-	-	-	-	-	-	25	20
Total		-	-	-	-	-	-	25	20
Interest income									
Contractual interest on financial assets		3	6	8	8	11	14	-	-
of which, financial assets valued at amortised cost		3	3	0	4	3	7	-	-
Financial income		3	6	8	8	11	14	-	-
Contractual interest on financial liabilities		-15	-16	-1	-1	-16	-17	-	-
of which, financial liabilities valued at amortised cost		-2	-16	0	0	-2	-16	-	-
For pensions, net	27	-3	-3	0	0	-3	-3	-	-
Interest expenses on lease liabilities	31	-21	-21	-3	-4	-24	-25	-	-
To Group companies		-	-	-	-	-	-	-5	-4
Other financial expenses		-3	-3	0	0	-3	-3	-	-
Financial expenses		-42	-43	-4	-5	-46	-48	-5	-4
Currency effects gains/losses, net		-4	-1	0	0	-4	-1	-	-
Financial income and expenses, net		-43	-38	4	3	-39	-35	21	16

Note 16 Tax on profit for the year

Income tax in the consolidated statement of profit or loss and in the consolidated statement of comprehensive income mainly comprise the following components:

	Continuing operations		Discontinued operations		Total operations		Parent company	
	2021	2020	2021	2020	2021	2020	2021	2020
Statement of profit or loss								
<i>Current tax</i>								
Tax on profit for the year	-269	-200	3	-19	-266	-219	-3	-3
Adjustments regarding previous years	0	-2	0	-	0	-2	0	0
<i>Total current tax</i>	-269	-202	3	-19	-266	-221	-3	-3
<i>Deferred tax</i>								
Occurrence and reversal of temporary differences	4	5	-3	2	1	7	0	0
Effect of changed tax rates abroad	0	-1	-	-	0	-1	-	-
<i>Total deferred tax</i>	4	4	-3	2	1	6	0	0
Total recognised tax expense in the consolidated statement of profit or loss	-265	-198	0	-17	-265	-215	-3	-3
Other comprehensive income								
Deferred tax attributable to defined benefit pension plans ¹⁾					0	-1	-	-
Current tax attributable to hedges of net investments ¹⁾					-8	-10	-	-
Total recognised tax expense in other comprehensive income					-8	-11	-	-

1) Tax reported under other comprehensive income is not presented for continuing and discontinued operations and only reflects how these items are presented in the consolidated statement of comprehensive income.

The tax expense for the Group's total operations for the year amounted to SEK 265 m (215), of which SEK 265 m (198) related to the continuing operations. The effective tax rate for the Group's total operations amounted to 22 percent (27) and for the continuing operations, the corresponding tax rate was 22 percent (26).

The average tax rate for the Group's total operations was 19 percent (20) and for the continuing operations, the corresponding tax rate was 20 percent (20). The average tax rate has been calculated by weighting the subsidiaries' earnings before tax against the local tax rate for each country.

The difference between the effective and average tax rates for the Group's total operations amounted to 3 percentage points (7). The difference of 3 percentage points is mainly explained by Lindab having divested Building Systems, resulting in termination of the Group's tax union in Germany. Consequently, Lindab

has revaluated deferred tax assets related to previously recognised carry-forward tax losses in Germany, which have had a negative effect on the effective tax rate in the period. The lower effective tax rate, compared with previous year, was mainly explained by Lindab not being able to fully utilise carry-forward tax losses to reduce the total tax expense in the previous year. In the previous year, the effective tax rate was also negatively impacted by payments of withholding taxes. For the continuing operations, the explanation for the difference between the effective and average tax rate of 2 percentage points (6) was primarily the same as for the total operations.

The tax rate in Sweden is 20.6 percent (21.4). The main reasons for the difference between the Swedish corporate tax rate and the Lindab Group's tax rate based on the earnings before tax are shown in the table below.

	Continuing operations		Discontinued operations		Total operations	
	2021	Percent	2021	Percent	2021	Percent
Earnings before tax	1,223		-421		802	
Reversal of goodwill impairment	-		380		380	
Profit before tax, excluding goodwill impairment	1,223		-41		1,182	
Tax in accordance with current tax rate for Parent company	-251	-20.6	8	20.6	-243	-20.6
Reconciliation with recognised tax						
Effect of other tax rates for companies abroad	11	0.9	4	9.8	15	1.3
Unrecognised tax losses, incurred during the year	-	-	-11	-28.0	-11	-0.9
Tax attributable to previous years	0	0.0	0	0.0	0	0.0
Non-deductible expenses	-11	-0.9	-3	-7.3	-14	-1.2
Non-taxable income	1	0.1	0	0.0	1	0.1
Effect of changed tax rates on deferred tax	0	0.0	-	-	0	0.0
Reassessment of deferred tax attributable to carry-forward tax losses ¹⁾	-11	-0.9	3	7.3	-8	-0.7
Reassessment of other deferred tax assets	1	0.1	-1	-2.4	0	0.0
Other	-5	-0.4	0	0.0	-5	-0.4
Recognised tax expense	-265	-21.7	0	0.0	-265	-22.4

	Continuing operations		Discontinued operations		Total operations	
	2020	Percent	2020	Percent	2020	Percent
Earnings before tax	752		59		811	
Tax in accordance with current tax rate for Parent company	-161	-21.4	-13	-21.4	-174	-21.4
Reconciliation with recognised tax						
Effect of other tax rates for companies abroad	8	1.1	3	5.0	11	1.3
Unrecognised tax losses, incurred during the year	-18	-2.4	-12	-20.3	-30	-3.7
Tax attributable to previous years	-2	-0.3	-	-	-2	-0.3
Non-deductible expenses	-11	-1.5	-1	-2.2	-12	-1.5
Non-taxable income	6	0.8	0	0.0	6	0.7
Effect of changed tax rates on deferred tax	-1	-0.1	-	-	-1	-0.1
Reassessment of deferred tax attributable to carry-forward tax losses ¹⁾	3	0.4	6	10.1	9	1.1
Reassessment of other deferred tax assets	3	0.4	0	0.0	3	0.4
Other ²⁾	-25	-3.3	0	0.0	-25	-3.1
Recognised tax expense	-198	-26.3	-17	-28.8	-215	-26.6

1) Reassessment of deferred tax attributable to carry-forward tax losses related mainly to Germany. This applies to both financial years. In 2021, continuing operations were affected by a negative reassessment effect related to deferred tax assets attributable to previously capitalised carry-forward tax losses. This was a consequence of the Group's decision to divest Building Systems, which entailed the termination of the internal tax union in Germany. The negative revaluation effect amounted to SEK 14 m.

2) Other mainly refers to withholding tax on dividends.

Deferred tax assets and liabilities at year-end, not taking into consideration any offsets made within the same fiscal jurisdiction, are detailed in the following table:

	Deferred tax assets		Deferred tax liabilities		Net	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Intangible assets	2	2	-19	-18	-17	-16
Tangible fixed assets	3	4	-60	-50	-57	-46
Financial fixed assets	-	-	-	-	-	-
Stock	32	16	0	-1	32	15
Receivables	3	3	0	-1	3	2
Provisions	45	46	-	0	45	46
Liabilities	0	1	-	-	0	1
Leases	7	8	0	-1	7	7
Other	1	0	-18	-13	-17	-13
Carry-forward tax losses	16	34	-	-	16	34
Tax allocation reserves	-	-	-37	-46	-37	-46
Total	109	114	-134	-130	-25	-16
Offsetting of receivables/liabilities	-27	-38	27	38	-	-
According to the consolidated statement of financial position	82	76	-107	-92	-25	-16

Note 16, cont.

Reconciliation of deferred tax liabilities/assets, net

	Note	2021	2020
Opening balance		-16	6
Reported in the consolidated statement of profit or loss		1	6
Acquisitions of subsidiaries	5	-8	-27
Divestments of subsidiaries	5	-	2
Discontinued operations	5	-3	-
<i>Reported in other comprehensive income and shareholders' equity:</i>			
- adjustment of defined benefit pension plans		0	-1
Translation differences		1	-2
Closing balance		-25	-16

Expiry dates for unused carry-forward tax losses

	31 Dec 2021	31 Dec 2020
Next year	2	0
In 2-4 years	1	0
In 5-6 years	0	9
After 6 years	230	558
- of which without expiry date	230	346
Total	233	567

Deferred tax assets for carry-forward tax losses are recognised to the extent that it is probable that they can be utilised to lower future taxable gains.

At the end of the year, the Group had carry-forward tax losses of approximately SEK 286 m (681), of which SEK 53 m (114) forms the basis for the recognised deferred tax asset of SEK 16 m (34). The change in both deferred tax assets related to carry-forward tax losses and unrecognised carry-forward tax

losses was mainly attributable to the divestment of Building Systems during the year. The remaining carry-forward tax losses of SEK 233 m (567) could result in a deferred tax assets of SEK 68 m (163). These have, however, not been taken into consideration as it is not considered possible to determine whether Lindab will be able to use them within the foreseeable future, or it is considered unlikely that Lindab will be able to utilise them.

Note 17 Earnings per share

	Continuing operations		Discontinued operations		Total operations	
	2021	2020	2021	2020	2021	2020
Before and after dilution						
Profit attributable to Parent company shareholders, SEK m	958	554	-421	42	537	596
Weighted average number of ordinary shares outstanding, number	76,395,732	76,340,315	76,395,732	76,340,315	76,395,732	76,340,315
Earnings per share before dilution (SEK per share)	12.53	7.25	-5.51	0.55	7.02	7.80
Earnings per share after dilution (SEK per share)	12.50	7.25	-5.50	0.55	7.00	7.80

Earnings per share before dilution

Earnings per share before dilution are calculated by dividing the profit attributable to the Parent company's shareholders by a weighted average number of ordinary shares outstanding during the period, excluding repurchased shares held as treasury shares by the Parent company.

The number of shares increased by 110,000 (25,000) due to a warrants program from 2018 (2017) expiring during the year and 110,000 (25,000) shares being issued in connection with this. See Notes 6 and 26.

Earnings per share after dilution

Earnings per share after dilution are calculated by dividing the profit attributable to the Parent company's shareholders by a weighted average number of ordinary shares outstanding, including the ordinary shares expected to be issued. These are calculated on the basis of the average share price of the ordinary shares during the period.

Note 18 Intangible assets

1 January - 31 December 2021		Capitalised expenditure for development work	Patents and similar rights	IT and other intangible assets	Trademarks	Goodwill	Total
Accumulated acquisition values	Note						
Opening balance		57	98	331	77	3,239	3,802
Items related to acquisitions of subsidiaries	5	1	1	2	3	110	117
Items related to discontinued operations	5	-	-	-124	-	-405	-529
Acquisitions		2	0	18	-	-	20
Disposals		-	-	-1	-	-	-1
Reclassifications		-1	0	-	-	-	-1
Translation differences		1	1	12	1	70	85
Closing balance		60	100	238	81	3,014	3,493
Accumulated amortisation according to plan							
Opening balance		-38	-93	-254	-52	-	-437
Amortisation for the year		-5	-4	-19	-4	-	-32
Items related to acquisitions of subsidiaries	5	0	-1	-	-	-	-1
Items related to discontinued operations	5	-	-	115	-	-	115
Disposals		-	-	1	-	-	1
Reclassifications		1	0	-	-	-	1
Translation differences		-1	0	-10	0	-	-11
Closing balance		-43	-98	-167	-56	-	-364
Accumulated impairment losses							
Opening balance		-3	0	-9	-2	0	-14
Impairment losses for the year		-	-	-	-	-380	-380
Items related to discontinued operations	5	-	-	-	-	378	378
Translation differences		0	-	0	-	2	2
Closing balance		-3	0	-9	-2	0	-14
Net residual value, opening balance		16	5	68	23	3,239	3,351
Net residual value, closing balance		14	2	62	23	3,014	3,115
1 January - 31 December 2020							
Accumulated acquisition values							
Opening balance		53	97	327	68	3,211	3,756
Items related to acquisitions of subsidiaries	5	10	2	6	9	168	195
Items related to divestments of subsidiaries	5	-4	-	-3	-	-	-7
Acquisitions		1	-	26	-	-	27
Disposals		0	-	-6	-	-	-6
Reclassifications		-	-	0	-	-	0
Translation differences		-3	-1	-19	-	-140	-163
Closing balance		57	98	331	77	3,239	3,802
Accumulated amortisation according to plan							
Opening balance		-40	-90	-255	-51	-	-436
Amortisation for the year		-5	-3	-19	-2	-	-29
Items related to divestments of subsidiaries	5	4	-	3	-	-	7
Disposals		-	-	2	-	-	2
Reclassifications		-	-	0	-	-	0
Translation differences		3	0	15	1	-	19
Closing balance		-38	-93	-254	-52	-	-437
Accumulated impairment losses							
Opening balance		-3	0	-7	-2	0	-12
Impairment losses for the year		-	-	-2	-	-	-2
Translation differences		0	-	0	-	-	0
Closing balance		-3	0	-9	-2	0	-14
Net residual value, opening balance		10	7	65	15	3,211	3,308
Net residual value, closing balance		16	5	68	23	3,239	3,351

Note 18, cont.

Capitalised expenditure for development work mostly comprises internally generated capitalised expenses for software development and certificates. Other intangible assets mainly comprise software and customer relationships.

Impairment testing of goodwill

At least annually, the Group analyses whether there is any indication of impairment of goodwill in accordance with the accounting policies described in Note 2. These analyses are based on the financial budgets, forecasts and business plans which have been approved by the Board of Directors and/or Executive Management. Estimates and calculations are based on these analyses. All impairment testing of goodwill is also based on the going concern assumption.

Assessments of the indication of impairment of goodwill shall be based on the lowest cash-generating unit and correspond to the lowest level in the Group at which goodwill is monitored for internal management purposes. For the Lindab Group, this level is considered to be the respective integrated operating and reporting segments, Ventilation Systems and Profile Systems. Until September 2021, the former Building Systems segment was also classified as one of the lowest level of cash-generating units and was valued in accordance with the criteria in IAS 36 *Impairment of Assets*. As a consequence of the strategic decision and agreement to divest the operations in September, the entire segment, including goodwill, was reclassified and valued in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* as of this point in time and until the completion of the divestment of Building Systems at the end of December. During the third quarter, this entailed, among other things, that the Group recognised one-off items and restructuring costs, including goodwill impairment of SEK 380 m, attributable to the divestment of the segment. See also Note 5.

Lindab conducted its most recent goodwill impairment analysis on November 30, 2021. The recoverable amount for the two cash-generating units was based on estimates of assessed values in use. These calculations were based on estimated future cash flows after tax derived from financial budgets and forecasts, as well as additional assessments for each segment, covering the period up until 2026. Key assumptions used for calculating values in use were expected sales growth, gross margins, discount rates and growth assumptions following the close of the forecasting period.

The gross margin assumption included material suppositions about sales volumes, sales prices and raw material prices. These were based on historical results and an assessment of future development. Where possible, the assessment of future developments also included external sources of information, such as information from Euroconstruct on forward-looking sales forecasts.

The discount rate was estimated based on a weighted cost of capital after tax of 8.4 percent (8.5). In comparison with the previous year, changes to the discount rate were mainly due to an estimated lower cost for shareholders' equity (related primarily to a generally decreased market premium and a somewhat lower risk premium for Lindab specifically) at the same time as the quotient for fair value on shareholders' equity in relation to consolidated net debt increased. It should be noted that the quotient for the fair value of shareholders' equity in relation to the Group's net debt is based on a rolling 12-month period to balance out certain volatility in the underlying value.

Calculated discount rates were used for both cash-generating units in conjunction with impairment test discounting of estimated future cash flow after tax. Amounts after tax were used in the calculations for both cash flow and discount rate as the available models for calculating the discount rate include a tax element. This discounting is not materially different from discounting based on projected cash flows before tax and the pre-tax discount levels required by IFRS. The discount rate applied corresponded to a discount rate before tax of 10.3 percent (10.5) and was based on the Group's weighted average tax rate.

The discount rate represents the market's current assessment of the risks specific to Lindab, taking into account individual risks in the underlying assets that have not been included in the cash flow calculations. The calculation of the discount rate was based on the Group's specific situation and is derived from its weighted average cost of capital (WACC). WACC takes into account both liabilities and shareholders' equity. The capital cost of shareholders' equity is based on expected returns for the Group's investors. The cost of the Group's liabilities is based on the interest-bearing liabilities that Lindab is obliged to redeem. Group-specific risks are considered through an individually considered beta factor. The beta factor is assessed annually on the basis of publicly available market data.

Both Ventilation Systems and Profile Systems conduct operations within construction as the main line of business, with a shared concept regarding the development, production, marketing and distribution of products and system solutions. Although the geographical markets are slightly different, the risk profile is considered to be fairly uniform as a whole. Consequently, the same assumptions have been applied to the discount rates for both segments.

Expected future cash flow beyond 2026 has been extrapolated with the help of estimated average long-term growth, terminal growth, of 1.0 percent (1.0) for Ventilation Systems and Profile Systems, respectively. This long-term growth shall reflect and be in line with average growth on the markets where the segments are operating in accordance with forecasts made by the construction industry's economic institutions. The assumption includes a weighting of the growth forecast for the underlying geographical markets, the Nordics, Western Europe and Central Europe, with a rather conservative assumption being applied.

To support goodwill impairment testing performed within the Group, a comprehensive analysis was made regarding the sensitivity of the variables used in the model. A deterioration of each of the main assumptions included in the calculation of value in use shows that the recoverable amount exceeds the carrying amount of all testing conducted for Ventilation Systems and Profile Systems. A change of 1 percentage point in the gross margin, discount rate and respectively growth assumption was taken into account in the analysis. All sensitivity analyses show a good margin before any impairment is recognised. As a result of the calculations, no indication of impairment of goodwill was recognised at the end of 2021, based on the going concern assumption.

Allocated goodwill by segment	31 Dec 2021	31 Dec 2020
Ventilation Systems	2,113	2,037
Profile Systems	901	801
Total goodwill, continuing operations	3,014	2,838
Building Systems, discontinued operations	-	401
Total goodwill, total operations	3,014	3,239

Note 19 Tangible fixed assets

1 January - 31 December 2021							
Accumulated acquisition values	Note	Buildings and land	Machinery and other technical facilities	Equipments, tools and installations	Construction in progress buildings	Construction in progress machinery	Total
Opening balance		1,219	2,151	580	50	108	4,108
Items related to acquisitions of subsidiaries	5	23	51	14	1	0	89
Items related to discontinued operations	5	-107	-212	-19	0	-1	-339
Acquisitions		91	87	37	31	129	375
Disposals		-7	-52	-38	-	-	-97
Reclassifications		64	80	0	-67	-89	-12
Translation differences		44	53	9	1	4	111
Closing balance		1,327	2,158	583	16	151	4,235
Accumulated depreciation according to plan							
Opening balance		-499	-1,613	-468	-	-	-2,580
Depreciation for the year		-39	-89	-28	-	-	-156
Items related to acquisitions of subsidiaries	5	-6	-40	-7	-	-	-53
Items related to discontinued operations	5	37	163	13	-	-	213
Disposals		2	48	36	-	-	86
Reclassifications		1	6	5	-	-	12
Translation differences		-18	-36	-7	-	-	-61
Closing balance		-522	-1,561	-456	-	-	-2,539
Accumulated revaluations and impairment losses							
Opening balance		0	-14	0	-1	0	-15
Impairment losses for the year		0	-3	-	-	-	-3
Items related to acquisitions of subsidiaries	5	-2	-1	-	-	-	-3
Items related to discontinued operations	5	0	0	0	-	-	0
Reversal of impairment losses		-	0	-	-	-	0
Disposals		0	4	-	-	-	4
Reclassifications		-	0	-	-	-	0
Translation differences		0	0	0	0	0	0
Closing balance		-2	-14	0	-1	0	-17
Net residual value, opening balance		720	524	112	49	108	1,513
Net residual value, closing balance		803	583	127	15	151	1,679
1 January - 31 December 2020							
Accumulated acquisition values							
Opening balance		1,271	1,984	599	15	121	3,990
Items related to acquisitions of subsidiaries	5	113	41	2	0	1	157
Items related to divestments of subsidiaries	5	-145	-17	-16	-	-	-178
Acquisitions		38	221	26	62	51	398
Disposals		-3	-29	-22	-	-	-54
Reclassifications		32	46	7	-25	-60	0
Translation differences		-87	-95	-16	-2	-5	-205
Closing balance		1,219	2,151	580	50	108	4,108
Accumulated depreciation according to plan							
Opening balance		-500	-1,621	-479	-	-	-2,600
Depreciation for the year		-40	-72	-30	-	-	-142
Items related to acquisitions of subsidiaries	5	-15	-31	-2	-	-	-48
Items related to divestments of subsidiaries	5	26	8	8	-	-	42
Disposals		1	27	21	-	-	49
Reclassifications		-5	3	2	-	-	0
Translation differences		34	73	12	-	-	119
Closing balance		-499	-1,613	-468	-	-	-2,580
Accumulated revaluations and impairment losses							
Opening balance		-2	-13	0	-1	0	-16
Impairment losses for the year		-32	-2	-7	-	-	-41
Items related to acquisitions of subsidiaries	5	2	-	-	-	-	2
Items related to divestments of subsidiaries	5	32	-	7	-	-	39
Reversal of impairment losses		-	0	-	-	0	0
Disposals		-	0	-	-	-	0
Reclassifications		-	-	-	-	-	-
Translation differences		0	1	-	-	-	1
Closing balance		0	-14	0	-1	0	-15
Net residual value, opening balance		769	350	120	14	121	1,374
Net residual value, closing balance		720	524	112	49	108	1,513

Note	20	Right-of-use assets
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1 January - 31 December 2021		Rights-of-use buildings and land	Other rights-of-use of tangible fixed assets	Total
Accumulated acquisition values	Note			
Opening balance		1,162	168	1,330
Items related to acquisitions of subsidiaries	5	17	4	21
Items related to discontinued operations	5	-158	-20	-178
New and amended right-of-use agreements		196	65	261
Terminated right-of-use agreements		-107	-36	-143
Reclassifications		0	0	0
Translation differences		41	6	47
Closing balance		1,151	187	1,338
Accumulated depreciation according to plan				
Opening balance		-313	-64	-377
Depreciation for the year		-181	-52	-233
Terminated right-of-use agreements		65	27	92
Items related to discontinued operations	5	53	8	61
Reclassifications		0	0	0
Translation differences		-10	-2	-12
Closing balance		-386	-83	-469
Accumulated impairment losses				
Opening balance		-	-	-
Impairment losses for the year		-	-	-
Terminated right-of-use agreements		-	-	-
Reclassifications		-	-	-
Translation differences		-	-	-
Closing balance		-	-	-
Net residual value, opening balance		849	104	953
Net residual value, closing balance		765	104	869
1 January - 31 December 2020				
Accumulated acquisition values				
Opening balance		1,065	161	1,226
Items related to acquisitions of subsidiaries	5	36	4	40
Items related to divestments of subsidiaries	5	-	0	0
New and amended right-of-use agreements		141	49	190
Terminated right-of-use agreements		-24	-36	-60
Reclassifications		0	0	0
Translation differences		-56	-10	-66
Closing balance		1,162	168	1,330
Accumulated depreciation according to plan				
Opening balance		-172	-45	-217
Depreciation for the year		-177	-47	-224
Terminated right-of-use agreements		23	25	48
Items related to divestments of subsidiaries	5	-	0	0
Reclassifications		0	0	0
Translation differences		13	3	16
Closing balance		-313	-64	-377
Accumulated impairment losses				
Opening balance		-	-	-
Impairment losses for the year		-	-	-
Terminated right-of-use agreements		-	-	-
Reclassifications		-	-	-
Translation differences		-	-	-
Closing balance		-	-	-
Net residual value, opening balance		893	116	1,009
Net residual value, closing balance		849	104	953

Note 21 Associated companies

Associated companies are companies in which the Parent company holds a significant but non-controlling influence, usually through a shareholding corresponding to between 20 and 50 percent of the voting rights. Associated companies are reported in accordance with the equity method as required by IAS 28 *Investments in Associates and Joint Ventures*. In accordance with this method, the participation in the associated company is valued at its acquisition value at the time of acquisition. The profit/losses arising after the acquisition in the associated company and that related to the Group's participation, with adjustments for the dis-

solution of acquired surplus and deficit values, are reported as a separate item in the statement of profit or loss on the line *Profit or loss from participations in associated companies*.

During 2021, no acquisitions or divestments of associated companies occurred. During 2020, Lindab acquired 36.6 percent of the shares and votes in Leapcraft ApS (corp. ID no. 35 47 27 62) domiciled in Copenhagen, Denmark. These shares primarily constitute the Lindab Group's participations in associated companies.

	Group	
	2021	2020
Opening balance, associated companies	18	0
Acquisitions of associated companies	-	19
Participations in profit or loss from associated companies	0	-1
Closing balance	18	18

Note 22 Other non-current securities holdings

	Group	
	2021	2020
Opening balance	4	4
Discontinued operations	0	-
Translation differences	0	0
Closing balance	4	4

Non-current holdings of unlisted shares and participations are reported here. Associated companies are reported separately in Note 21. Other non-current holdings of securities of SEK 4 m (4) mainly constitute smaller holdings owned by Group companies.

Note 23 Other non-current receivables

	Group	
	2021	2020
Opening balance	4	4
Decrease/increase	0	0
Closing balance	4	4

Note 24 Stock

	Group	
	31 Dec 2021	31 Dec 2020
Raw materials and supplies	1,121	629
Work in progress	56	55
Finished goods and goods for resale	913	741
Total	2,090	1,425¹⁾

1) Of which total stock for discontinued operations amounted to SEK 230 m.

Direct material costs for the year amounted to SEK 4,916 m (4,157), including an adjustment of the provision for obsolescence of SEK 4 m (negative 6). The obsolescence reserve for finished goods has increased by a net SEK 3 m (8). The provision for obsolescence in stock amounts to SEK 72 m (76), equivalent to 3 percent (5) of the stock value before deducting obsolescence. Currency ef-

fects increased the provision by SEK 2 m (decreased 4) over the year. Structural changes reduced the reserve by SEK 6 m (5), primarily related to Building Systems. During the year, direct material costs for continuing operations amounted to SEK 4,398 m (3,686).

Note 25 Current receivables

	Group					
	Accounts receivable		Accrued income ¹⁾		Other receivables ²⁾	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Number of days overdue						
Not overdue	1,336	1,092	22	45	52	60
< 6 days	149	118	-	-	0	0
6 – 90 days	110	60	-	-	3	2
90-180 days	14	9	-	-	0	0
180-360 days	9	12	-	-	2	0
> 360 days	53	68	-	-	0	0
Total	1,671	1,359	22	45	57	62
Provision for expected bad debt losses	-69	-81	-	-	-	-
Total	1,602	1,278	22	45	57	62

1) Accrued income refers to exchange rate gains on forward exchange agreements amounting to SEK 2 m (30) and discounts on purchases of SEK 20 m (15).

2) Other receivables related to SEK 34 m (39) in VAT and SEK 23 m (23) in other receivables.

Lindab applies a valuation method for calculating bad debt provisions for its accounts receivables, which is based on expected bad debt losses. The method used to calculate expected credit losses is based on six different levels of due date (see table above), from accounts receivable that are not yet due to receivables that are overdue by more than 360 days. The respective levels have an expected degree of credit loss, based on which accounting loss provisions are made unless an individual assessment indicates otherwise. The grading of credit losses for each level is based on historical loss patterns within Lindab over a six-year period adjusted by a forward-looking factor reflecting a future expectation of different payment structures based on the business cycle and other important conditions. As of December 31, 2021, the credit loss grading for the different categories was in the range of 0.5-95.3 percent (0.6-95.6). A lower level of provisions than the credit loss grading is only accepted if the Group has obtained collateral or equivalent corresponding to the amount due.

It should be taken into account that Lindab has, since 2020, specifically assessed the need for changed estimates and assumptions over the year in relation to covid-19. This assessment has resulted in some adjustments to estimated credit losses. The specifically changed estimate of expected credit losses among outstanding receivables has impacted all maturity date valuation levels, from accounts receivable not yet due to receivables overdue by more than 360 days, resulting in a negative impact on reported operating profit corresponding to SEK 1 m (3).

The decrease in the provision for expected credit losses is mainly attributable to the divestment of Building Systems. As in previous years, individual receivables are written off at the point where it is no longer reasonable to expect that the counterparty will settle the claim.

Change in provisions for expected bad debt losses	Group	
	2021	2020
Opening balance	81	98
Change acquisitions/disposals	0	-9
Change, discontinued operations	-20	-
Increase in provisions	18	21
Actual losses	-8	-16
Reversed provisions	-5	-6
Translation differences	3	-7
Closing balance	69	81

Prepaid expenses and accrued income	Group	
	31 Dec 2021	31 Dec 2020
Prepaid software licenses	16	19
Accrued exchange gains, forward exchange agreements	2	30
Insurance premiums	9	10
Accrued purchasing discounts	20	15
Accrued income	24	5
Other prepaid expenses	142	69
Total	213	148

Other receivables	Group	
	31 Dec 2021	31 Dec 2020
VAT receivable	34	39
Advance payments to suppliers	8	10
Deposits	2	3
Travel advances	1	1
Advance payments to employees	1	0
Other receivables	11	9
Total	57	62

Note 26 Shareholders' equity and number of shares

The table below indicates the changes in Lindab's share capital and the number of shares as of 2006.

Year	Action	Number of shares		Change in share capital (SEK k)	Total share capital (SEK k)
		Class A	Class B		
2006 ¹⁾	Number of shares	78,707,820	-	-	78,708
2020 ²⁾	Exercised warrants	25,000	-	25	25
2021 ²⁾	Exercised warrants	110,000	-	110	110
Closing balance		78,842,820	-	135	78,843
Number of treasury shares		-2,375,838	-		
Total number shares outstanding, closing balance		76,466,982	-		

1) On December 1, 2006, Lindab was listed on Nasdaq, Stockholm, Mid Cap. Since January 3, 2022, Lindab is listed on Nasdaq, Stockholm, Large Cap.

2) For further information, see Note 33.

The share capital of SEK 78,842,820 is divided between 78,842,820 shares.

Treasury shares

In 2008, a repurchase of 3,935,391 treasury shares was implemented, amounting to SEK 348 m. In 2010, IVK-Tuote Oy was acquired by transferring 559,553 treasury shares to the sellers of that company. In 2012, 1,000,000 treasury shares, amounting to SEK 52 m, were divested. Accordingly, the number of treasury shares decreased to 2,375,838 and the number of shares outstanding increased to 76,331,982. Since 2012, the number of treasury shares has remained unchanged. The number of shares outstanding has, however, increased to 76,466,982 by means of share issues implemented in 2020 and 2021, respectively, in connection with warrants being exercised, see Note 33.

Nature and purpose of the reserves in shareholders' equity

The foreign currency translation reserve comprises all exchange rate differences that arise when translating financial statements from foreign operations that prepare their financial statements in a currency other than the currency of the consolidated financial statements. The translation reserve also includes the cumulative net change in the hedging of net investments in foreign operations. Lindab uses currency swaps and loans as hedging instruments.

In accordance with the resolution by the Annual General Meeting of May 5, 2021, the proposed dividend for 2020 of SEK 3.40 per share has been paid. Total dividends paid amounted to SEK 259,800,739.

Proposed appropriation of profit

SEK	2021
Profit brought forward	2,071,964,452
Profit for the year	13,535,780
Total profit brought forward at the end of the year	2,085,500,232

The Board of Directors proposes that the aforementioned amounts be appropriated as follows:

SEK	
Dividend to shareholders, SEK 4.00 per share	305,867,928
To be carried forward	1,779,632,304
Total	2,085,500,232

Note 27 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations include, apart from pensions, other post-employment benefits paid to employees, e.g. upon termination of employment. The majority of employees in the Lindab Group are comprised by defined contribution plans. Some countries also have defined benefit plans for pensions or terminations. The tables in this note disclose the pension costs and liabilities as well as the material assumptions used in their calculations.

The retirement and family pension plans for salaried employees in Sweden are guaranteed through insurance cover with Alecta, in the so-called ITP2 plan. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan that includes several employers. For the financial years of 2021 and 2020, the company did not have access to the information required to report its proportionate share of the plan's obligations, plan assets and expenses which meant that it was not possible to report this as a defined benefit plan. The pension plan is in accordance with ITP, which is guaranteed through insurance with Alecta and is therefore shown as a defined contribution plan. The contribution to the defined benefit retirement and family pension plan is calculated individually and is dependent on the salary, previously earned pension and expected remaining working life of the person concerned. Anticipated contributions for ITP 2 pension insurance cover with Alecta amount to SEK 6 m (5) for the next reporting period. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amount to 0.00 and 0.06 percent (0.02 and 0.07), respectively.

A surplus or deficit with Alecta may mean a refund for the Group or alternatively lower or higher future charges. At the end of the year, Alecta's surplus in terms of the collective consolidation level amounted to 172 percent (148). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial assumptions.

Expenses for defined contribution plans amounted to SEK 113 m (104), of which SEK 1 m (1) related to discontinued operations.

Lindab is mainly exposed to a several of categories of risk by way of its defined benefit plans. These concern risks related with the size of the actual payment. The increased life expectancy of the beneficiaries, which affects the duration of the pensions, and inflation, which affects salary and pension costs, are the risks affecting the scale of future payments and thereby also the size of the obligation. The discount rate used to calculate the present value of the pension liabilities varies, thereby affecting the liabilities. The discount rate also affects the interest expense or income under financial items, as well as the costs incurred to generate the earnings for the year. Another category concerns the return on investments. Pension funds are invested in different financial instruments where returns are exposed to changes in the market. Weak returns can reduce the size of the investments and may result in insufficient pension funds to cover future pension payments.

Reported in the statement of financial position

Specification of defined benefit pension obligations, etc.	31 Dec 2021	31 Dec 2020
Present value of funded defined benefit obligations	37	64
Fair value of plan assets for defined benefit obligations	-23	-35
<i>Net value of funded plans</i>	<i>14</i>	<i>29</i>
Present value of unfunded defined benefit obligations	228	220
Net debt in the statement of financial position for defined benefit obligations	242	249
Allocated to pensions, defined contribution obligations	28	30
Pension liability as per the statement of financial position	270	279
Fair value of plan assets for defined contribution obligations	-28	-30
Financial investments as per the statement of financial position	-28	-30

For funded defined benefit plans, the net pension obligation after deductions for plan assets, is reported in the statement of financial position. Funded plans with net assets, i.e. where the assets exceed the obligations, are reported as financial investments. Funded defined contribution plans are reported gross in the statement of financial position, the assets as Financial investments, and the obligations as Provisions for pensions and similar obligations.

Of the total pension provisions of SEK 270 m (279) in the statement of financial position, SEK 24 m (25) comprises pension obligations relating to former CEOs. The obligations are invested in endowment insurance funds. The value of these amounts to SEK 24 m (25).

Costs recognised in the statement of profit or loss as per the table below include expenses for service during the current year, expenses for past service, net interest expenses and gains and losses on settlements. Net interest is recognised under financial items.

Change in plan assets and defined benefit pension obligations during the year

	Note	2021		2020	
		Assets	Obligations	Assets	Obligations
Opening balance		-35	284	-36	285
Pension expenses recognised in the statement of profit or loss					
-Expenses for service in current year ¹⁾		-	14	-	14
-Interest expenses/income ¹⁾	15	0	3	0	3
<i>Total</i>		<i>-35</i>	<i>301</i>	<i>-36</i>	<i>302</i>
Revaluations recognised in other comprehensive income					
-Return on plan assets, excl. amounts included in interest expenses/income		-1	-	0	-
-Gain/loss arising from changes in demographic assumptions		-	-1	-	2
-Gain/loss arising from changes in financial assumptions		0	-6	0	0
-Experience-based gains/losses		-	3	-	-6
<i>Total</i>		<i>-1</i>	<i>-4</i>	<i>0</i>	<i>-4</i>
Translation differences		-2	3	1	-4
Items related to acquisitions/divestments of subsidiaries	5	-	-	0	-5
Items related to discontinued operations	5	14	-25	-	-
Contribution by the employer		-4	1	-2	1
Benefits paid		5	-11	2	-6
Closing balance		-23	265	-35	284

1) Of recognised expenses for service during current year, SEK 2 m (1) related to discontinued operations. Both interest expenses and interest income amount to SEK 0 M (0) for the discontinued operations.

Note 27, cont.

The weighted average duration for the defined benefit pension obligation amounts to 20.2 years (20.1)

Most important actuarial assumptions

	31 Dec 2021		31 Dec 2020	
	Sweden	Others	Sweden	Others
Discount rate, %	2.0	0.3-0.9	1.2	0.2-0.9
Future salary increases, %	3.2	1.0-2.0	2.5	0.0-3.0
Future pension increases, %	2.2	0.0-1.5	1.5	0.0-1.8
Life expectancy assumption	DUS14	-	DUS14	-

Others mainly included pension plans in Italy, France and Switzerland. In 2020, Luxembourg and Germany were also included.

The choice of discount rate in Sweden has been based on the market interest rate applicable to housing bonds with a duration corresponding to the average remaining term of the obligation.

The breakdown of the pension liability as of the balance sheet date shows that SEK 198 m (188) of the total defined benefit obligation related to Sweden, while SEK 44 m (61) related to other countries. The decrease in pension obligations in other countries, compared with the previous year, was mainly attributable to discontinued operations.

The sensitivity of the defined benefit obligation to changes in main assumptions

		Effect on the defined benefit plans			
		31 Dec 2021		31 Dec 2020	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	+/- 0.5%	-24	27	-25	29
Changes in future salary increases	+/- 0.5%	13	-10	16	-13
Changes in future pension increases	+/- 0.5%	17	-15	17	-13

The sensitivity analysis has been based on one change in the assumptions while all others remain constant. The projected unit credit method (PUC) is used for calculating the pension liability as well as for calculating the sensitivity of the defined benefit obligations for significant actuarial assumptions.

Composition of plan assets

	31 Dec 2021		31 Dec 2020	
	31 Dec 2021	Percent	31 Dec 2020	Percent
Shares	8	35	7	19
Bonds	6	26	5	14
Properties	4	17	3	11
Insured pension reserves	-	-	15	42
Other	5	22	5	14
Total	23	100	35	100

Maturity analysis of expected future contributions to defined benefit plans

	31 Dec 2021	31 Dec 2020
Within 12 months	8	12
Between 2 and 5 years	26	28
Between 5 and 10 years	38	45
Total	72	85

Parent company

The company's pension obligation for former CEOs is classified as a contribution-based plan. See also Note 6.

Note 28 Other provisions

	Group			
	Restructuring reserve	Warranty provision	Other	Total
2021				
Opening balance	22	21	8	51
Increase during the year	7	14	11	32
Exercised during the year	-7	-16	-7	-30
Items related to discontinued operations	-14	-14	-3	-31
Translation differences	1	0	0	1
Closing balance	9	5	9	23
Distribution in the statement of financial position				
Other non-current provisions	-	3	2	5
Other current provisions	9	2	7	18
Total	9	5	9	23
2020				
Opening balance	23	18	8	49
Increase during the year	7	16	5	28
Exercised during the year	-7	-11	-4	-22
Items related to acquisitions/divestments of subsidiaries	-	-1	0	-1
Translation differences	-1	-1	-1	-3
Closing balance	22	21	8	51
Distribution in the statement of financial position				
Other non-current provisions	15	5	4	24
Other current provisions	7	16	4	27
Total	22	21	8	51

The restructuring reserve consists of provisions for cost reduction initiatives. The reduction in the restructuring reserve for the year is mainly due to the divestment of Building Systems.

Other provisions mainly related to personnel-related provisions and statutory provisions.

The warranty provisions include estimated future expenses for defects in delivered items or work carried out, as well as provisions for actual claims. The reduction in reserves for the year is mainly due to the divestment of Building Systems.

Note 29 Consolidated borrowing and financial instruments

	Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current borrowing				
Bank loans	1,110	976	-	-
Leases	643	745	-	-
Current borrowing				
Liabilities to credit institutions	4	5	-	-
Overdraft facilities	0	0	-	-
Leases	233	232	-	-
Total borrowing	1,990	1,958	-	-

Total borrowings include pledged liabilities (bank loans secured with collateral) of SEK 44 m (59) and relate to the financing of properties in Switzerland. The collateral consists of mortgage deeds in properties and the interest on these loans is fixed.

According to the Group's Treasury Policy, the fixed interest period may not exceed 12 months. On December 31, 2021 it was 3 months (3). The majority of consolidated borrowing currently has a variable interest rate.

Unutilised credit facilities in the Group, including cash and cash equivalents, amounted to SEK 1,948 m (1,977). The Parent company has no unutilised credit facilities.

Note 29, cont.

Consolidated borrowing presented by currencies

	Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
SEK	433	295	-	-
EUR	1,056	1,183	-	-
CHF	157	151	-	-
GBP	139	131	-	-
NOK	80	73	-	-
CZK	53	57	-	-
PLN	32	34	-	-
DKK	28	19	-	-
RON	8	8	-	-
RUB	2	4	-	-
HUF	2	3	-	-
	1,990	1,958	-	-

Change in liabilities, financing activities

	Group						Parent company	
	Non-current financial liabilities	Current financial liabilities	Lease liabilities	Overdraft facilities	Derivatives	Total financial liabilities incl. derivatives	Non-current financial liabilities	Total financial liabilities incl. derivatives
31 Dec 2020	976	5	977	0	0	1,958	-	-
Cash flow	109	-2	-233	0	54	-72	-	-
Acquisitions/divestments	2	1	-103	-	-	-100	-	-
New and amended right-of-use agreements	-	-	261	-	-	261	-	-
Terminated right-of-use agreements	-	-	-52	-	-	-52	-	-
Translation differences	23	0	31	-	3	57	-	-
Fair value measurement	-	-	-	-	-	-	-	-
Other	-	-	-5	-	-57	-62	-	-
31 Dec 2021	1,110	4	876	0	0	1,990	-	-
31 Dec 2019	1,001	3	1,039	25	0	2,068	-	-
Cash flow	-19	-2	-222	-25	3	-265	-	-
Acquisitions/divestments	29	4	39	-	-	72	-	-
New and amended right-of-use agreements	-	-	190	-	-	190	-	-
Terminated right-of-use agreements	-	-	-13	-	-	-13	-	-
Translation differences	-38	0	-46	-	-9	-93	-	-
Fair value measurement	-	-	-	-	-	0	-	-
Other	3	-	-10	-	6	-1	-	-
31 Dec 2020	976	5	977	0	0	1,958	-	-

Note 29, cont.

Disclosures of carrying amounts and fair value by category

	Fair value through statement of profit or loss		Amortised cost		Total carrying amount		Fair value	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Financial assets								
Other non-current securities holdings	1	1	-	-	1	1	-	-
Other non-current receivables	-	-	4	4	4	4	-	-
Derivative assets	2	30	-	-	2	30	2	30
Accounts receivable	-	-	1,602	1,278	1,602	1,278	-	-
Other receivables	-	-	16	17	16	17	-	-
Accrued income	-	-	44	20	44	20	-	-
Cash and cash equivalents	-	-	542	541	542	541	-	-
Total financial assets	3	31	2,208	1,860	2,211	1,891	2	30
Financial liabilities								
Overdraft facilities	-	-	0	0	0	0	-	-
Liabilities to credit institutions	-	-	-1,114	-981	-1,114	-981	-1,114	-983
Derivative liabilities	-10	-4	-	-	-10	-4	-10	-4
Accounts payable	-	-	-1,062	-712	-1,062	-712	-	-
Other liabilities	-	-	-5	-10	-5	-10	-	-
Accrued expenses	-	-	-385	-288	-385	-288	-	-
Total financial liabilities	-10	-4	-2,566	-1,991	-2,576	-1,995	-1,124	-987

Financial assets valued at amortised cost

Accounts receivable

Accounts receivable arise in the context of the Group's operating activities and are the result of Lindab providing customers with agreed goods and services. Contractual payment terms exist within this underlying agreement which dictate the times of future payment streams. Lindab holds all accounts receivable in order to collect these contractual and operations-related cash flows based on contractual terms and conditions.

Accounts receivable are classified on the basis of their nature as current assets and are valued initially at the transaction price. Considering the short-term maturity period for accounts receivable, these are also reported on subsequent reporting dates at the nominal amount without discounting. The reported gross value of accounts receivable of SEK 1,671 m (1,359) is however reduced by an impairment of SEK -69 m (-81) to reflect the amount expected to be settled by the counterparties. For details of the Group's accounting policies for impairment and calculation of provisions for expected bad debt losses, see Note 25.

Other receivables and accrued income

Other receivables and accrued income usually also arise as a consequence of transactions conducted as part of the Group's ordinary activities. Usually the timing of future cash flows related to assets can be identified and, on settlement, the cash flows match the capital amount and any interest on the outstanding capital amount. The Group holds financial instruments in these categories to collect the underlying cash flows attributable to the assets on maturity and these are not intended for trading on an active market. No material credit reserve exists for other receivables and accrued income based on experience and future expectations.

Cash and cash equivalents

Cash and cash equivalents amounted to SEK 542 m (541) on the balance sheet date. These refer to bank balances and deposits, as well as to SEK 0 m (103) in short-term deposits with a maximum 14-day maturity. The carrying amount for cash and cash equivalents includes escrow funds of SEK 0 m (0). Based on historical experience and forward-looking expectations in combination with the counterparty requirements set out in the Group's Treasury Policy, there are no credit reserves in cash and cash equivalents.

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

Assets which do not meet the criteria for recognition at amortised cost or fair value through other comprehensive income are measured at fair value through the statement of profit or loss. For Lindab, it's mainly derivative assets not used in hedge accounting fall into this category. The category financial assets measured at fair value through statement of profit or loss also includes certain assets in the form of securities. The underlying factor for the classification is that these equity instruments are not strategic and the first recognition opportunity was not

taken or a decision was made to recognise these irreversibly at fair value through other comprehensive income. This affected the consolidated statement of profit or loss in the amount of SEK 0 m (0) during the year, which related to gains/losses from financial assets and liabilities valued at fair value through the statement of profit or loss.

Description of fair value

Other non-current securities holdings

No fair value data is provided regarding shares and participations. Lindab does not consider it possible to calculate fair value reliably, and the market for these holdings to be limited.

Interest-bearing liabilities

The fair value of interest-bearing liabilities is provided for the purpose of disclosure and is calculated by discounting the future cash flows of principal and interest payments, discounted at current market interest rates.

Derivatives

Forward exchange contracts are measured at fair value by discounting the difference between the contracted forward rate and the forward rate that can be subscribed for on the balance sheet date for the remaining contract term.

Other financial assets and liabilities

For cash and cash equivalents, accounts receivable, other receivables, accrued income, accounts payable, overdraft facilities, other liabilities and accrued expenses with a remaining maturity of less than six months, the carrying amount is considered to reflect the fair value.

Fair value hierarchy

The following table shows financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Other observable input data for the asset or liability than listed prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations) (level 2).
- Input data for the asset or liability not based on observable market data (i.e. non-observable input data) (level 3).

Note 29, cont.

	31 Dec 2021				31 Dec 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets measured at fair value through the statement of profit or loss								
Derivative assets	-	2	-	2	-	30	-	30
Total assets	-	2	-	2	-	30	-	30
Liabilities								
Financial liabilities measured at fair value through the statement of profit or loss								
Derivative liabilities	-	-10	-	-10	-	-4	-	-4
Measured at fair value for disclosure purposes								
Overdraft facilities	-	-	-	-	-	-	-	-
Liabilities to credit institutions	-	-1,119	-	-1,119	-	-983	-	-983
Total liabilities	-	-1,129	-	-1,129	-	-987	-	-987

There have been no transfers between the different levels during the year. The company has not offset any financial instruments in the statement of financial position.

At the end of 2021 and 2020, respectively, no obligation to acquire treasury shares existed.

Note 30 Accrued expenses and deferred income

	Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Salaries and holiday pay	240	240	-	-
Share of profits	8	9	-	-
Payroll overheads	127	122	2	1
Bonuses to customers	231	184	-	-
Accrued exchange loss, forward exchange agreements	10	4	-	-
Other operating expenses	210	135	0	1
Total	826	694¹⁾	2	2

1) Of which accrued expenses and deferred income amounted to SEK 40 m for discontinued operations.

Note 31 Leases

The basis for IFRS 16 Leases is that all rental and leasing agreements are to be recognised in the lessee's statement of financial position, with the option to not include short-term leases or leases for which the underlying right-of-use is of low value. Lindab has chosen to apply relief rules and, based on this, the accounting effect on the Group's financial position is as follows:

	Note	31 Dec 2021	31 Dec 2020
Right-of-use assets			
Buildings and land	20	765	849
Other right-of-use assets	20	104	104
Total		869	953¹⁾
Lease liabilities			
Non-current lease liabilities	29	643	745
Current lease liabilities	29	233	232
Total		876	977¹⁾

1) Of the above right-of-use assets as of December 31, 2020, SEK 131 m related to discontinued operations. Of the above lease liabilities as of December 31, 2020, SEK 138 m related to discontinued operations.

The right-of-use assets reported above related to approximately 1,000 rental and lease contracts.

Buildings and land

Right-of-use assets recognised for rental and lease agreements for properties were valued at SEK 765 m (849) on the balance sheet date. This amount relates to leases for production facilities, as well as for warehouses, branches and/or offices. The underlying rental and lease agreements include various terms, which are assessed and evaluated on an individual basis in combination with the expected useful life of the underlying assets within the framework of the relevant existing agreement. As part of this process, leases/properties have also been categorised to ensure an assessment and evaluation process that reflects strategic aspects and the point at which the Group should take a judgement on individual extension options or the equivalent. The estimated individual lease terms vary within the range of 1-22 years, but there are only a few leases with a maturity of more than 10 years. Although a number of leases contain specific extension options, most are designed to be extended on an ongoing basis if neither party takes action. These options entail judgements that have been taken into account in the recognition of lease liabilities. Lindab has included options in lease agreements where it is deemed reasonably certain that the options will be exercised.

Other right-of-use assets

Other right-of-use assets are recognised at an accumulated value of SEK 104 m (104). SEK 65 m (70) of this value relates to vehicles and the rest relates mainly to machinery and equipment as well as IT and other technical equipment. These agreements are generally relatively time-limited and for vehicles, the lease terms are usually 3 to 4 years.

Note 31, cont.**Statement of profit or loss and cash flow**

In accordance with IFRS 16 *Leases*, the main expenses for capitalised right-of-use assets are recognised as linear depreciation and interest expenses, respectively. The following table shows a presentation of rental and lease expenses in the consolidated statement of profit or loss for 2021 and 2020:

	Note	2021	2020
Other lease-related expenses		-8	-8
Depreciation	9, 20	-233	-224
Interest expenses	15	-24	-25
Total		-265¹⁾	-257¹⁾

1) For information regarding depreciation and interest expenses for discontinued operations, see Notes 9 and 15, respectively. Other lease-related expenses related mainly to continuing operations.

Other lease-related expenses relate to short-term leases and leases where the underlying right-of-use asset is of low value, as well as variable lease expenses not included in the valuation of recognised lease liabilities. Recognised variable lease expenses relate primarily to property tax.

For the year, the recognised interest expenses regarding lease-related liabilities for the Group's total operations amounted to SEK 24 m (25), of which SEK 21 m (21) related to the continuing operations. This balance does not include interest expenses relating to rental and leasing agreements with an expected useful life

of less than 12 months, interest expenses on agreements where the underlying right-of-use asset is of low value, or interest expenses deemed to be of low value.

Total cash flow attributable to rental and leasing agreements recognised in the statement of financial position amounted to SEK 257 m (247), of which SEK 24 m (25) relates to interest expenses recognised in cash flow from operating activities. The remaining cash flow is included in the Group's cash flow from financing activities. For estimated expected cash flow attributable to recognised lease liabilities on the balance sheet date, see the Liquidity risk section in Note 3. The liquidity risk attributable to lease liabilities is monitored on an ongoing basis and incorporated into the Group's other financial liabilities by Lindab's Treasury function.

At the end of the year, no significant rental or leasing agreements had been entered into that will come into effect in 2022.

During 2020, temporary relief regarding IFRS 16 *Leases* was introduced due to the covid-19 pandemic. This relief means that lessees do not need to perform new calculations for lease liabilities or reported right-of-use assets in terms of reduced rent payments directly related to covid-19, but may allow the discount to affect profit or loss directly. During the year, Lindab did not receive any covid-19-related discounts. In the previous year, Lindab received covid-19-related discounts that were reported directly as a reduction of SEK 0.3 m in rental costs.

Note 32 Pledged assets and contingent assets/liabilities

	Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Pledged assets				
Property mortgages	87	94	-	-
Floating charges	9	-	-	-
Total	96	94	-	-

All pledged assets related to collateral for liabilities to credit institutions.

	Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Contingent liabilities				
Guarantee commitment for entered credit agreements	-	-	1,066	926
Other guarantees and sureties	19	18	-	-
Pension obligations	2	2	-	-
Total	21	20	1,066	926

Credit facility agreements entered with Nordea and Raiffeisen Bank International during the year replace previous credit agreements with Nordea, Danske Bank and Raiffeisen Bank International. The new credit facility agreements partly comprise a credit facility of SEK 1,300 m with Nordea and Raiffeisen Bank International, and partly of a loan of EUR 70 m with Raiffeisen Bank International. The new agreements run until June 2024. The pre-existing credit framework amounted to SEK 1,400 m and EUR 50 m. The credit facility agreements include a covenant that is monitored quarterly. Lindab fulfilled all of the terms in its current credit agreements.

In connection with the divestment of Building Systems, Lindab continued to be responsible for certain operational guarantee commitments amounting to EUR 30 m. At the time of divestment, Lindab received a Parent company guarantee from the buyer of Building Systems corresponding to the value of the aforementioned guarantee commitments. At the beginning of 2022, all significant outstanding operational guarantee commitments had been transferred from Lindab to the buyer of Building Systems.

In the leases for the properties in Sweden and in Switzerland, Group companies have signed a guarantee for the payment of all rental costs until the expiry of the contract.

As part of the Group's ordinary business activities and according to standard professional practice, the Group has signed guarantees for the fulfilment of various contractual obligations in relation to large suppliers. There was no indication at the end of the year that these contractual guarantees will result in any payment being required.

Note 33 Related party transactions

Transactions with related parties can affect a company's financial results and position. Information must therefore be disclosed regarding those who may be considered as related parties of the Lindab Group.

Related party

The Parent company has direct and indirect controlling influence over its subsidiaries, see Note 35. The Parent company's transactions and interactions with its subsidiaries comprise the transactions shown below, as well as those arising as a consequence of agreements with management, see Note 6.

Other related party transactions are specified below

Parent company	Group	
	2021	2020
Net sales to Group companies	5	5
Received Group contributions	25	20
Interest expenses to Group companies	-5	-4
Current liabilities to Group companies	615	373
Current receivables to Group companies	26	21

Other related party transactions

The 2021 Annual General Meeting resolved to establish a share option program for senior executives. The program has the same purpose and principal design as the share option programs approved by the 2019 and 2020 Annual General Meetings. As a result of the resolution by the 2021 Annual General Meeting, a private placement was implemented of at most 275,000 share options, resulting in 183,950 share options being acquired by senior executives within Lindab. The call options were acquired in accordance with a market-based valuation based on established subscription agreements and the options do not constitute share-based compensation for any related parties. During 2021, 110,000 externally held options from the 2018 warranty program were exercised to subscribe for shares under the terms of the program. This has prompted the issue of 110,000 shares in Lindab International AB, see also Note 26.

The 2020 Annual General Meeting resolved to establish a share option program for senior executives. As a result of the resolution by Annual General Meeting, a private placement of at most 275,000 share options was implemented, which resulted in 210,000 share options being acquired by senior executives within Lindab. The share options were acquired in accordance with a market-based valuation based on established subscription agreements and the options do not constitute share-based compensation for any related parties.

Current and former Board members, as well as members of Executive Management, with their respective spheres of related parties are considered to be related parties of the Group. The remunerations, benefits, and pension rights, etc. of the Board of Directors, the CEO and other senior executives, etc., as well as in connection with dismissal, are presented in Notes 6 and 27.

In 2020, 36.6 percent of the shares and votes in Leapcraft ApS were acquired. The scope of transactions with this associated company is considered negligible, which is why such transactions are not specified below.

For further information on all of Lindab's share option and warrant programs, see Note 6. Note 6 also contains information regarding incentive programs aimed at participants in various senior positions within the Group.

None of Lindab's Board members, deputy Board members, senior executives or shareholders have or have had, beyond what is shown in this note, any participation in any business transaction with the company, that is or was unusual in nature or terms, or that was of significance for the company's total operations and that occurred during the financial year at hand or during the past three financial years. This also applies to transactions during previous financial years and that remain in any way unsettled or incomplete. Lindab has no loans outstanding to any of these persons, nor has it provided any guarantees or sureties benefiting any of them.

In general, transactions with related parties have occurred on terms equivalent to those applicable to transactions on a commercial basis.

Note 34 Events after the reporting period

By end of February, Russia initiated a military invasion of Ukraine, an invasion that has created an uncertain situation in the world. Over the past three years, Lindab has divested or discontinued most of the operations in Russia, and in March 2022 there was a decision to phase out the remaining operations in the country. No own business activities exist in Belarus or Ukraine. At the beginning of 2022, Russia, Belarus and Ukraine accounted for 0.5 percent of the Group's sales. An extended conflict can result in increased risks for the Group. The development of the conflict is closely monitored by Lindab and the Group continuously evaluates different scenarios in order to be able to adapt its operations to prevailing circumstances.

By beginning of March, Lindab signed an agreement to acquire all shares and voting rights in the Germany company Felderer AG. The company is one of Germany's largest distributors of ventilation products such as ducts, silencers, diffusers and fire protection products. The company also manufacture circular ventilation ducts. The acquisition complements Lindab on many levels and is expected to extend and broadening the Group's ventilation offering on the German market. Felderer AG has an annual turnover of approximately SEK 700 m, an

operating margin that currently is lower than Lindab's operating margin and the company has approximately 160 employees. The acquisition of Felderer AG is subject to approval by the German anti-trust authorities, an approval that is expected to be obtained during the second quarter of 2022 when the transaction is also assumed to be finalised.

During the first quarter, Lindab has also finalised the acquisition of the ventilation company Alig Ventilation AB (Sweden) and acquired Nord Trade AB (Sweden) who is a distributor of building products. The two companies as an accumulated annual turnover of approximately SEK 85 m and 17 employees.

No other significant events have occurred following the end of the reporting period.

Note 35 Group companies and associated companies

The Group operates in a number of markets and has, for that reason, subsidiaries in several countries. The Parent company has a controlling influence over a subsidiary when it is exposed to, or has the right to, a variable return from its involvement in the subsidiary and can influence that return by means of its controlling influence over the subsidiary.

In principle, all subsidiaries are owned directly, or indirectly, 100 percent by the Parent company, Lindab International AB.

December 31, 2021	Currency code	Corp. ID No	Domicile	Share in %	Recorded value
Lindab AB ¹⁾	SEK	556068-2022	Båstad, Sweden	100	3,467*
Lindab Sverige AB ²⁾³⁾	SEK	556247-2273	Båstad, Sweden	100	
Crenna Plåt AB ²⁾³⁾	SEK	556457-3854	Enköping, Sweden	100	
Borgmästarjorden AB ⁵⁾	SEK	556662-1206	Enköping, Sweden	100	
Ekorent AB ²⁾³⁾	SEK	556173-4640	Vellinge, Sweden	100	
Fastighetsbolaget EKO1 AB ⁵⁾	SEK	556994-3375	Vellinge, Sweden	100	
Fastighetsbolaget EKO2 AB ⁵⁾	SEK	556994-3383	Vellinge, Sweden	100	
Lindab Steel AB ³⁾⁴⁾	SEK	556237-8660	Båstad, Sweden	100	
Lindab Ventilation AB ³⁾	SEK	556026-1587	Båstad, Sweden	100	
Leapcraft ApS ⁵⁾	DKK	35472762	Copenhagen, Denmark	37	
Lindab Ryssland AB ⁷⁾	SEK	556960-0322	Båstad, Sweden	0	
Lindab Profil AB ³⁾	SEK	556071-4320	Båstad, Sweden	100	
KAMI, Kalix Mekaniska Industrier AB ²⁾³⁾	SEK	556193-7086	Kalix, Sweden	100	
Profilplåt i Sverige AB ²⁾³⁾	SEK	556818-4385	Sundsvall, Sweden	100	
Lindab s.r.o. ²⁾	CZK	496 13 332	Prague, Czech Republic	15	
Lindab Sales s.r.o. ³⁾	CZK	096 74 063	Prague, Czech Republic	15	
Lindab SRL ²⁾³⁾	RON	J23/1168/2002	Ilfov, Romania	0	
U-nite Fasteners Technology AB ²⁾³⁾⁴⁾	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab Fastigheter AB ⁵⁾	SEK	556629-2271	Båstad, Sweden	100	
Lindab Ryssland AB ⁷⁾	SEK	556960-0322	Båstad, Sweden	100	
Lindab LLC ²⁾³⁾	RUB	105781261234	Moscow, Russia	100	
Lindab SIA ²⁾	EUR	40003602009	Riga, Latvia	100	
Lindab d.o.o. ²⁾	HRK	80182671	Zaprešić, Croatia	100	
Lindab AS ²⁾³⁾	EUR	10424824	Harju Maakond, Estonia	100	
Oy Lindab Ab ²⁾³⁾	EUR	0920791-3	Espoo, Finland	100	
Lindab s.r.o. ²⁾	CZK	496 13 332	Prague, Czech Republic	85	
Lindab Sales s.r.o. ³⁾	CZK	096 74 063	Prague, Czech Republic	85	
Spiro International S.A. ²⁾³⁾	CHF	CH-217.0.135.550-1	Bösingen, Switzerland	100	
Spiro Sweden AB ⁵⁾	SEK	559300-5019	Båstad, Sweden	100	
Spiral Helix Inc. ²⁾³⁾	USD	36-4381930	Chicago IL, USA	100	
Lindab SRL ²⁾³⁾	RON	J23/1168/2002	Ilfov, Romania	100	
Lindab Kft. ²⁾³⁾	HUF	13-09-065422	Biatorbagy, Hungary	100	
Lindab AS ²⁾³⁾	NOK	929,805,925	Oslo, Norway	100	
Aer Faber AS ²⁾³⁾	NOK	994,273,728	Spydeberg, Norway	100	
H.A. Helgesen and Sønner AS ²⁾³⁾	NOK	926,931,237	Sula, Norway	100	
Lindab Sp. z o.o. ²⁾³⁾	PLN	KRS 0000043661	Wieruchow, Poland	100	
Lindab S.r.l. ²⁾³⁾	EUR	12002580152	Milan, Italy	100	
MP3 S.r.l. ²⁾³⁾	EUR	3345850964	Milan, Italy	100	
Lindab N.V. ²⁾³⁾	EUR	BE 464.910.211	Ghent, Belgium	100	
Lindab A/S ²⁾³⁾	DKK	33 12 42 28	Haderslev, Denmark	100	
Klimatek Ventilationsmateriel A/S ²⁾³⁾	DKK	10 20 80 09	Skive, Denmark	100	
Lindab GmbH ²⁾³⁾	EUR	HRB 2276 AH	Bargteheide, Germany	100	
Lindab N.V. ²⁾³⁾	EUR	BE 464.910.211	Ghent, Belgium	0	
Lindab AG ²⁾³⁾	CHF	CH-170.3.023.237-3	Otelfingen, Switzerland	100	
Tecnovent SA ²⁾³⁾	CHF	CH-514-3014243-4	Bioggio, Switzerland	100	
Lindab Ltd. ²⁾³⁾	GBP	1641399	Northampton, UK	100	
Ductmann Ltd. ²⁾³⁾	GBP	2887867	Dudley, UK	100	
Lindab France S.A.S. ²⁾³⁾	EUR	312,285,133	Montluel, France	100	
Lindab (IRL) Ltd. ²⁾	EUR	44222	Dublin, Ireland	100	
A.C. Manufacturing Ltd. ²⁾³⁾	EUR	311282	Dublin, Ireland	100	
Smofir Trading Ltd. ²⁾	EUR	668864	Dublin, Ireland	100	
Lindab a.s. ²⁾³⁾	EUR	36,214,604	Jamník, Slovakia	100	
Lindab LTIP 17-19 AB ¹⁾	SEK	559106-9033	Båstad, Sweden	100	0*

* The number of shares held amounts to 23,582,857 in Lindab AB and to 500 in Lindab LTIP 17-19 AB.

1) Group functions

2) Sales company

3) Production company

4) Purchasing company

5) Property company

6) Dormant company

7) Holding company

8) Development companies

The Board of Directors and the President and CEO hereby affirm that the consolidated accounts and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting standards, and give a true and fair view of the Group's and the Parent company's

financial position and results of operations, and that the Directors' Report gives a true and fair view of the Group's and Parent company's business, financial position and results of operation, and describe material risks and uncertainties that the Parent company and the companies included in the Group are facing.

Båstad, March 25, 2022

Peter Nilsson
Chairman

Per Bertland
Board Member

Sonat Burman-Olsson
Board Member

Viveka Ekberg
Board Member

Anette Frumerie
Board Member

Marcus Hedblom
Board Member

Staffan Pehrson
Board Member

Pontus Andersson
Employee representative

Anders Lundberg
Employee representative

Ola Ringdahl
President and CEO

Our Audit Report was submitted on March 25, 2022.

Deloitte AB

Harald Jagner
Authorised Public Accountant

Auditors' Report

To the general meeting of shareholders of Lindab International AB (publ) corporate identity number 556606-5446

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original, the latter shall prevail.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Lindab International AB (publ) for the financial year 2021. The annual accounts and consolidated accounts of the company are included on pages 65-128 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 2021 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 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for opinions

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

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

Key audit matters

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

Valuation of goodwill

Description of risk

In the consolidated balance sheet goodwill amounts to MSEK 3 014 as of 31 December 2021. This goodwill arose from former ownership changes and acquisitions. The value of the goodwill is dependent on future income and profitability in the cash-generating units to which the goodwill refers, and is assessed for impairment at least once a year. Management bases its impairment test on several judgments and estimates, such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances. Incorrect judgments and estimates may have a significant impact on the group's result and financial position.

Management has not identified any need for impairment for 2021.

For further information, see note 2 - Accounting principles for the consolidated accounts, note 4 – Important judgments and estimates and note 18 – Intangible assets.

Our audit procedures

Our audit procedures included, but were not limited to:

- Review and assessment of the company's procedures for impairment tests of goodwill and evaluation of the reasonability of judgments and estimates made, that the procedures are consistently applied and that there is integrity in computations;
- Verification of input data in calculations including information from budgets and business plans for the forecast period;
- Test of headroom for each cash generating unit by performing sensitivity analyses; and
- Review of the completeness and correctness in relevant disclosures to the financial reports.

Our valuation specialists have been involved during our audit procedures.

Other information than the annual accounts and consolidated accounts

This document also includes other information other than the annual accounts and the consolidated accounts and can be found on the pages 1-64 and 132-140. It is the Board of Directors and the Managing Director that 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 have 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 responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and the consolidated accounts can be found on the Swedish Inspectorate of Auditors homepage:

<https://www.revisorsinspektionen.se/revisornsansvar>.

This description forms part of this auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lindab International AB (publ) for the financial year 2021 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibilities

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

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

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

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

A further description of our responsibility for the audit of the annual accounts and the consolidated accounts can be found on the Swedish Inspectorate of Auditors homepage:

<https://www.revisorsinspektionen.se/revisornsansvar>.

This description forms part of this auditor's report.

Auditor's opinion regarding the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Lindab International AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements. In our opinion, the ESEF report #8918e7292a885634a9fd9f9d10a636b5a13b9c31847f72d49372c95976592bb3 has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Lindab International AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors

The Board of Directors 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 determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report. The 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 assess-

ment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors.

The procedures mainly include a technical validation of the ESEF report, i.e., if the file containing the ESEF report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also includes an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, the financial position, changes in equity and cash flow.

Deloitte AB was appointed auditor of Lindab International AB by the general meeting of shareholders on May 5, 2021 and has been the company's auditor since April 29, 2014.

Gothenburg, 25 March 2022

Deloitte AB

Harald Jagner

Authorised Public Accountant

Reconciliations of key performance indicators not defined in accordance with IFRS

The company presents a number of financial measures in the Annual Report which are not defined in accordance with IFRS. These alternative key performance indicators include return on shareholders' equity, return on capital employed, adjusted operating profit, adjusted operating margin, net debt/equity ratio, net debt/EBITDA, interest coverage ratio and EBITDA margin. The company considers these measures to provide valuable, in-depth supplementary information for investors and the company's management. The alternative key performance indicators are used by company management to assess the development of the operations and to appraise strategically important trends. They also provide shareholders, ana-

lysts and other stakeholders with valuable supplementary information regarding the company's development. The financial key performance indicators presented should be seen as a complement to, rather than as a replacement for, measures defined in accordance with IFRS. Lindab's definitions of these key performance indicators may differ from other companies' definitions of the same concepts. Presented below are specifications and reconciliations of key performance indicators not defined in accordance with IFRS and not mentioned elsewhere in the Annual Report. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always tally 100 percent.

Amounts in SEK m unless otherwise indicated.

Return on shareholders' equity, total operations	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018¹⁾	31 Dec 2017¹⁾
Profit for the year	547	596	678	394	347
Average equity	5,410	5,125	4,758	4,312	3,954
Return on shareholders' equity, %	9.9	11.6	14.3	9.1	8.8
Return on capital employed, total operations	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018¹⁾	31 Dec 2017¹⁾
Total assets ¹⁾	10,305	9,405	9,438	7,802	7,731
Deferred tax liabilities	107	92	112	91	96
Other provisions	5	24	23	23	13
Other non-current liabilities	7	8	9	14	19
Total non-current liabilities	119	124	144	128	128
Advance payments from customers	63	182	292	230	189
Accounts payable	1,062	712	763	788	864
Current tax liability	158	88	43	17	27
Other provisions	18	27	26	36	22
Other current liabilities	149	163	129	134	147
Accrued expenses and deferred income	816	690	658	621	528
Total current liabilities	2,266	1,862	1,911	1,826	1,777
Capital employed	7,920	7,419	7,383	5,848	5,826
Earnings before tax	802	811	881	531	467
Financial expenses	42	49	55	33	45
Total	844	860	936	564	512
Average capital employed	7,741	7,522	6,780	5,998	5,784
Return on capital employed, %	11.0	11.5	13.6	9.4	8.8
Gross investments in fixed assets, excluding business combinations and disposals, total operations	2021	2020	2019	2018	2017
Investments in intangible assets	20	27	14	16	21
Investments in tangible fixed assets	375	398	264	104	79
Gross investments in fixed assets, excluding business combinations and disposals	395	425	278	120	100
One-off items and restructuring costs²⁾, continuing operations	2021	2020	2019	2018¹⁾	2017¹⁾
Operating profit	1,266	790	830	563	534
Ventilation Systems	-	-70	-	-	-
Profile Systems	-	-	-	-	-
Products & Solutions ³⁾	-	-	-	-17	-
Other ⁴⁾	-	-	-	-45	-19
Adjusted operating profit	1,266	860	830	625	553
One-off items and restructuring costs²⁾, total operations	2021	2020	2019	2018¹⁾	2017¹⁾
Operating profit	841	846	915	547	492
One-off items and restructuring costs	-456	-70	-	-87	-19
Adjusted operating profit	1,297	916	915	634	511
Adjusted operating margin and operating margin, continuing operations	2021	2020	2019	2018	2017
Adjusted operating profit	1,266	860	830	625	553
Operating profit	1,266	790	830	563	534
Net sales	9,648	8,220	8,512	8,260	7,360
Adjusted operating margin	13.1	10.5	9.8	7.6	7.5
Operating margin	13.1	9.6	9.8	6.9	7.3
Adjusted operating margin and operating margin, total operations	2021	2020	2019	2018	2017
Adjusted operating profit	1,297	916	915	634	511
Operating profit	841	846	915	547	492
Net sales	10,619	9,166	9,872	9,326	9,242
Adjusted operating margin	12.2	10.0	9.3	6.8	6.2
Operating margin	7.9	9.2	9.3	5.9	6.0

Net debt, total operations	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018¹⁾	31 Dec 2017¹⁾
Non-current interest bearing provisions for pensions and similar obligations	270	279	283	234	226
Non-current interest bearing liabilities to credit institutions	1,110	976	1,001	1,085	1,397
Non-current interest bearing lease liabilities	643	745	798	-	-
Current interest bearing liabilities to credit institutions	4	5	3	5	4
Current interest bearing lease liabilities	233	232	241	-	-
Current interest bearing bank overdraft facilities	0	0	25	55	65
Current interest bearing accrued expenses and deferred income	10	4	5	5	4
Total interest bearing provisions and liabilities	2,270	2,241	2,356	1,384	1,696
Interest bearing financial investment	28	30	34	38	43
Interest bearing prepaid expenses and accrued income	4	30	15	5	6
Cash and cash equivalents	542	541	536	289	342
Total interest bearing assets	574	601	585	332	391
Net debt	1,696	1,640	1,771	1,052	1,305
Net debt/equity ratio, total operations	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018¹⁾	31 Dec 2017¹⁾
Net debt	1,696	1,640	1,771	1,052	1,305
Shareholders' equity including non-controlling interests	5,650	5,178	5,027	4,464	4,130
Net debt/equity ratio	0.3	0.3	0.4	0.2	0.3
Net debt/EBITDA, total operations	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018¹⁾	31 Dec 2017¹⁾
Average net debt	1,787	1,824	2,052	1,318	1,474
Adjusted operating profit	1,297	916	915	634	511
Amortisation/depreciation and impairment, excluding one-off items and restructuring costs	424	398	400	168	162
EBITDA	1,721	1,314	1,315	802	673
Net debt / EBITDA	1.0	1.4	1.6	1.6	2.2
Organic growth, continuing operations	2021	2020	2019	2018¹⁾	2017¹⁾
Change, net sales	1,428	-292	252	900	411
of which					
Organic	1,432	-188	44	520	353
Acquisitions/divestments	179	35	19	57	3
Currency effects	-183	-139	189	323	55
Organic growth, total operations	2021	2020	2019	2018¹⁾	2017¹⁾
Change, net sales	1,453	-706	546	1,084	393
of which					
Organic	1,513	-550	291	680	287
Acquisitions/divestments	179	35	19	57	3
Currency effects	-239	-191	236	347	103
Interest coverage ratio, total operations	2021	2020	2019	2018¹⁾	2017¹⁾
Earnings before tax	802	811	881	531	467
Interest expenses	42	45	50	26	36
Total	844	856	931	557	503
Interest expenses	42	45	50	26	36
Interest coverage ratio	20.0	19.0	18.8	21.4	14.1
Operating profit before amortisation/depreciation and impairment losses, EBITDA, continuing operations	2021	2020	2019	2018¹⁾	2017¹⁾
Operating profit	1,266	790	830	563	534
Amortisation/depreciation and impairment losses	394	395	353	147	139
<i>of which one-off items and restructuring costs</i>	-	40	-	-	-
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,660	1,185	1,183	710	673
Net sales	9,648	8,220	8,512	8,260	7,360
EBITDA margin, %	17.2	14.4	13.9	8.5	9.1
Operating profit before amortisation/depreciation and impairment losses, EBITDA, total operations	2021	2020	2019	2018¹⁾	2017¹⁾
Operating profit	841	846	915	547	492
Amortisation/depreciation and impairment losses	804	438	400	168	162
<i>of which one-off items and restructuring costs</i>	380	40	-	-	-
Operating profit before amortisation/depreciation and impairment losses, EBITDA	1,645	1,284	1,315	715	654
Net sales	10,619	9,166	9,872	9,326	8,242
EBITDA margin, %	15.5	14.0	13.3	7.7	7.9

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

2) For a specification of one-off items and restructuring costs, see footnote 2 on page 84.

3) From January 1, 2019, the former Products & Solutions segment was divided into two new business areas/segments: Ventilation Systems and Profile Systems.

4) Costs of Group functions and activities.

Financial definitions

Key performance indicators defined in accordance with IFRS

Earnings per share, SEK

Profit for the year attributable to Parent company shareholders in relation to the average number of shares outstanding.

Key performance indicators not defined according to IFRS

Number of shares

Weighted average number of shares outstanding at the end of the period and potential additional shares in accordance with IAS 33 *Earnings per Share*.

Return on shareholders' equity

The return on shareholders' equity comprises the profit for the year attributable to the Parent company's shareholders, expressed as a percentage of average shareholders' equity attributable to the Parent company's shareholders.

Return on capital employed

The return on capital employed comprises consolidated profit before tax, after reversing financial expenses, expressed as a percentage of average capital employed.

Discontinued operations

Business Area Building Systems.

EBITDA margin

The EBITDA margin has been calculated as profit before depreciation according to plan, before amortisation of consolidated surplus values in intangible assets and impairment, expressed as a percentage of net sales.

Shareholders' equity per share, SEK

Shareholders' equity attributable to Parent company shareholders to number of shares outstanding at the end of the period.

One-off items and restructuring costs

Items not included in the ordinary business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key performance indicators, are classified as one-off items and restructuring costs.

Investments in intangible assets and tangible fixed assets

Investments excluding acquisitions and divestments of companies.

Adjusted operating margin

Adjusted operating profit expressed as a percentage of net sales.

Adjusted operating profit

Operating profit adjusted for one-off items and restructuring costs when the amount is significant in size.

Cash flow from operating activities per share, SEK

Cash flow from operating activities to number of shares outstanding.

Continuing operations

Lindab Group excluding discontinued operations.

Net debt

Interest-bearing provisions and liabilities less interest-bearing assets and cash and cash equivalents.

Net debt/equity ratio

Net debt to shareholders' equity including non-controlling interests.

Net debt/EBITDA

Average net debt in relation to EBITDA, excluding one-off items and restructuring costs, based on a rolling twelve-month calculation.

Foreign sales

The sales reported by each country when a product or service have been delivered, expressed as a percentage of the net sales for the year.

Operating cash flow

Cash flow from operating activities excluding one-off items, restructuring costs and tax paid, but including net investments in intangible assets and tangible fixed assets.

Organic growth

Change in sales adjusted for currency effects as well as acquisitions and divestments compared with the same period of the previous year.

P/E ratio

The share price at the end of the year divided by earnings per share.

Interest coverage ratio

Earnings before tax plus interest expense in relation to interest expense.

Working capital

Working capital comprises stocks, operating receivables and operating liabilities and is obtained from the statement of financial position, but adjusted where applicable for non-cash items. Operating receivables comprise accounts receivable, other receivables and non-interest-bearing prepaid expenses and accrued income. Operating liabilities include other non-interest-bearing non-current liabilities, advances from customers, accounts payable, other current liabilities and non-interest-bearing accrued expenses and deferred income.

Operating margin

Operating profit expressed as a percentage of net sales.

Operating profit

Profit before financial items and tax.

Operating profit before amortisation/depreciation and impairment losses, EBITDA

Profit before planned amortisation/depreciation and impairment losses.

Equity/asset ratio

Shareholders' equity including non-controlling interests, expressed as a percentage of total assets.

Capital employed

Total assets less non-interest-bearing provisions and liabilities.

Total operations

Continuing operations and discontinued operations.

Profit margin

Earnings before tax expressed as a percentage of net sales.

Sustainability data and GRI-Index

The most material sustainability issues for Lindab have been selected on the basis of internal analyses of strategic issues and driving forces in society, as well as on the results of stakeholder dialogues.

The method for defining material issues adheres to the GRI Standards guidelines and involves identification, prioritisation and validation. The process has resulted in 13 issues on which Lindab has chosen to direct additional focus. These have been further divided based on their financial, environmental and social impact, in line with GRI Standard's reporting definitions. Lindab encourages a transparent, ongoing and long-term dialogue with its stakeholders. Expectations and inquiries from suppliers, customers, employees, investors and society at large help set the agenda for the company's sustainability work.

Economic impact

Financial stability
Anti-corruption
Fair competition

Environmental impact

Use of materials in production
Energy consumption
Emissions of greenhouse gases
Waste
Supplier requirements
Environmental impacts of products and services

Social dimension

Employee health and safety
Diversity and equal opportunities
Content-labelled products
Customer health and safety

Environmental key figures¹⁾

Consumption of raw material	2021	2020	2019
Metal, tonnes	165,680	210,129	232,442
Oils, m ³	35	91	70
Paints, tonnes	80	433	442
Solvents, m ³	8	17	19
Rubber, tonnes	1,735	1,745	1,930

Waste & scrap metal	2021	2020	2019
Scrap metal, tonnes	17,494	19,458	20,114
Hazardous waste, tonnes	1,151	707	744
Total other waste, tonnes	8,882	6,921	6,868
Recovery efficiency, %	93	88	88

Greenhouse gas emissions	2021	2020	2019
In total, tonnes	48,466	66,734	70,852
Scope 1	8,070	6,667 ²⁾	8,887 ²⁾
Scope 2 (market based)	8,310	13,993 ³⁾	14,414 ³⁾

Consumption of packaging materials	2021	2020	2019
Corrugated board, tonnes	3,394	3,587	4,125
Plastic, tonnes	740	1,273	1,382
Wood, tonnes	13,001	12,257	13,125

1) For 2021, the outcome reported is based on continuing operations, that is, excluding the Building Systems business area.

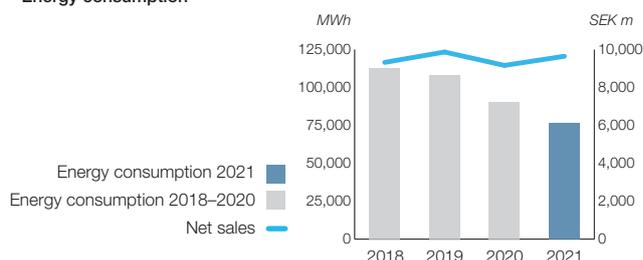
2) Recalculated from previous years' in-house defined Scope 1.

3) Calculated in accordance with "market-based-method" (origin marking/residual mix). If the "location-based-method" (the entire mix) were used instead, CO₂ emissions for 2020 would have amounted to 12,273 tonnes and for 2019 to 11,542 tonnes.

Energy	2021	2020	2019
Total, MWh	76,672	90,069	108,387
Direct energy, MWh	29,306	31,614	45,028
Indirect energy, MWh	47,366	58,455	63,359

1 MWh=0.0036 TJ

Energy consumption



Lindab's energy consumption decreased by 15 percent in 2021. Emissions of greenhouse gases decreased by 27 percent. A large part of the reduction is due to the fact that Building Systems is not included. The reduction in continuing operations is also higher than in previous years, which is mainly due to increased modernization in Lindab's facilities. Measured as a share of sales, emissions decreased by 28 percent since 2019. Read more on page 11.

GRI-Index

Key issues	Reported indicators
Financial stability	201-1
Anti-corruption	205-1, 205-2, 205-3
Anti-competitive behaviour	206-1
Materials used in production	301-1, 301-2
Energy consumption	302-1, 302-2, 302-4
Greenhouse gas emissions	305-1, 305-2, 305-4
Waste	306-2
Supplier requirements	308-1, 308-2, 414-1, 414-2
Employee health and safety	403-2
Diversity and equal opportunities	405-1
Environmental impacts of products and services	416-2
Customer health and safety	416-2
Product and service labelling	417-1

About the Sustainability Report

Lindab reports its sustainability work as part of the company's Annual Report. The sustainability data reporting guidelines issued by the international organisation Global Reporting Initiatives (GRI) have been applied since 2009. GRI is the world's most frequently used framework for sustainability reporting and facilitates comparable and structured reporting. This year's Sustainability Report, which pertains to calendar year 2021, has been prepared in accordance with GRI Standards, Core level. The overview to the left lists the GRI indicators that have been applied to reflect the issues judged most important for Lindab and that are described on page 135. The references in the attached GRI Index indicate the relevant pages in the Annual Report, with clarifications being provided for certain indicators. The report has not been reviewed by a third party. The preceding report was published together with Lindab's 2020 Annual Report on 22 March 2021.

Contact: Lindab Group Sustainability

GRI standard	Disclosures	Page reference	Comment
GRI 101:	FOUNDATION 2016		
GRI 102:	GENERAL DISCLOSURES 2016		
Organisation profile			
102-1	Name of organisation	66	
102-2	Activities, trademarks, products and services	20–25, 66	
102-3	Location of head office	66	
102-4	Location of operations	66, 127	
102-5	Ownership and company form	44–45	
102-6	Markets in which the organisation operates	26–27	
102-7	Size of the organisation	66, 76–809	
102-8	Information about employees and other personnel	43, 102	Employees by category and degree of employment are not reported due to technical data-collection limitations.
102-9	Supply chain	30–31	
102-10	Significant changes to the organisation and supply chain	-	
102-11	Precautionary principle	-	The precautionary principle is applied in accordance with the Rio Declaration.
102-12	External sustainability initiatives that the organisation supports/is covered by	14–15	
102-13	Membership of organisations	18	
Strategy			
102-14	Statement from the CEO	6-7	
Ethics and integrity			
102-16	Values, principles, standards and ethical guidelines	25, 64–65	
Governance			
102-18	Corporate governance	46–57	
Stakeholder dialogue			
102-40	List of stakeholder groups	35, 135	
102-41	Collective agreements		Lindab operates in countries where collective agreements are not permitted. Slightly more than 45 percent of Lindab's employees are covered by collective agreements, all of whom are employed in the Nordic countries.
102-42	Identification and selection of stakeholders	35, 135	
102-43	Stakeholder dialogue approach	35, 135	
102-44	Key issues raised in stakeholder dialogue	35, 135	
About the report			
102-45	Units included in the financial accounts	127	
102-46	Process for defining report content and demarcation of sustainability areas	135–136	
102-47	List of key issues	135	
102-48	Adjustments to previous disclosures	-	
102-49	Changes to the report	136	
102-50	Reporting period	136	
102-51	Date of publication of preceding report	136	
102-52	Reporting cycle	136	
102-53	Contact person for reports	136	
102-54	Reporting in accordance with GRI Standards	136	
102-55	GRI Index	136-138	
102-56	External verification	138	

Key areas

ECONOMIC STANDARDS		
Economic performance		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	10-15, 135
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and delivered	10-15, 66
Anti-corruption		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	34, 51, 61
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for corruption-related risks	51, 61
205-2	Communication on, and training in, anti-corruption policies and procedures	51, 61
205-3	Confirmed cases of corruption and actions taken	- No cases of corruption were confirmed during the year.
Competition		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	51, 60-61
GRI 206: Anti-competitive behaviour 2016		
206-1	Number of legal measures relating to competition-restricting and monopoly-fostering behaviours, and outcome	- Lindab has not needed to take any legal measures relating to competition-restricting/monopoly-fostering behaviours.
ENVIRONMENTAL STANDARDS		
Materials		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	14-15, 135
GRI 301: Materials 2016		
301-1	Use of materials	32, 34, 135
301-2	Percentage of recycled materials	32, 34, 135
Energy		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	14-15, 135
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	32, 34, 135
302-2	Intensity of energy consumption	32, 34, 135
302-4	Reduction of energy consumption	32, 34, 135
Emissions		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	14-15, 135
GRI 305: Emissions 2016		
305-1	Direct emissions of greenhouse gases (Scope 1)	11, 32, 34, 135
305-2	Indirect emissions of greenhouse gases (Scope 2)	11, 32, 34, 135
305-4	Intensity of greenhouse gas emissions	34, 135
Waste and effluents		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	14-15, 135
GRI 306: Effluents and Waste 2016		
306-2	Volume of waste per type and management method	32, 34, 135
Supplier Environmental Assessment		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	14-15, 135
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers analysed using environmental criteria	11, 34
308-2	Negative environmental impact in the supply chain and measures taken	11, 34 Lindab has not experienced any incidents involving environmental conditions in the supply chain resulting in measures being taken.
SOCIAL STANDARDS		
Occupational health and safety		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	14-15, 135
GRI 403: Occupational Health and Safety 2018		
403-2	Identification, risk assessment and investigation of incidents	11, 42-43
Diversity and equal opportunities		
GRI 103: Management Approach 2016		
103-1-3	Description of key area, its boundaries and governance	14-15, 135
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity in governing bodies and among employees	42-43

Supplier social assessment				
GRI 103: Management Approach 2016				
103-1-3	Description of key area, its boundaries and governance		14–15, 135	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers reviewed regarding social impact		34	
414-2	Negative social impact in the supply chain and measures taken	-		Lindab has not experienced any incidents involving working conditions in the supply chain resulting in measures being taken.
Customer health and safety				
GRI 103: Management Approach 2016				
103-1-3	Description of key area, its boundaries and governance		14–15, 135	
GRI 416: Customer health and safety 2016				
416-2	Compliance regarding impacts of products and services on health and safety		23	
Marketing and labelling				
GRI 103: Management Approach 2016				
103-1-3	Description of key area, its boundaries and governance		14–15, 135	
GRI 417: Marketing and labelling 2016				
417-1	Labelling and information requirements of products and services	-		Product information required by the company's product labelling procedures for each product is available at lindab.com.

Page index for Lindab's statutory Sustainability Report in accordance with the Annual Accounts Act (1995:1554)

Subject	Policy (incl. review procedures)	Policy result	Risks and risk management	Result indicators
Environmental issues	51, 69	34, 135	60–62	11, 34, 135
Employees	51, 69	40–43	60–62	11, 43, 102
Social conditions	51, 69	40–43	60–62	11, 43, 102
Human rights	14–15	14–15, 18	60–62	18,41
Anti-corruption	51, 72	34, 61	60–62	137

For further description, see page 30–31 and 66.

Auditor's report on the statutory Sustainability Report

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

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for 2021 and that it has been prepared in accordance with the Annual Accounts Act. The company have defined the statutory sustainability report scope on page 138.

The scope of the audit

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

scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Gothenburg, 25 March 2022

Deloitte AB

Harald Jagner

Authorised Public Accountant

ANNUAL GENERAL MEETING

Annual General Meeting

Annual General Meeting 2022

The 2022 Annual General Meeting of Lindab International AB (publ) will be held on Thursday, 12 May 2022, at 3.00 p.m. at Experience Center in Grevie, in the Municipality of Båstad, Sweden.

Registration

Shareholders wishing to attend the Annual General Meeting must be registered in the register of shareholders maintained by Euroclear Sweden AB no later than Wednesday, 4 May 2022, and must notify Lindab International AB (publ) of their intention to attend the Meeting no later than Friday 6 May 2022.

Shareholders can register in one of the following ways:

- via the website, www.lindabgroup.com
- by calling Lindab on +46 431-850 00, or
- by post to Lindab International AB (publ), “Annual General Meeting”, SE-269 82 Båstad, Sweden

Shareholders wishing to participate in the Meeting by postal voting shall (a) be entered in the share register maintained by Euroclear Sweden AB no later than Wednesday, 4 May 2022, and (b) have registered by casting their postal votes in the manner specified in the notice to attend Annual General Meeting.

In order to attend the Meeting and exercise their voting rights, shareholders with nominee-registered shares through a bank or other nominee must request temporary registration under their own name in the share register maintained by Euroclear Sweden AB. Such registration must be completed at Euroclear Sweden AB no later than Wednesday, 4 May 2022. Shareholders must notify their bank or other trustee well in advance of this date.

Only voting rights registration requested by shareholders in sufficient time for their nominee to have completed the registration by Friday 6 May 2022, will be taken into account in the production of the share register.

Shareholders registering their postal votes through a proxy must issue a written, dated power of attorney for that proxy. A proxy form is available on the company’s website www.lindabgroup.com. A power of attorney issued by a legal entity must be accompanied by a copy of the certificate of registration for that legal entity.

Reports

Reports are available in digital format and can be downloaded from our website, www.lindabgroup.com.

Nomination Committee

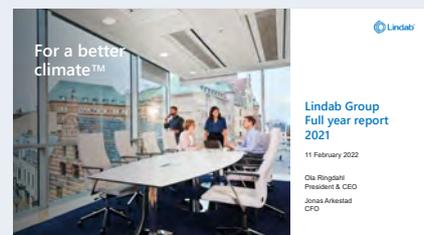
The Nomination Committee proposes the election of Board members, auditors, a chairman for the Annual General Meeting, Board fees and the composition of the Nomination Committee ahead of the 2022 Annual General Meeting.

Ahead of the 2022 Annual General Meeting, the Nomination Committee consists of:

- Per Colleen, Fjärde AP-fonden, Chairman of the Nomination Committee
- Anna Sundberg, Handelsbanken Fonder
- Per Trygg, Lannebo Fonder
- Peter Nilsson, Chairman of the Board of Lindab International AB (publ)

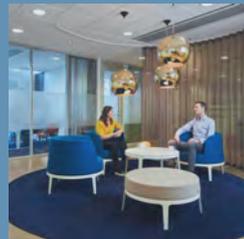
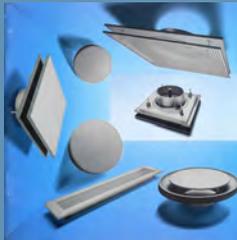
Financial reports during the 2022 financial year

Interim Report January–March, Q1	28 April 2022
Interim Report January–June, Q2	20 July 2022
Interim Report January–September, Q3	25 October 2022
Full-year report January–December, Q4	February 2023
Annual Report 2022	March/April 2023





A
company
built on
quality



Lindab has a long history. The company was established as far back as 1959, in the small community of Grevie on the Bjäre Peninsula, in southern Sweden.

The business had, however, been started a few years earlier by partners Lage Lindh and Valter Persson in a small sheet metal workshop in Lidhult, Småland. With employees skilled in sheet metal processing, the range comprised aluminium profiles and window sills, and was then expanded to include ventilation ducts in sheet metal. The range was gradually expanded to encompass complete system solutions for the construction and ventilation industries and the business expanded across Europe. Qualities such as customer focus, entrepreneurship, neatness and caring for their employees enabled Lage and Valter to transform a local sheet metal workshop into an international business.

Lindab International AB (publ)
SE-269 82 Båstad
Tel: +46 (0) 431 850 00
www.lindabgroup.com

