Hifab

Annual Report

2020

Contents

Hifab in brief

Hifab is Sweden's leading project management company, with the vision to lead the construction of tomorrow's sustainable society. There is specialist expertise in project management and related consulting services for those who own, develop, manage and use properties and facilities.

Regardless of designers, suppliers and contractors, we participate in projects from an early stage and actively contribute to our clients' success. Professional, committed and collaborative. With a national presence, we have the opportunity to follow the development of all projects, all over the country.

Our employees possess expertise for all types of construction projects. From planning to managing. Together we share knowledge with each other, to re-use our past experience and successful solutions. Internationally, Hifab offers project management to bilateral and multilateral aid agencies, with assignments in dozens of countries around the world.

THIS MAKES US STAND OUT:

1. OUR CORE VALUES

Our core values are the guide that lead us through our daily activities.
Professionalism, Commitment, Cooperation

2. OUR VISION

Hifab leads the construction of tomorrow's sustainable society.

3. A LONG TERM HIFAB

Our ambition is to be an active player in the development of a sustainable society.
We contribute to the UN's global sustainability goals by operating responsibly.
At Hifab, all employees are responsible for their own business relationships and for complying with laws, voluntary agreements and our own code of conduct.

OUR EXPERTISE AND SERVICES

Infrastructure

Inspection

Construction Economics

Buildings

Energy

Industry & Process Engineering

Installation

International

Cultural Heritage

Development of Buildings

Environment & Sustainability

The year in brief

- Improved profitability while maintaining turnover
  - Net revenue amounted to MSEK 354.2 (355.7).
  - Operating profit from operations amounted to MSEK 6.1 (-11.0).
  - Profit after financial items amounted to MSEK 4.5 (-12.1).
  - Cash flow from operations amounted to MSEK 8.7 (3.9).
  - Earnings per share before and after dilution amounted to SEK 0.06 (-0.18).

- The order book in the Swedish and international operations is in line with the previous year, which may be seen as a statement of strength in the current market situation.

- In connection with the outbreak of the Covid-19 pandemic in early 2020, Hifab has managed to adapt its operations well according to the new prevailing conditions. Hifab's employees have radically reduced their travel, a majority of all meetings are conducted through digital platforms and we continue to maintain good client dialogue. In 2020, Hifab has taken several measures to avoid spread, protect employees and clients, and to mitigate the negative effects that may occur for Hifab. Among other things, the following measures have been introduced:
  - Introduced strict rules on travel, social distancing and otherwise followed the recommendations of the authorities. Employees have as far as possible worked remotely and meetings have been conducted digitally.
  - Cost savings (temporary employment pause, investment pause, travel restrictions). During the year Hifab has gone from temporary employment pause to selective recruitment when needed.

- In 2020, Hifab's management was bolstered with a new member, Robert Johansson, who is the new Chief Financial Officer. In early 2021, Jonas Thimberg was appointed as Market Area Manager South.

Hifab's key figures

Hifab's employees – Group:

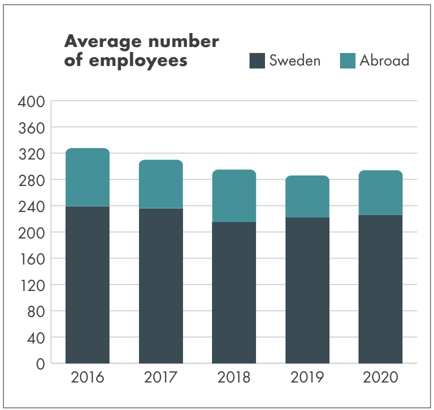
Average number of employees in the Group	**294** (286)
Distribution between women and men in the Group	**32% women** **68% men**

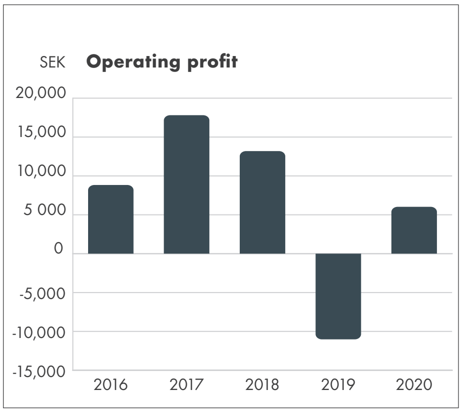
Hifab's employees – Sweden:

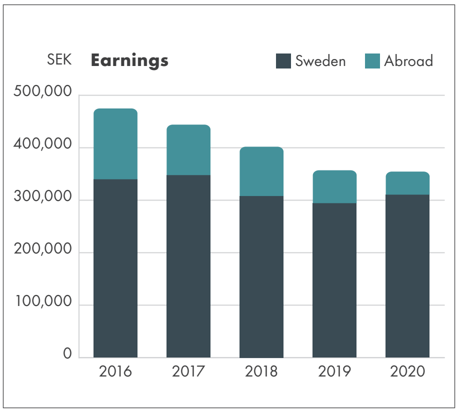
Average number of employees in Sweden	**226** (222)
Distribution between women and men in the Sweden	**35% women** **65% men**
Average age in Sweden	**45 years** (45 years)

Five years in summary for the Hifab Group

	2016	2017	2018	2019	2020
Income statement, TSEK					
Income	474,940	444,095	401,710	355,698	354,228
Operating profit	8,832	17,829	13,199	-11,018	6,027
Profit after financial items	7,566	17,249	13,243	-12,157	4,440
Taxes	-2,006	-4,208	-3,964	1,359	-983
Profit for the year, attributable to Parent Company shareholders	5,560	13,041	9,279	-10,798	3,457
Balance sheet, TSEK					
Capital assets	34,842	30,323	24,649	51,972	44,199
Current assets	155,167	149,855	146,352	123,616	114,233
Equity, attributable to Parent Company shareholders	62,965	76,111	77,648	59,580	62,868
Non-controlling interests	44	44	44	44	44
Long-term liabilities	10,657	6,373	2,183	16,352	11,114
Current liabilities	116,343	97,650	91,126	99,612	84,406
Total assets	190,009	180,178	171,001	175,588	158,432
Earnings per share (SEK)	0.09	0.21	0.15	-0.18	0.06







Comments from the CEO

Rapid adaptation to new conditions

We leave a challenging year behind, a year marked by the impact of the Covid-19 pandemic on our business and society at large. During the start of the pandemic, a rapid transition was carried out in order to limit the spread of infection and ensure the profitability of a rapidly changing market and society. In the first place, we have carried out preventive measures to limit negative effects on the business and focused on fulfilling our project commitments and supporting our clients. We have had a strong focus on cash flow, initiated short-term and long-term savings, used government support measures, and had active marketing and close client dialogue. We have also benefited greatly from recent years' IT initiatives that have led to a more digital and flexible Hifab. Many of our employees have worked from home with digital solutions for effective communication and project support.

I would like to thank our clients, employees and partners for a fantastic commitment and great efforts to find new solutions and ways of working to take control of the situation.

Improved profitability while maintaining turnover

During the year, we have improved profitability and maintained sales, compared to the previous year, despite a challenging year. Net sales from Swedish operations increased by 7% while international operations decreased by 29% compared to the previous year. The impact of the pandemic on Hifab's operations has been relatively limited in Sweden with only a few stopped or delayed projects and slightly higher sick leave. Our international operations have been significantly more affected as we mainly operate in countries that were almost completely shut down in early 2020. Thanks to the fact that we have a large proportion of sub-consultants and project employees in the international operations, we managed to quickly reconfigure and have adapted our capacity to significantly reduced project operations. However, by the end of the year, we are seeing a clear increase in international turnover, which is the result of countries starting to reopen, conditions improving and projects being able to resume on a broader front.

Slowing growth

Last year's extensive growth effort in Sweden has slowed down during the year as a safety measure in these uncertain times. In the first place, we have prioritised maintaining existing operations as well as selective recruitment of key personnel. Staff turnover has continued to decrease during the year, which means that we have retained the number despite reduced recruitment. As the market and order intake give us the right conditions, we will resume the growth initiative to strengthen our market position in Sweden in particular.

High market presence and retained order book

The market in which we operate has generally been good during the year with some reduction after the holidays and in late autumn when the spread of infection took off again. Through a high market presence and close dialogue with existing and new clients, we have had a good order intake. When we sum up the year, the order book in the Swedish and international operations is on par with the previous year, which may be seen as a statement of strength in the current market situation.

A brightening future

Although we are still in a pandemic, we are looking to the future. With joint effort and access to vaccines, our assessment is that the market situation will stabilise and improve in the second half of 2021. Support packages from the government are expected to drive investments linked to a pent-up need to continue developing our society. This development will also be driven by megatrends such as urbanisation, globalisation and digitisation. The need for qualified project management services to lead this work is assessed as significant. Hifab has an important role as a builder of society by providing expertise and experience, both in crisis situations and in the further development of society.

We look forward with confidence to a new exciting 2021. My conviction remains that we will emerge stronger from this social crisis. Our focus is to support our clients and continue the development of Hifab – in our quest to achieve our vision of leading the construction of tomorrow's sustainable society.

Patrik Schelin, CEO, Hifab Group AB

Financial information 2020

The Hifab Group Share

The share

The stock is traded on Nasdaq First North. The share capital amounts to SEK 6,083,892 divided into 60,838,912 shares. The nominal value of each share is SEK 0.10.

An A-share is eligible for ten votes and a B-share is eligible for one vote. After notification to the Board of Directors, A-shares may be converted into B-shares. The distribution between A-shares and B-shares is shown below:

Class	Number of shares	% of capital	% of votes
Series A	1,562,666	2.6	20.9
Series B	59,276,246	97.4	79.1

Ownership structure

On 30 December 2020, the five largest shareholders together accounted for 77.03% (74.53) of the capital and 81.34% (79.31) of the votes.

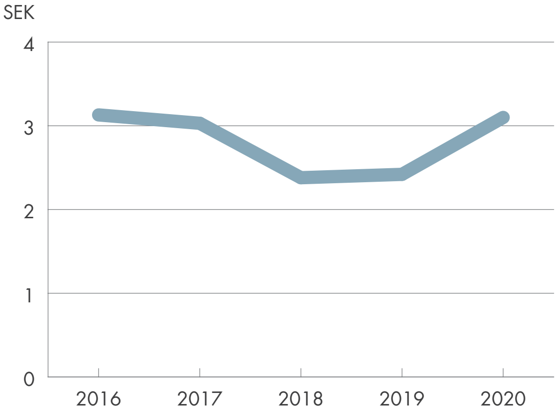
Foreign ownership amounted to 0.27 per cent (0.29) of the number of shares and 0.22 per cent (0.23) of the votes.

The ownership structure and the ten largest owners on 31 December 2020 are shown in the table on Page 9.

Dividend

The Board of Directors has proposed to the Annual General Meeting that no dividend be distributed for the 2020 financial year.

Share price development



Share capital development

Hifab Group's share capital has developed as follows since 1998:

Year	Transaction	Share Capital	Number of shares
1998	Directed new share issue	704,000	7,040,000
1999	Directed new share issue	719,000	7,190,000
1999	Exercise of warrants	779,000	7,790,000
2000	Directed new share issue	799,146	7,991,456
2000	Directed new share issue	927,146	9,271,456
2007	Directed new share issue	1,011,946	10,119,456
2008	Directed new issue attributable to reverse acquisition	3,034,259	30,342,596
2009	Directed new issue attributable to reverse acquisition	3,041,946	30,419,456
2016	Rights issue	3,041,946	30,419,456
2016	Registered number of shares as of 31 December 2016	6,083,892	60,838,912

Data per share before and after dilution

	2020	2019	2018	2017	2016	2015	2014	2013
Average number of shares	60,838,912	60,838,912	60,838,912	60,838,912	58,303,957	30,419,456	30,419,456	30,419,456
Number of shares at year-end	60,838,912	60,838,912	60,838,912	60,838,912	60,838,912	30,419,456	30,419,456	30,419,456
Earnings per share, attributable to the Parent Company's owners, SEK	0.06	-0.18	0.15	0.21	0.09	-2.15	0.34	0.34
Net cash flow per share, SEK	0.00	-0.29	-0.01	0.05	-0.64	0.67	0.17	-0.46
Equity per share, SEK	1.03	0.98	1.28	1.25	1.03	1.89	2.68	2.55
Dividend per share as proposed by the Board of Directors, SEK	0.00	0.00	0.12	0.12	0.00	0.00	0.40	0.20
Share price at the end of the financial year, SEK	3.10	2.42	2.38	3.03	3.13	2.30	6.10	7.90

Major shareholders

Shareholders according to Euroclear Sweden AB, 30/12/2020	A-shares	B-shares	Holdings (%)	Votes (%)
AB Traction	924.000	31.820.000	53.82	54.82
Niras AB	0	5.748.339	9.45	7.67
Niveau.Holding.AB	638.666	3.430.000	6.69	13.11
Zirkona AB	0	2.876.372	4.73	3.84
Nordnet Pensionsförsäkring.AB	0	1.421.876	2.34	1.9
Esilentio AB	0	900.000	1.48	1.2
Langermo Astrid	0	757.156	1.24	1.01
Blixt Thomas	0	740.000	1.22	0.99
Carlsson Bo Erik	0	665.000	1.09	0.89
Nordqvist Anders	0	643.800	1.06	0.86
Total – 10 largest owners	**1.562.666**	**49.002.543**	**83.12**	**86.29**
Total – other owners		10.273.703	16.88	13.71
Total 30/12/2020	**1.562.666**	**59.276.246**	**100.00**	**100.00**

Ownership structure

Shareholders according to Euroclear Sweden AB 30/12/2020	Number of share-holders	A-shares	B-shares	Holdings (%)	Votes (%)
1 – 500	697	0	136,387	0.22%	0.18%
501 – 1 000	200	0	176,411	0.29%	0.24%
1 001 – 2 000	151	0	257,192	0.42%	0.34%
2 001 – 5 000	164	0	593,714	0.98%	0.79%
5 001 – 10 000	73	0	575,059	0.95%	0.77%
10 001 – 20 000	48	0	745,899	1.23%	1.00%
20 001 – 50 000	37	0	1,178,232	1.94%	1.57%
50 001 – 100 000	17	0	1,197,984	1.97%	1.60%
100 001 – 500 000	21	0	4,289,947	7.05%	5.73%
500 001 – 1 000 000	7	0	4,828,834	7.94%	6.45%
1 000 001 – 5 000 000	3	638,666	7,728,248	13.75%	18.84%
5 000 001 – 10 000 000	1	0	5,748,339	9.45%	7.67%
10 000 001 –	1	924,000	31,820,000	53.82%	54.82%
Total	**1,420**	**1,562,666**	**59,276,246**	**100%**	**100%**

Management Report 2020

The Board of Directors and the CEO of Hifab Group AB (publ), 556394-1987, with its registered office in Stockholm, are hereby authorised to report the annual accounts and consolidated accounts for the financial year 01/01/2020 – 31/12/2020.

Ownership

Hifab Group AB is listed on Nasdaq First North Growth Market. At the end of 2020, Hifab Group AB had 1,420 (1,529) shareholders according to the official share register from Euroclear Sweden AB. For a more detailed description of Hifab Group AB's ownership relationships, please refer to the section, The Hifab Group Share on pages 8-9.

Operations

Bror Hultström noted that the construction industry lacked independent advisors, so in 1947 he started Hifab and thus became the country's first independent construction project manager and developer. Bror's success and ideas remain an important pillar of Hifab's business operations.

Hifab leads projects and processes towards set goals and actively contributes to the success of our clients. We offer project management and strategic consulting services within the construction industry. Hifab is also a leading player in Sweden when it comes to advising and managing environmental projects.

Internationally, we offer project management to public and private clients, with assignments in just under ten countries around the world.

Our employees have the expertise to plan and manage all types of construction projects. All employees have access to our combined expertise through internal networks and IT support. Our clients are located all over the country and employ us as either individual specialists or for entire project management teams. Our values are based on the three core values of professionalism, collaboration and commitment. Our entire business goes hand in hand with responsibility. We have therefore chosen to join the UN Global Compact initiative.

Organisation 2020

Hifab's operations are conducted in a segment where all operations are project management and have only geographical distribution. The parent company in the Group is Hifab Group AB. Group-wide functions such as finance, HR, administration, information and marketing communications, etc. are managed by the subsidiary, HifabGruppen AB.

Hifab Group AB has an operating subsidiary. The construction sector accounts for most of the Group's turnover. International development projects worldwide have been an important part of Hifab's operations for more than 40 years. The Group's operating subsidiaries are:

- HifabGruppen, that manages Group-wide support functions.
- Hifab AB, which conducts project management in construction, civil engineering and environmental projects in Sweden.
- Hifab DU Teknik AB is active in process engineering.
- Hifab International AB manages, together with the Finnish company Hifab Oy, the international-based projects.

Vision

Hifab leads the construction of tomorrow's sustainable society.

Overall objectives

The Group's overall financial goal is to reach a profit margin (defined as operating margin, see definition page 14) of 7% of net turnover over a business cycle. In 2020, we navigated a turbulent year and implemented several measures to secure our competitiveness in the short- and long-term and to increase our efficiency, supported by Hifab's long-term strategy plan. Hifab strives to ensure our position as the market's leading project management company, the first choice of our clients and employees. The margin was 2% (-3%) in 2020. Each company and department has its own individual performance targets that are combined with clear targets within market, environment, quality and personnel development.

The report on financial position shows the Group's liabilities and shareholder equity, which are divided into current liabilities of SEK 84.4 million, long-term liabilities of SEK 11.1 million and shareholders' equity of SEK 62.9 million. The report on changes in equity contains a specification of the various components included, page 18.

Our values

Commitment – cooperation - professionalism
Hifab has a decentralised organisation with a large degree of freedom where the Group's values serve as a guideline. It allows the individual employee the

opportunity to act independently, which our clients experience by being able to quickly solve the client's needs. A great deal of work is being done to spread Hifab's values and get a 'we' feeling within the Group.

Market

Hifab is one of the leading suppliers of project and construction management services in the Swedish market. From 12 offices, we deliver services to clients all over Sweden. The distribution between public and private clients is even. Our focus is on maintaining a balanced client mix and increasing the proportion of assignments where we can offer entire project management teams.

The market for Hifab's services is generally good. The Swedish market continues to be strong in construction and we saw some recovery in the private housing sector while buildings were hardest hit by the pandemic. Other markets in which Hifab operates, especially in parts of Asia and Africa, we consider to still be stable, but with the exception that they have been affected in the short-term by country closures.

Significant events in the financial year

The growth initiative launched in 2019 continued in 2020, mainly at the beginning of the year with recruitments and strong order intake. In connection with the outbreak of the Covid-19 pandemic in 2020, Hifab has managed to adapt the business well based on the new conditions prevailing and we have continued to maintain good client dialogue during the year.

During the year, Hifab took several measures to avoid spread, protect employees and clients and to mitigate the negative effects that may occur for Hifab. Among other things, the following measures have been introduced:

- Introduced strict rules on travel, social distancing and otherwise followed the recommendations of the authorities. Employees have as far as possible worked remotely and meetings have been conducted digitally.
- Cost savings (temporary employment pauses, investment pauses, travel restrictions). During the year, Hifab has gone from a temporary employment pause to selective recruitment when needed.
- Focus on working capital and accounts receivable. Hifab has during the period not noted any late payments or clients who have not had the ability to fulfill their obligations. Hifab has a significant proportion of assignments in the public sector and otherwise had no significant exposure to industries particularly affected by Covid-19.

In connection with the annual general meeting, Mikael Sjölund was appointed as a new Board member. In 2020, Hifab's Group Management received the addition of a new member, Robert Johansson, a new Chief Financial Officer.

Consolidated income and earnings

The Group's revenues amounted to MSEK 360 (357). Operating profit in the business amounted to MSEK 6.0 (-11.0). Profit after financial items was MSEK 4.4 (-12.1). Earnings per share were SEK 0.06 (-0.18). See note 21.

Despite a challenging year, the growth initiative launched in 2019 has left its mark in 2020. During the year, Swedish operations had growth of 7.0% thanks to more employees and improved billable rates, mainly at the beginning of the year. International operations have been hit harder by the Covid-19 pandemic and during the year there has been a negative growth of 28.7%.

Compared with the previous year, the Group's operating costs (excluding personnel costs) have decreased by just over MSEK 4. This reduction is partly driven by reduced travel costs and partly by a substantial reduction in the reservation of doubtful accounts receivable.

During the year, the number of employees in the Group has increased slightly, by 8 employees to 294 employees. Despite this, we saw a reduction in personnel costs of MSEK 10. The background to this is government subsidies (reduced social contributions) associated with Covid-19, reduced costs for training and social activities, as well as the recruitment of junior administrative personnel to a project abroad. As staff turnover continues to decline, recruitment costs and the cost of introducing new staff can also be kept down, contributing to lower staff costs.

The Group's turnover decreased slightly during the year, resulting in negative growth in international operations.

Cash flow and financial position

Available cash and cash equivalents, including credits granted and after deduction of guarantees offered, amounted to MSEK 32.9 (30.3) as of 31 December 2020. Interest-bearing liabilities amounted to MSEK 19.9 (28.7), of which MSEK 18.9 (26.0) refers to leasing liabilities and at the end of the year net interest-bearing assets in the Group amounted to MSEK -4.8 (-13.3).

The equity/assets ratio was 40% (34). The Group's equity, including non-controlling interests, amounted to MSEK 62.9 (59.6).

Cash flow from operating activities before changes in working capital amounted to MSEK 11.2 (-0.3).

Changes in working capital amounted to MSEK -2.5 (4.2). Cash flow from investing activities during the period amounted to MSEK -0.3 (-0.5) net. Cash flow from financing activities was MSEK -8.7 (-20.8), with ongoing repayments of MSEK 1.6 (4.0) and amortisation of leasing debt of MSEK 7.1 (10.2).

The parent company's cash flow from operating activities amounted to MSEK -0.5 (-0.6) and changes in working capital to MSEK 0.0 (0.0). Investment operations amounted to MSEK 0 (0). Cash flow from financing activities was MSEK 0.5 (0.6), while amortisation was MSEK 2.0.

Consulting activities

Consulting activities includes all operations. Hifab AB, offers qualified project management services in the construction, civil engineering, environmental, energy and real estate sectors as well as process technology with the aim of optimising the profitability of the client's operations.

Hifab AB, together with its wholly-owned subsidiary Hifab DU Teknik, is represented in Sweden through 12 offices. The business had turnover of MSEK 313 (297), with an operating profit before depreciation of MSEK 7.7 (-9.5). The average number of full-time employees was 209 (195).

Hifab International AB, together with Hifab Oy in Finland, offers qualified project management services in international development projects that are primarily financed through international development banks and aid agencies. The business had sales of MSEK 43 (61) and reported an operating profit before depreciation of MSEK -2.1 (-2.8). The average number of full-time employees in Sweden and abroad was 71 (67).

The average number of employees in the Group in 2020 at year-end was 294 (286). With competent and competitive staff as the most important resource in the Group, the goal is to grow operations in Sweden by increasing our recruitment and continuously developing skills.

Parent company

The parent company has 100% ownership in a number of companies in the Group. There were no employees in the company during 2020.

Sustainability, environment and quality

In Hifab's operations, our Code of Conduct is a core document. The Code of Conduct is based on the UN Global Compact, where Hifab has been a signatory member since 2016, and includes principles on environment, working conditions, human rights and anti-corruption. Our Code of Conduct also includes our anti-corruption policy, which is annexed to our agreements with partners. Global Compact is reported annually and synchronised with our GRI work.

Hifab is quality certified according to ISO 9001 and environmentally certified according to ISO 14001. Our web-based, integrated operating system also covers the requirements set by the Swedish Work Environment Authority's regulations on systematic work environment management (SAM). Our quality and environmental goals are always based on a sustainability perspective where we focus on efficiency, resource management and client benefit.

In 2020, we continued to focus on business ethics, one of Hifab's priority sustainability issues. Over the past year, we have launched the anti-corruption program called Integrity & Compliance Program (ICP) that we developed in 2019. All employees are also in the process of conducting training in business ethics, anti-corruption and compliance. In addition, we have continued with our training activities Hifab Pro and clarified our target orientation and implemented a comprehensive management development program to strengthen our corporate culture. For more information, see separately our 2020 Sustainability Report at www.Hifab.se.

The Board's activities in 2020

The Board of Directors of Hifab Group AB was elected in May 2020 and consists of five members. Karin Annerwall Parö was reelected as Chairperson, Mikael Sjölund was elected a new member. Petter Stillström, Carl Östring, and Tomas Hermansson were also reelected. No deputies have been elected. The employees have been represented by Henrik Hederfors for Unionen and Göran Ingelhammar for the Swedish Association of Graduate Engineers/ SACO unions. In 2020, the Board held seven meetings, including the statutory meeting, and worked according to an established annual plan. The company's auditor attended the closing meeting.

Remuneration to senior executives

According to the resolution of the last Annual General Meeting, and the Board's proposal for the next Annual General Meeting, the guidelines for remuneration (basic salary, variable salary, pension and other benefits) are that they should be market-based and allow qualified senior executives to be recruited and retained. No benefits beyond normal practice are offered and no senior executives have options or convertibles from the company. Variable salary is always related to measurable goals. For senior executives, the General Pension Plan applies via ITP. The notice period for the CEO is nine months and for the other 3-6 months. The company's elected Board

333 members are remunerated in accordance with the AGM's resolution.

Risks

Risks and uncertainties

All business activities are associated with a certain amount of risk-taking. Hifab's operations are influenced by a variety of factors, some of which are within the control of the company, while others are outside. Hifab regularly conducts a risk assessment of the Group's risks, with the aim of continually further developing and strengthening the routines for ongoing risk monitoring and risk minimisation. The Hifab Group's significant risk and uncertainties include business risks linked to general economic development and investment willingness in different markets, the ability to recruit, retain qualified employees and the impact of policy decisions. The Group is also exposed to various types of financial risks such as foreign exchange interest and credit risks. The Group's Board of Directors and senior management are responsible for risk management. The risks and uncertainties facing the parent company and the Group are mainly related to changes in staff occupancy, average rates, employee turnover and payroll costs, all of which have a decisive impact on profitability. Linked to sustainability risks, corruption risks have also been identified, mainly in the context of projects in developing countries. For other risks and risk management, see Note 31.

The company's future development

In the future, we assess the general market situation in Sweden and internationally, where Hifab is active, as continuing to be good. In the coming years, a subdued growth rate is expected in Sweden that will affect construction, mainly in buildings and housing. The decline occurred from a high level and is expected to be largely offset by increased construction of infrastructure/plant and industrial buildings.

Profit distribution

The following profits are available to the AGM, SEK:	**2020**
Balanced profit	93,155,323
Premium fund	50,192,102
Net income	2,013,520
Earnings to disperse	**145,360,945**

No dividend for the 2020 financial year is proposed:	
Transferred to a new account	**145,360,945**

Hifab's shareholders should be able to expect a reasonable dividend in relation to the company's earnings, but also reasonable in relation to the company's capital needs. Based on the above, the Board of Directors proposes no dividend.

Financial Standing

Group earnings and financial position for the years 2016-2020

	2016	2017	2018	2019	**2020**
Income, TSEK	474,940	444,095	401,710	355,698	354,228
Operating profit, TSEK	8,832	17,829	13,199	-11,018	6,027
Operating margin (%)	1.9%	4.0%	3.3%	-3.1%	1.7%
Profit after financial items, TSEK	7,566	17,249	13,243	-12,157	4,440
Profit for the year, attributable to parent company shareholders, TSEK	5,560	13,041	9,279	-10,798	3,457
Balance sheet total, TSEK	190,009	180,178	170,001	175,588	158,432
Equity, attributable to parent company shareholders, TSEK	62,965	76,111	77,648	59,580	62,868
Quick ratio (%)	133	153	161	124	135
Equity ratio (%)	33	42	45	34	40
Return on capital employed (%)	13	21	16	-16	8
Return on equity after tax (%)	9	17	12	-18	6
Average number of employees	320	310	295	286	294

Definitions

Income – Invoiced fees, expenses and sub-consultants

Quick ratio – Current assets as a percentage of current liabilities

Equity ratio – Equity as a percentage of total assets

Return on capital employed – Profit after financial items plus financial expenses, as a percentage of the balance sheet total assets less non-interest-bearing liabilities

Return on equity after tax – Profit after tax, as a percentage of equity

Average number of full-time employees – The average number of employees during the year, converted to full-time positions

Equity per share – Equity in relation to the number of shares at period-end

Net cash flow per share – Cash flow from operating activities (before investments) and before tax paid in relation to average number of shares

Earnings per share – Net profit for the year in relation to the average number of shares

Net interest-bearing assets – Cash and cash equivalents including granted credit less interest-bearing liabilities and *unutilised* overdraft facility

Operating margin – Operating profit as a percentage of revenue

Income Statement – Group

TSEK	Note	2020	2019
Operating income			
Earnings	8	354,228	355,698
Other operating income	1	5,455	1,416
Total		**359,683**	357,114
Operating expenses			
Other external costs	2	-136,097	-140,973
Salaries and staff	3	-206,323	-216,483
Depreciation	12, 13, 14, 15	-11,236	-10,676
Total		**-353,656**	-368,132
Operating profit		**6,027**	-11,018
Income from financial investments			
Income from investments	4	-	-
Interest income and similar income items	5	2	354
Interest expenses and similar income items	6, 30	-1,589	-1,493
Total financial income and expenses		**-1,587**	-1,139
Profit after financial items		**4,440**	-12,157
Tax reported for the year	7	-983	1,359
Net income		**3,457**	-10,798
Profit for the year attributable to shareholders of the parent company	21	3,457	-10,798
Minority shareholders		-	-
		3,457	-10,798

Consolidated Statement of comprehensive income – Group

Profit for the period	**3,457**	-10,798
Components that may later be reclassified to profit or loss for the year:		
Foreign exchange differences in the conversion of foreign operations	-169	31
Tax attributable to components of other comprehensive income	-	-
Total other comprehensive income for the year, net of tax	**-169**	31
Total income for the year	**3,288**	-10,767
Total income attributable to:		
Parent company shareholders	3,288	-10,767
Earnings per share before and after dilution based on earnings attributable to the parent company's shareholders during the year (expressed in SEK per share) (Note 21)	**0.06**	-0.18

Financial Standing Report – Group

TSEK	Note	31/12/2020	31/12/2019
Assets			
Intangible assets			
Goodwill	11	15,954	15,954
Other intangible assets	12	-	275
Total intangible fixed assets		**15,954**	16,229
Tangible fixed assets			
Inventory	13,14	829	553
Right of use assets	15	19,446	25,649
Total tangible fixed assets		**20,275**	26,202
Financial assets			
Other long-term receivables	9	146	1,210
Total financial fixed assets		**146**	1,210
Deferred tax assets	7	7,824	8,331
Total fixed assets		**44,199**	51,972
Current assets			
Ongoing assignments	8,9,18	31,177	28,099
Advances to suppliers		1,787	-
Accounts receivable	9,10	52,718	66,714
Tax claims		5,225	6,158
Other receivables	9	3,009	996
Prepaid expenses and accrued income	19	5,206	6,272
Cash and cash equivalents	9,23	15,111	15,377
Total current assets		**114,233**	123,616
Total assets		**158,432**	175,588

Financial Standing Report – Group (cont.)

TSEK	Note	31/12/2020	31/12/2019
Equity and liabilities			
Equity			
Share capital	22	6,084	6,084
Other contributed capital		51,301	51,301
Translation		650	819
Retained earnings including net profit for the year		4,833	1,376
Total equity attributable to Parent Company shareholders		**62,868**	59,580
Minority share of equity		44	44
Total equity		**62,912**	59,624
Long-term liabilities			
Liabilities to credit institutions	9, 24	100	-
Deferred tax liability	7	-	16
Long-term lease liability	9, 15	10,869	16,191
Other non-current liabilities	24	145	145
Total non-current liabilities		**11,114**	16,352
Current liabilities			
Liabilities to credit institutions	9, 24	974	2,678
Advance payment from clients	8	1,553	7,870
Accounts payable	9, 24	31,403	33,066
Short-term lease liability	9, 15	8,041	9,825
Other current liabilities		14,474	17,991
Accrued expenses and deferred income	25	27,961	28,182
Total current liabilities		**84,406**	99,612
Total equity and liabilities		**158,432**	175,588

Key Figures per Share

		Group	
	Note	31/12/2020	2019-12-31
Number of shares at the end of the period	21	60,838,912	60,838,912
Equity, SEK		1.03	0.98
Dividend as proposed by the Board of Directors, SEK		0.00	0.00

Key ratio definition, see page 14

Report on Change in Equity – Group

TSEK	Equity	Other contributed capital	Conversion Reserve	Retained earnings, including profit for the year	Total attributable to shareholders of the parent company	Minority interests	Total equity
Opening balance as of 1 January 2019	**6,084**	**51,301**	**788**	**19,475**	**77,648**	**44**	**77,692**
Changes in equity 2019							
Net income				-10,798	**-10,798**		**-10,798**
Exchange rate differences on conversion of foreign operations			31		**31**		**31**
Total profit for the year			**31**	**-10,798**	**-10,767**		**-10,767**
Dividend paid				-7,301	**-7,301**		**-7,301**
Closing balance as of 31 December 2019	**6,084**	**51,301**	**819**	**1,376**	**59,580**	**44**	**59,624**

TSEK	Equity	Other contributed capital	Conversion Reserve	Retained earnings, including profit for the year	Total attributable to shareholders of the parent company	Minority interests	Total equity
Opening balance as of 1 January 2020	**6,084**	**51,301**	**819**	**1,376**	**59,580**	**44**	**59,624**
Changes in equity 2020							
Net income				3,457	**3,457**		**3,457**
Exchange rate differences on conversion of foreign operations			-169		**-169**		**-169**
Total profit for the year			**-169**	**3,457**	**3,288**		**3,288**
Dividend paid				-	**-**		**-**
Closing balance as at 31 December 2020	**6,084**	**51,301**	**650**	**4,833**	**62,868**	**44**	**62,912**

Cash Flow Statement – Group

TSEK	Note	2020	2019
Operating activities			
Operating profit		6,027	-11,018
Non-cash items	28	6,338	10,843
Interest received	5	2	354
Interest paid	6	-1,589	-1,493
Tax paid		440	967
Total cash flow from operating activities before changes in working capital		**11,218**	-347
Cash flow from changes in working capital			
Change in work in progress		-4,865	-2,738
Change in operating receivables		14,113	7,000
Change in operating liabilities		-11,718	-17
Total change in working capital		**-2,470**	4,245
Cash flow from operating activities		**8,748**	3,898
Investment activities			
Acquisition of tangible fixed assets	13, 14	-579	-526
Disposal of intangible assets	12	275	-
Change in other financial assets		-	33
Cash flow from investments		**-304**	-493
Financing activities			
Utilised check credit subsidiary		296	678
Amortisation of bank loans	9	-1,900	-4,000
Dividend		-	-7,301
Amortisation lease liability		-7,106	-10,196
Cash flow from financing activities		**-8,710**	-20,819
Cash flow for the year		**-266**	-17,414
Cash and cash equivalents at the beginning of the year		15,377	32,791
Exchange rate difference in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		**15,111**	15,377

Income Statement – Parent Company

TSEK	Note	2020	2019
Operating income			
Other operating income	1		
Total		**-**	-
Operating expenses			
Other external costs	2	-	-
Salaries and staff	3	-	-
Total			
Operating profit		**-**	-
Income from financial investments			
Income from participations in Group companies	4	-	-5,125
Interest income and similar income items	5	-	-
Interest expenses and similar income items	6, 30	-464	-585
Total financial income and expenses		**-464**	-5,710
Profit after financial items		**-464**	-5,710
Year-end appropriations			
Contributions		3,000	-
Paid		-	-7,756
Total appropriations		**3,000**	-7,756
Profit before tax		**2,536**	-13,466
Tax reported for the year	7	-522	1,473
Profit for the year		**2,014**	-11,993

Total profit – Parent Company

TSEK	2020	2019
Profit for the year	2,014	-11,993
Total profit for the year	**2,014**	-11,993

Balance Sheet – Parent Company

TSEK	Note	31/12/2020	31/12/2019
Assets			
Fixed assets			
Financial assets			
Shares in Group companies	16	152,702	152,702
Other long-term receivables, Group companies	20	6,511	7,694
Total financial fixed assets		**159,213**	160,396
Deferred tax assets	7	7,496	8,018
Total fixed assets		**166,709**	168,414
Current assets			
Current receivables, Group		9,158	10,359
Cash and cash equivalents		-	-
Total current assets		**9,158**	10,359
Total assets		**175,867**	178,773

Balance Sheet – Parent Company (cont.)

TSEK	Note	31/12/2020	31/12/2019
Equity and liabilities			
Restricted equity			
Share capital	22	6,084	6,084
Statutory reserve		200	200
Total restricted equity		**6,284**	6,284
Unrestricted equity			
Free reserves/balanced earnings		143,347	155,340
Profit for the year		2,014	-11,993
Total unrestricted equity		**145,361**	143,347
Total equity		**151,645**	149,631
Long-term liabilities			
Long-term debt credit institutions	24	-	-
Liabilities to Group companies		18,642	19,385
Total non-current liabilities		**18,642**	19,385
Current liabilities			
Current liabilities of credit institutions	24	-	2,000
Liabilities to Group companies		5,580	7,757
Accrued expenses and deferred income	25	-	-
Total current liabilities		**5,580**	9,757
Total equity and liabilities		**175,867**	178,773

Equity Statement – Parent Company

TSEK	Share capital	Statutory reserve	Share premium fund	Balanced profit	Profit for the year	Total equity
Opening balance, as of 1 January 2019	**6,084**	**200**	**50,192**	**99,841**	**12,608**	**168,925**
Distribution of profits ,as decided at the AGM				12,608	-12,608	-
Dividend				-7,301		**-7,301**
Profit for the year					-11,993	**-11,993**
Closing balance, as of 31 December 2019	**6,084**	**200**	**50,192**	**105,148**	**-11,993**	**149,631**
Opening balance, as of 1 January 2020	**6,084**	**200**	**50,192**	**105,148**	**-11,993**	**149,631**
Distribution of profits, as decided at the AGM				-11,993	11,993	-
Dividend				-		**-**
Profit for the year					2,014	**2,014**
Closing balance, as of 31 December 2020	**6,084**	**200**	**50,192**	**93,155**	**2,014**	**151,645**

Cash Flow Analysis – Parent Company

TSEK	Note	2020	2019
Operating activities			
Operating profit		-	-
Non-cash accounting items	28	-	-
Interest received		-	-
Interest paid	6	-464	-585
Total cash flow from operating activities before changes in working capital		**-464**	-585
Cash flow from changes in working capital			
Change in operating receivables		-	-
Change in operating liabilities		-	-
Total change in working capital		-	-
Cash flow from operating activities		**-464**	-585
Investment activities			
Disposal of fixed assets		-	-
Write-down of shares in subsidiaries		-	-
Cash flow from investments		**-**	-
Financing activities			
Financial transfers between Group companies		2 464	11 886
Amortisation of loan debt		-2 000	-4 000
Dividend		-	-7 301
Cash flow from financing activities		**464**	585
Cash flow for the year		0	0
Cash and cash equivalents at the beginning of the year		-	-
Exchange rate difference in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		-	-

Accounting and Valuation Principles

1. Nature of the business

Hifab Group AB (publ) and its subsidiaries (hereinafter jointly referred to as the "Group") provide project management and advice for sustainable development.

2. General information

Hifab Group AB (publ) with org.nr. 556394-1987 is a Swedish limited liability company with its registered office in Stockholm.

The address of Hifab Group AB's head office is: Box 19090, 104 32 Stockholm and the visiting address is Sveavägen 167, 113 46 Stockholm.

The Hifab Group's shares are traded on Nasdaq First North as of October 7, 2008. Information about the shares and owners can be found on pages 8-9.

The Annual Report for the year up to and including 31 December 2020 (including comparative figures up to and including 31 December 2019) was approved by the Board of Directors on 31 March 2021.

3. Accounting

3.1 Compliance with norms and law

The Consolidated Financial Statements of the Hifab Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU and the interpretation statements of the IFRS Interpretation Committee approved by the EC Commission for application in the EU. Furthermore, the Group also applies the Swedish Financial Reporting Board's recommendation RFR 1 supplementary accounting rules for the Group, which specify the additions to IFRS information required by the provisions of the Annual Accounts Act.

4. Summary of Material Accounting Policies

4.1 General

The material accounting policies used in the preparation of this consolidated financial statements are summarised below.

In the consolidated accounts, valuation has been made at cost, except in the case of certain financial instruments valued at fair value and at amortised cost.

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates and make assumptions that affect the application of the accounting principles and the amounts reported in the Income Statement and Balance Sheet. The assessments are based on the information available at each balance sheet date. Although these assessments are based on the best information available to management, the actual outcome may ultimately differ from the estimates.

4.2 Consolidated financial statements

The consolidated financial statements comprise the parent company Hifab Group AB and the companies over which the parent company has a controlling influence (subsidiaries). Controlling influence exists when the parent company has influence over the investment asset, is exposed to or has the right to a variable return from its involvement in the investment asset and can use its influence over the investment asset to influence its return..

The parent company makes a new assessment of whether controlling influence exists if the facts and circumstances indicate that one or more of the factors listed above have changed.

The consolidation of a subsidiary takes place from the date on which the parent company acquires control and until the date on which it ceases to have control over the subsidiary. This means that the income and expenses of a subsidiary acquired or divested in the current financial year are included in the consolidated statement of income and other comprehensive income from the date the parent company gains control until the parent company ceases to control.

The Group's income and components of other comprehensive income are attributable to the owner of the parent company and to non-controlling interests even if this leads to a negative value for non-controlling interests.

The accounting principles for subsidiaries have been adjusted as necessary to conform to the Group's accounting principles. All intra-group transactions, transactions and unrealised gains and losses attributable to intragroup transactions have been eliminated when preparing the consolidated financial statements.

4.3 Business acquisitions

Acquisitions are reported according to the acquisition method. The acquisition method means that the fair value of acquired assets and liabilities is determined as of the date on which control is obtained over the acquired company, which is also used as the basis for subsequent valuation in accordance with the Group's accounting policies. Transaction costs related to the acquisition are not included in the cost of the subsidiary.

The difference between the cost, the value of non-controlling interests and the fair value of previous holdings and the fair value of acquired identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If there is a negative difference, the difference is recognised directly in the income statement.

Non-controlling interests are recognised either as a proportional share of the acquired net assets or at fair value, which is assessed per acquisition. Additional consideration is recognised at assessed fair value with subsequent changes recognised in the income statement.

In the case of incremental acquisitions, a fair value measurement takes place at the time control is received. Revaluation effects on previously owned shares before verification were received are recognised in the income statement. Increased or decreased ownership when the subsidiary is under continued control is reported as changes in equity.

Non-controlling interests are recognised in the consolidated financial statements under equity, separate from the Parent Company's equity. Non-controlling interests are included in the Group's income and comprehensive income and are recognised separately from the Parent Company's share as a distribution of profit and comprehensive income for the period.

4.4 State Grants

In 2020, the company received government grants linked to the Covid-19 pandemic. The following contributions have been received:

- In Sweden, support for short-term work of TSEK 3,316 has been received, these are reported as other income.
- In Sweden, support has been received through temporarily reduced social security contributions of TSEK 1,330, which are reported as a reduction in staff costs.
- In Sweden, compensation for sick pay costs of TSEK 627 has been received, these are reported as other income.
- In Finland, support of TSEK 667 has been received, which is reported as other income.

All grants are recognised in the profit and loss account in the same period as the grants are intended to cover and to the extent that there is reasonable assurance that the conditions have been met and the grants have been/ will be received.

There are no contingent liabilities attached to the state contributions.

The Group has not received any other form of state aid.

4.5 Currency Conversion

Hifab Group's consolidated financial statements are reported in Swedish kronor (SEK), which is also the parent company's functional currency.

Foreign currency transactions are translated using the exchange rates applicable to each transaction date (spot exchange rate). Receivables and payables and other monetary items denominated in foreign currencies are translated at the closing rate.

Gains and losses on foreign currency due to translation from such transactions and due to the revaluation of monetary balance sheet items at the exchange rates of the balance sheet date are recognised in the Income Statement under 'Other income' or 'Other expenses'.

The assets and liabilities of the subsidiaries have been translated into Swedish kronor at the prevailing rate at the closing date. Income and expenses have been converted into the Group's reporting currency according to the average rates of the reporting period. The differences arising from this method are recognised in other comprehensive income and are accumulated in the translation reserve in equity.

4.6 Accounting for Incomes and Expenses

The majority of the Group's agreements are on current account where the clients receive and consume the benefit of the service at the time it is performed and thus the revenue is recognised over time. Invoicing and revenue are based on price per hour.

A smaller part of the Group's clients' agreements are fixed price agreements where each agreement has been reviewed individually and analysed. For all existing agreements, the degree of completion has been established. The completion rate of a mission is determined by comparing the expenditure decommitted on the balance sheet date with the estimated total expenditure. The completion rate is determined on the basis of written assessments by Project Managers of work performed and estimated remaining work. Estimates of revenues, costs or completion rates of projects are revised quarterly. Increases or decreases in estimated income or expenses that are due to a changed estimate are recognised in the income statement in the period they became known. In the case of fixed price agreements, the clients pays at agreed payment times and the assessment is that Hifab's performance does not create an alternative asset and that Hifab has a current right to payment for at any time discontinued performance whereby the revenue is recognised over time. If the services supplied exceed the payment, a stock (contractual asset) is recognised. If the payments exceed the services delivered, advance clients are recognised (contractual debt).

Operating expenses are recognised in the income statement when the goods have been delivered or when the service has been used up.

Costs related to operating leases are recognised in income statement linearly over the lease term. Variable fees are expensed as they arise.

Interest income is recognised over the maturity period using the effective interest method.

Borrowing costs (interest expenses) are charged to the profit for the period to which it relates.

4.7 Goodwill

Goodwill consists of the difference between the cost, the value of non-controlling interests and the fair value of previous holdings and the fair value of acquired identifiable assets, liabilities and contingent liabilities recognised as goodwill. If this value is negative, the difference is recognised directly in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is distributed to cash-generating units and is tested annually, or more frequently in the event of a decline in value, for impairment.

Goodwill arising from the acquisition of associates is included in the carrying amount of shares in associates.

4.8 Tangible Fixed Assets

Tangible fixed assets are stated at acquisition value after deductions for accumulated depreciation and any write-downs. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset.

Depreciation of property, plant and equipment is expensed so that the cost of the asset is reduced by the estimated residual value at the end of the useful life, is written off linearly over its estimated useful life.

Other equipment (office equipment, office machinery and vehicles) has been assigned a useful life of 5 years while computers and computer equipment have a useful life of 3 years.

4.9 Impairment Losses

The carrying amounts of the Group's assets, with the exception of deferred tax assets measured in accordance with IAS 12 Income Taxes, and financial assets measured in accordance with IFRS 9, are tested at each balance sheet date to assess whether there is an indication of impairment.

If any such indication exists, the recoverable value of the asset or cash-generating unit is calculated.

Impairment losses are recognised through the income statement.

4.10 Accounting for Financial Instruments

Initial Accounting

Accounts receivable and issued debt instruments are recognised when they are issued. All other financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the instrument's contractual terms and conditions.

A financial asset (with the exception of accounts receivable that does not have a significant financing component) or a financial liability is valued at fair value at initial recognition plus, in the case of financial instruments that are not valued at fair value through profit or loss, directly attributable transaction costs. A trade receivable without a significant financing component is valued at the transaction price.

Classification and Subsequent Valuation

Financial Assets

At the first reporting date, a financial asset is classified as valued at:

- accrued acquisition value
- fair value via other comprehensive income – debt instrument investment
- fair value via other comprehensive income – equity investment
- or fair value through profit or loss

All of the Group's financial assets meet the criteria that make them belong to the category of financial assets valued at accrued acquisition value:

- They are held within the framework of a business model whose goal is to be held for the purpose of obtaining contractual cash flows.
- The agreed terms give rise at certain times to cash flows which are only payments of capital amounts and interest on the outstanding capital amount.

The valuation at accrued acquisition value is made using the effective interest method. The accrued acquisition value is reduced by write-downs. Interest income, exchange rate gains and losses as well as write-downs are reported in the income statement. Gains or losses that arise from cancellation are reported in the result.

Financial Liabilities

Financial liabilities are reported as valued at accrued acquisition value or fair value via profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as a holding for trading purposes or as a derivative.

All of Hifab's financial liabilities are classified as financial liabilities valued at accrued acquisition value. Interest expenses, effects of changes in expected cash flows and exchange rate gains and losses are reported in the income statement. Gains or losses on removal from the accounts are also reported in the income statement.

Accrued Acquisition Value

Accrued acquisition value refers to the amount to which the asset or liability was initially reported with deductions for amortisations, additions or deductions for accumulated accruals according to the effective interest method of the initial difference between the amount received/paid and the amount to be paid/received on the due date and less write-downs.

The effective interest rate is the interest rate that, when discounting all future expected cash flows over the expected maturity, results in the initially reported value of the financial asset or financial liability.

For accounts receivable and accounts payable and other current receivables/liabilities where the expected term is short, reporting takes place at a nominal amount without discounting.

Cash and Cash Equivalents

Cash and cash equivalents include cash, bank deposits and other short-term investments with maturity within three months from the date of acquisition, which can easily be converted into cash and are subject to an insignificant risk of changes in value.

Impairment of Financial Assets

The Group reports loss reserves for expected credit losses on financial assets valued at accrued acquisition value.

For long-term receivables and cash and cash equivalents, the basic principle applies that the loss reserve is valued at an amount corresponding to expected credit losses for the remaining term, except for the following, which are valued at 12 months' expected credit losses;

- receivables and bank balances that have a low credit risk on the balance sheet date; and
- receivables and bank balances for which the credit risk has not increased significantly since the first reporting occasion.

Due to the very low loss risks on Hifab's liquid assets and long-term receivables, no loss reserves have been recognised for these items at present (except for long-term accounts receivable where a reserve is made in accordance with the principle described below), since the effects are considered immaterial.

The accounts receivable reserve is assessed on the basis of individual assessments that are based on past events, current conditions and forecasts of future economic conditions.

The loss reserve for accounts receivable and contractual assets is always valued at an amount equal to the maturity of expected credit losses.

4.11 Income Taxes

Income taxes consists of current tax and deferred tax.

Current tax is tax to be paid or obtained in respect of the current year, applying the tax rates that are decided or in practice decided at the balance sheet date. This also includes adjustments to current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method. Deferred tax is generally determined on the basis of the difference between the carrying values of assets and liabilities and their respective tax values. However, deferred tax is not established in the initial recognition of goodwill or in the initial recognition of an asset or liability unless the related transaction is a business acquisition or affects the tax or accounting profit.

Deferred tax is provided on temporary differences related to investments in subsidiaries and associates and interests in joint arrangements are not considered a reversal of these temporary differences can be controlled by the Group and it is probable that the reversal will occur in the near future.

Deferred tax liabilities are recognised in full, while deferred tax assets are recognised only to the extent that they are likely to be offset against future taxable income. Hifab Group's management bases its assessment of the possibility of future taxable income on the Group's last approved budget, which is adjusted for significant tax-free income and expenses.

Changes in deferred tax assets or tax liabilities are recognised as part of the tax expense in the income statement, except where they are attributable to items recognised in equity and the associated deferred tax is also recognised in equity.

Tax receivables and tax liabilities net are shown in the balance sheet where there is a legal right to pay the amounts and that the intention is to pay the amounts net or that the claim and debt are paid at the same time.

4.12 Equity and Payment of Dividends

The share capital refers to the registered share capital and consists of the quota value of issued shares.

Paid premium is covered by any contributions received in addition to share capital in the event of completed issues. Transaction costs related to share issues are offset by the premium paid after deduction of income tax.

Currency conversion of foreign operations is included in the conversion reserve (reserves).

Retained earnings include all earnings from current and past periods as stated in the profit and loss account.

Dividends to shareholders are recognised as a liability after the General Meeting approves the dividend.

4.13 Post-Employment Benefits

Hifab Group's pension commitments have been classified as defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group does not have a legal or informal obligation to make additional payments after the fixed payments have been made. Obligations regarding fees to defined contribution plans are recognised as an expense in the income statement when they arise.

Pensions. Commitments for officials in Sweden are secured by insurance in Alecta. According to the statement of the Financial Reporting Board, UFR 10, this is a defined benefit plan, which includes several employers, but is reported as a defined contribution plan. For most of the pension benefits earned, Alecta lacks information on the distribution of earnings between employers. The entire earnings are instead registered on the last employer. In addition, there is no established regulatory framework for the management of any surpluses or deficits that may arise. It is therefore not possible to determine the respective company's share of the financial position and results of the plan in a way that is sufficiently reliable to be used as a basis for accounting as a defined benefit plan.

4.14 Leasing

The Group assesses whether the agreement is, or contains, a lease agreement when the agreement is concluded. The Group recognises a right of use and associated lease liability for all leases where the Group is a lessee, except for short-term lease agreements (contracts classified as leases with a lease period of 12 months) and low-value leases (such as computers and office equipment). For these leases, the Group recognises the lease payments as a cost linearly over the lease unless a different systematic approach is more representative of when the economic benefits from the leased assets are consumed by the Group.

The lease liability is initially valued at the present value of the lease payments not paid at the start date, discounted using the implicit interest of the lease agreement, if this interest rate can be easily determined. If this interest rate cannot be easily determined, the Group uses the marginal loan rate.

Leasing charges included in the valuation of the lease liability include:

- fixed fees (less any benefits associated with the subscription of leases)
- variable lease payments that depend on an index or price
- amounts expected to be paid by the lessee under residual value guarantees,
- the exercise price of options to purchase if the lessee is reasonably confident of taking advantage of the options; and
- penalties charged upon termination of the lease, if the lease term reflects that the lessee will avail himself of an opportunity to terminate the lease.

Leasing liabilities are recognised as separate items in the Consolidated Statement of financial position.

After the initial date, the lease liability is measured by increasing the carrying amount to reflect the interest on the lease liability (through the use of the effective interest method), and by reducing the carrying amount to reflect the lease payments. The Group revalues the lease liability (and make a corresponding adjustment to the right of use) if either:

- The lease term changes or if the assessment of an option to purchase the underlying asset changes (revaluation occurs with a changed discount rate),
- Lease fees change as a result of changes in an index or price or if there is a change in the amounts expected to be paid out under a residual value guarantee (revaluation occurs using the initial discount rate unless the lease payments change due to a change in the variable rate, in which case a changed discount rate should be used),
- An amendment to the lease agreement that is not recognised as a separate lease agreement (revaluation occurs with a changed discount rate).

Rights of use include the sum of the initial valuation of the corresponding lease liability, lease fees paid at or before the initial date and any initial direct expenses. Subsequently at cost less accumulated amortisation and accumulated impairment losses.

Rights of use are written off during the shorter of the lease term and the underlying asset's useful life. Depreciation starts at the beginning of the lease agreement.

The rights of use are recognised as a separate item in the Consolidated Statement of financial position. The Group applies IAS 36 to determine whether there is a write-down requirement for the right of Use and reports any identified write-down. Variable lease payments that do not depend on an index or price shall not be included in the valuation of the lease liability or right of use. These related payments are recognised as an expense in the period in which the event or relationship that gives rise to these payments arises and are included in the 'other external costs' in the profit or loss.

As a practical solution, IFRS 16 allows not to separate non-leasing components from leasing components, and instead account for each leasing component and all associated non-leasing components as a single leasing component. In isolated cases where the individual amount of the non-leasing component is not specific, the Group uses this practical solution.

Hifab's rights of use and associated lease liability are of two main types, the leasing of rental premises and the leasing of 'gross salary cars' for the staff. Rental contracts for premises run for 1-5 years, where most of the contracts can be extended before the rental period expires through an active choice of the lessee. When leasing cars, the lease term is usually 3 years with a possibility of extension by up to 1 year initiated by the lessee.

No leases with Hifab as a lessor have been drawn up.

4.15 IFRS 8 Operating Segments

The Group has identified the management team as the highest executive decision maker and the operating segments are based on how management follows and controls operations. Operating segments are identified based on internal reporting to the management team.

Management estimates that operations in the operating segments are similar based on the criteria in IFRS 8, which is why the Group reports a segment, project management.

4.16 Key Estimates and assumptions for accounting purposes

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under current conditions. As part of the work on the preparation of Annual Accounts, Estimates and Assumptions about the future are made. By definition, the accounting estimates resulting therefrom will not always correspond to the real result.

Taxes. Deferred tax is calculated on temporary differences between recognised and tax values of assets and liabilities and for tax loss carry-forwards. These are mainly two types of assumptions and assessments that affect the deferred tax reported. These assumptions and assessments for determining the carrying amount of different assets and liabilities and for future taxable profits, where future use of deferred tax assets depends on this.

Impairment testing for goodwill. In the impairment test of the Group's goodwill, assumptions and estimates have been made regarding margins, growth, discount rate, etc. For a more detailed description of the impairment tests, see Note 11. The carrying amount of goodwill as of December 31, 2020 amounted to SEK 15,954 thousand.

4.17 Parent Company Accounting Policies

The parent company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for legal entities.

Application of RFR 2 means that parent companies shall as far as possible apply all EU-approved IFRS within the framework of the Annual Accounts Act and the Swedish Security Act and take into account the relationship between reporting and taxation.

Amended Accounting Policies

Due to the relationship between accounting and taxation, the rules of IFRS 16 do not need to be applied in a legal entity. Instead, for those companies that choose to apply the exemption, rules are introduced covering the principles to be applied for the accounting of leases of lessees. The amendments to RFR 2 in respect of IFRS 16 shall apply for financial years beginning on or after 1st January 2019. The Parent Company applies the exemption from the application of IFRS 16, which means that the Parent Company's leases are recognised linearly over the contract period, which in essence does not imply any change compared to previous principles.

The other amendments to RFR 2 accounting for legal entities that have entered into force and are valid for the financial year 2020 have not had a material impact on the financial statements of the Parent Company.

Adopted amendments to RFR 2 which have not yet entered into force

The Parent Company has not yet begun to apply the changes in RFR 2 accounting for legal entities that enter into force on January 1, 2021 or later. The amendments are not deemed to have a material effect.

Differences compared to Group Accounting Policies

Leasing Agreement

The Parent Company is only a lessee. Leasing fees are recognised as cost linearly over the lease term unless another systematic way better reflects the user's economic benefit over time.

Financial Instruments

The Parent Company does not apply IFRS 9. Instead, a method is applied based on cost according to the Annual Accounts Act. This means that financial fixed assets are measured at cost less any impairment losses and financial current assets according to the lowest value principle.

When calculating the net sales value of receivables recognised as current assets, the principles for impairment testing and loss risk reservation are applied in accordance with IFRS 9, See principles for the Group.

When assessing and calculating impairment requirements for financial assets recognised as fixed assets, the principles for impairment testing and loss risk reservation in IFRS 9 are applied whenever possible.

Financial liabilities are measured at amortised cost using the effective interest method. Principles for the booking and cancellation of financial instruments correspond to those applied to the Group and described above.

Note 1 Other Operating Income

	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Rental income	63	124	-	-
State grants (in connection with Covid-19)	4,603	-	-	-
Other	789	1,292	-	-
Total	**5,455**	1,416	**-**	-

Note 2 Other Costs

	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Cost of purchased services	86,036	83,422	-	-
Cost expense	19,252	25,401	-	-
Differences	546	-288	-	-
Premises costs	3,985	2,599	-	-
Other expenses (Group)	26,278	29,839	-	-
Total	**136,097**	140,973	**-**	-

Audit assignment	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Deloitte	923	758	-	-
Other auditors, Finland	61	84	-	-
Total	**984**	842	**-**	-

Other services	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Deloitte	116	175	-	-
Other auditors	0	82	-	-
Total	**116**	257	**-**	-

Audit assignments refer to statutory audits of the annual and consolidated accounts and accounts, as well as the management of the Board of Directors and the CEO as well as audits and other audits carried out in accordance with agreement or arrangement. This includes other activities that it is for the company's auditor to perform as well as advice or other assistance resulting from observations in such review or the implementation of such other activities.

Note 3 Salaries and Staff (TSEK)

	Group		Parent Company	
Salaries of Board and CEO	**2020**	2019	**2020**	2019
Karin Annerwall Parö, Chairman/Board Member	200	150	-	-
Rikard Appelgren, Chairman	-	60	-	-
Carl Östring, Board Member	90	90	-	-
Jessica Petrini, Board Member	-	30	-	-
Mikael Sjölund, Board Member	60	-		
Petter Stillström, Board Member	90	60	-	-
Tomas Hermansson, Board Member	90	90	-	-
Total	**530**	480	**-**	-
Managing Directors	3,037	3,008	-	-
Other senior executives (6)	7,139	6,213	-	-
Other Salaries	129,134	136,148	**-**	-
	139,310	145,369	**-**	-
Social costs				
Board and Managing Directors	1,110	1,082	-	-
Other senior executives	2,711	2,484	-	-
Other employees	39,528	41,160	-	-
Total social costs	**43,349**	44,726	**-**	-
Pension costs				
Board	-	-	-	-
Managing Directors	1,080	1,033	-	-
Other senior executives	1,926	2,195	-	-
Other employees	16,828	18,126	-	-
Total pension costs	**19,834**	21,354	**-**	-
Total	**203,023**	**211,929**	**-**	**-**

Remuneration to senior executives
Fees to the Chairman and Members of the Board have been paid in accordance with the 2019 Annual General Meeting decision. The annual fee for the Board of Directors was set at TSEK 90 per member and TSEK 200 to the Chairman of the Board in accordance with the 2020 Annual General Meeting decision. The boards of subsidiaries do not pay any fees. In the event of a change in the Board of Directors at the Annual General Meeting, a share of the remuneration for the current year will be paid.
The President and CEO, Patrik Schelin, was paid salary and other remuneration of TSEK 2,210 (2,225) and pension costs of TSEK 925 (900) during the year. For Patrik Schelin, the pension benefit is based on ITP Plan 2, where the retirement age follows the ITP plan. Earnings-based variable remuneration has not been paid. The notice period on the part of the group is nine months and on the part of the CEO six months. Two senior executives have six months mutual notice period, the other senior executives have three months mutual notice period.
To the other Managing Directors 1.0 (1.0) in the group, salary and other remuneration of TSEK 827 (783) has been paid. Earnings-based variable remuneration has not been paid. Pension benefits to other CEOs and senior executives are paid according to the ITP plan or ITP-like plan. Some executives have chosen a defined-contribution pension within the pension plan's cost framework. Pension costs to other managing directors amount to TSEK 129 (133). No warrants or other share-related instruments are issued to Board Members, Managing Directors or other executives.

Pensions
Alecta
For officials in Sweden, the ITP 2 plan's defined benefit pension obligations for old-age and family pensions are secured through insurance with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Reporting for the ITP2 pension plan funded by insurance in Alecta, this is a defined benefit plan that includes several employers.
For the financial year 2020, the company has not had access to information to account for its proportional share of the plan's obligations, plan assets and costs, which means that the plan has not been possible to account for as a defined benefit plan. The ITP2 pension plan financed through insurance with Alecta is therefore recognised as a defined contribution plan.
The company's share of total savings premiums for ITP2 in Alecta for 2020 is 0.03756%.
The company's share of the total number of active insured persons in ITP2 in December 2020 is 0.02894%.
Expected fees for the next reporting period for ITP2 in Alecta amounts to TSEK 16,035.
The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not conform to IAS 19. At the end of 2019, Alecta's surplus in the form of the collective level of condolidation amounted to 148% (2019: 148%).
For former employees, there is a plan that is recognised separately on the balance sheet.

Note 3 Distribution of the average number of employees per country of employment

	Men		Women	
Group	**2020**	2019	**2020**	2019
Sweden	153	148	73	74
Bangladesh	56	50	6	7
Finland	4	5	2	2
Total	**213**	203	**81**	83

Proportion of women on boards and management (%)

	Group	
	31/12/2020	31/12/2019
Board of Directors	20	17
Management	29	38

Note 4 Earnings from participations in Group companies

	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Dividend from subsidiaries	-	-	-	-
Profit on divestment of subsidiaries	-	-	-	-
Loss on divestment of subsidiaries	-	-	-	-
Write-down of shares in subsidiaries	-	-	-	-5,125
Total	**-**	-	**-**	-5,125

Note 5 Interest income and similar income items

	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
External interest income	2	354	-	-
Interest rates, Group	-	-	-	-
Exchange rate differences	-	-	-	-
Other	-	-	-	-
Total	**2**	354	**-**	-

Note 6 Interest expenses and similar income items

	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
External interest rates	-72	-524	-24	-136
Interest rates, Group	-	-	-440	-449
Exchange rate differences	-792	-54	-	-
Interest, leasing	-721	-911	-	-
Other items	-4	-4	-	-
Total	**-1,589**	-1,493	**-464**	-585

Note 7 Tax reported for the year

	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Tax on profit for the year				
Current tax for the year	-492	78	-	-
Current tax attributable to previous years	-	-171	-	-
Deferred tax	-491	1,452	-522	1,473
Total	**-983**	1,359	**-522**	1,473
Difference between reported tax expense and applicable tax rate				
Profit before tax and disposition	4,440	-12,157	-464	-5,710
Estimated tax 21.4% (22%)	**-950**	2,602	**99**	1,222
Difference in foreign tax rate	85	23	-	-
Tax effect of non-deductible expenses	-256	-843	21	-1,098
Tax effect of non-taxable income	138	69	-	-
Tax effect of Group transactions	-	-	-642	1,660
Current tax attributable to previous years	-	-171	-	-
Effect of changed tax rate (22% - 21.4%)	-	-321	-	-311
Tax effect of temporary differences	-	-	-	-
Tax reported for the year	**-983**	1,359	**-522**	1,473

The valid tax rate is the tax rate for income tax in the Group, 21.4% (21.4%).

The total estimated tax deficit amounts to MSEK 64.8 (67.4) in the Group, all deficits are in Sweden. As of 31 December 2020, the Group has activated a loss carry-forward of MSEK 37.5 (40.1) leading to a deferred tax asset of MSEK 7.8 (8.3). There are no due dates for these. No deficits have been activated for loss-making entities. The deferred tax asset has been calculated based on the new tax legislation that came into force on 1 January 2019. The deferred tax asset is recognised as a fixed asset.

Deferred tax assets have been recognised when they are estimated to be offset against future tax surpluses, within a reasonable future of 5 years. Non-activated deficits are expected to be recovered on a longer horison.

Deferred tax assets and liabilities are set off when there is a legal right of set-off for current tax assets and liabilities and when deferred taxes relate to the same tax authority. After such set-off, the following amounts have appeared and are recognised in the balance sheet:

TSEK	**2020**	2019	**2020**	2019
Deferred tax assets, loss carry-forward	7,824	8,331	7,496	8,018
Deferred tax liabilities, untaxed reserves	-	-16	-	-
Deferred taxes recognised in the balance sheet	**7,824**	8,315	**7,496**	8,018

Note 8 Revenue from contracts with clients

The Group mainly reports revenue over time in a category and there are no costs associated with obtaining or completing contracts. The categories are consistent with the revenue information presented to the Group's reportable segments in accordance with IFRS 8.

	Group	
TSEK	**2020**	2019
Project management	354,228	355,698
Total	**354,228**	355,698

Revenue from external clients distributed by geographical area [1]	Group	
TSEK	**2020**	2019
Sweden	312,115	295,154
Asia	24,501	41,973
Africa	16,339	17,674
Rest of Europe	1,273	897
Total	**354,228**	355,698

[1] Revenues from external clients distributed by geographical area are based on where the clients are located.

Timing of revenue recognition	Group	
TSEK	**2020**	2019
Revenue is recognised at a certain time		
Project management	333,475	328,763
Revenue is recognised over time		
Project management	20,753	26,935
Total	**354,228**	355,698

The following table shows the total amount of the transaction price allocated to the performance commitments that are unfulfilled (or partially unfulfilled) at the end of the reporting period.

Transaction price allocated to remaining performance commitments	Group	
TSEK	**2020**	2019
Project management	45,490	94,550
Total	**45,490**	94,550

Management expects that 45% of the transaction price allocated to the performance commitments that are unfulfilled by the end of December 31, 2020 will be recognised as revenue in the next reporting period. Of the remaining 55%, 5% will be recognised as revenue in the financial year 2022 and 13% in the financial year 2023. The remaining 37% will be recognised as a revenue after 3 years.

Note 8 Revenue from contracts with clients (cont.)

The following table shows how contract balances (excluding accounts receivables) from contracts with clients are distributed per revenue stream and are reported in the consolidated balance sheet.

Contract assets	Group	
TSEK	**31/12/2020**	31/12/2019
Ongoing contracts	31,177	28,099
Accrued income	-	739
Total	**31,177**	28,838
Loss reserve for contractual assets	-	-
Reported value	**31,177**	28,838

The contract assets are included in their entirety in the ongoing contracts item. They relate to accrued services and are booked off when the item is transferred to the accounts receivable or set off against the advance received.
Hifab considers that there is no need for write-downs for current contractual assets as credit reserves are assessed on an ongoing basis, based on history and experience as well as current and future factors.

Contractual liabilities	Group	
TSEK	**31/12/2020**	31/12/2019
Advance from clients	1,553	7,870
Reported value	**1,553**	7,870
of which		
Long-term liabilities	-	-
Current liabilities	1,553	7,870
Reported value	**1,553**	7,870

Contractual debts are advances received by the client. They arise in connection with the launch of the project. They are settled as the advance is consumed, which is governed by repayment plans under each individual contract in combination with the reprocessing of services. Contractual liabilities are included in current liabilities, advance clients. All advances from the clients are considered short.

The following table shows how much of the reported income during the period is attributable to advances received that were included in the reported contractual debt at the beginning of the year. No revenue has been recognised during the year that is attributable to fulfilled performance commitments in previous periods.

Revenue recognised during the reporting period included in the contract's balance of liabilities at the beginning of the period	Group	
TSEK	**2020**	2019
Sale of consulting services	7,870	1,932
Total	**7,870**	1,932

Unused advances depend on long repayment periods according to payment plans over several years.
Otherwise, there are no capitalised costs related to completing or obtaining contracts.

Note 9 Financial Instruments

Below are the different categories of financial instruments that are included in the consolidated balance sheet.

Group 31/12/2020 TSEK	Amortised cost	Financial liabilities, valued at amortised cost
Assets		
Long-term receivables *	146	-
Ongoing contracts	32,964	-
Accounts receivable	52,718	-
Other receivables	3,009	-
Cash and bank balances	15,111	-
Liabilities		
Long-term leasing liabilities **	-	10,869
Long-term liabilities	-	100
Accounts payable	-	31,403
Current leasing liabilities **	-	8,041
Other liabilities	-	974
Total	**103,948**	**51,387**

Group 31/12/2020 TSEK	Amortised cost	Financial liabilities, valued at amortised cost
Assets		
Long-term receivables *	1,064	-
Ongoing contracts	28,099	-
Accounts receivable	66,714	-
Other receivables	996	-
Cash and bank balances	15,377	-
Liabilities		
Long-term leasing liabilities **	-	16,191
Long-term liabilities	-	-
Accounts payable	-	33,066
Current leasing liabilities **	-	9,825
Other liabilities	-	2,678
Total	**112,250**	**61,760**

* Part of Other long-term receivables in the Consolidated Financial Standing Report.
** Valued in accordance with IFRS 16.
Of the Group's total accounts receivable of TSEK 57,761, TSEK 5,043 has been reserved as bad debts.
Overdue accounts receivable over 90 days amount to TSEK 12,277.
For other financial assets and financial liabilities, the carrying amounts are considered to be a good approximation of fair values as a result of a maturity and/or interest rate bond of less than three months, which means that discounting based on current market conditions is not deemed to result in any material effect.

Note 9 Reconciliation of liabilities related to financing activities

Group

TSEK	31/12/2019	Cash flow	Non-cash flow items	31/12/2020
Leasing liabilities	26,016	-7,106	-	18,910
Long-term interest-bearing liabilities	-	100	-	100
Current interest-bearing liabilities	2,000	-2,000	-	-
Used overdraft facility	678	296	-	974

Group

TSEK	31/12/2018	Cash flow	Non-cash flow items	31/12/2019
Leasing liabilities	-	-10,323	36,339*	26,016
Long-term interest-bearing liabilities	2,000	-2,000	-	-
Current interest-bearing liabilities	4,000	-2,000	-	2,000
Used overdraft facility	-	678	-	678

Parent Company

TSEK	31/12/2019	Cash flow	Non-cash flow items	31/12/2020
Long-term interest-bearing liabilities	-	-	-	-

Parent Company

TSEK	31/12/2018	Cash flow	Non-cash flow items	31/12/2019
Long-term interest-bearing liabilities	2,000	-2,000	-	-

* Impact from the opening balance and changes during the year of IFRS 16

Note 10 Accounts Receivable

TSEK	IFRS Group 31/12/2020	IFRS Group 31/12/2019	Annually, Parent Company 31/12/2020	Annually, Parent Company 31/12/2019
Accounts receivable, gross	57,761	70,567	-	-
Reserve for bad debts	-5,043	-3,853	-	-
Total accounts receivable, net of bad debt reserve	**52,718**	66,714	-	-

Management assesses that the carrying amount of accounts receivable, net of provisions for bad debts, is consistent with fair value.

TSEK	Group 31/12/2020	Group 31/12/2019	Parent Company 31/12/2020	Parent Company 31/12/2019
Reserve bad debts at the beginning of the year	-3,853	-867	-	-
Net change in reserve	-1,795	-2,951	-	-
Conversion differences	605	-35	-	-
Total reserve bad debts	**-5,043**	-3,853	-	-

Group Age analysis accounts receivable, TSEK	31/12/2020 Gross	31/12/2020 Reserve doubtful accounts receivable	31/12/2019 Gross	31/12/2019 Reserve doubtful accounts receivable
Not overdue	42,220	-	50,073	-
Overdue 30 days	3,010	-	6,278	-
Overdue 31-60 days	267	-	4,769	-
Overdue 61-90 days	-13	-	637	-
Overdue > 90 days	12,277	-5,043	8,810	-3,853
Total	**57,761**	**-5,043**	70,567	-3,853

The Group, divided Sweden and abroad

Sweden Age analysis accounts receivable, TSEK	31/12/2020 Gross	31/12/2020 Reserve doubtful accounts receivable	31/12/2019 Gross	31/12/2019 Reserve doubtful accounts receivable
Not overdue	39,416	-	34,558	-
Overdue 30 days	2,980	-	5,673	-
Overdue 31-60 days	267	-	-	-
Overdue 61-90 days	-13	-	79	-
Overdue > 90 days	-1	-	2,163	-1,536
Total	**42,649**	**-**	42,473	-1,536

Abroad Age analysis accounts receivable, TSEK	31/12/2020 Gross	31/12/2020 Reserve doubtful accounts receivable	31/12/2019 Gross	31/12/2019 Reserve doubtful accounts receivable
Not overdue	2,804	-	15,515	-
Overdue 30 days	30	-	605	-
Overdue 31-60 days	-	-	4,769	-
Overdue 61-90 days	-	-	558	-
Overdue > 90 days	12,278	-5,043	6,647	-2,317
Total	**15,112**	**-5,043**	28,094	-2,317

The management believes that a maturity analysis of future payments does not differ significantly from the above age analysis. Group defines defaults as claims that are overdue by more than 90 days and in those cases an individual assessment and reservation is made.

Note 11 Goodwill

LBK Projektledning AB	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Initial acquisition value, 01/01/2020	6,148	6,148	-	-
Acquisitions during the year	-	-	-	-
Total accumulated acquisition value, 31/12/2020	6,148	6,148	-	-
Closing carrying amount	**6,148**	6,148	-	-

Hifab DU Teknik AB	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Initial acquisition value, 01/01/2020	9,806	9,806	-	-
Acquisitions during the year	-	-	-	-
Total accumulated acquisition value, 31/12/2020	9,806	9,806	-	-
Closing carrying amount	**9,806**	9,806	-	-

The assessment of the value of the Group's goodwill item has been made on the basis of the value in use of the two cash-generating units. The impairment test is carried out annually. The value in use is based on the cash flow that the entity is expected to generate in the Group in the future. The future cash flows used in calculating the unit's useful life are based on the budget and business plan for 2021. Thereafter, cash flows are based on a forecast that extends to 2025. Estimated revenue growth for 2021-2025 is for DU Teknik 2.6% (2.6%) and for LBK 5% (5%). Thereafter, no growth. Our experience says that sensitivity to the opportunity to significantly increase turnover is limited which is why caution exists in future calculations. Costs are expected to increase at the same rate as net sales in 2021-2025, thus the same operating margin. Thereafter, the costs are estimated to increase slightly and the operating margin will decrease by 2-3 percentage points. When calculating utility values, a discount rate of 10% (8%) before tax has been applied. The change reflects the change that has taken place in the proportion of debt that has decreased. The sensitivity lies in the ability to attract and retain new and existing personnel. Based on the assumptions presented above, the value in use exceeds the carrying goodwill for all cash generating units. Reasonable changes to the above assumptions would not result in any impairment loss related to goodwill.

Note 12 Other intangible fixed assets

	Group		Parent Company	
TSEK	**31/12/2020**	31/12/2019	**31/12/2020**	31/12/2019
Initial cost	550	550	-	-
Acquired during the year	-	-	-	-
Sales/disposals	-550	-	-	-
Total accumulated cost	**0**	550	-	-
Initial depreciation	-275	-92	-	-
Sales/disposals	275	-	-	-
Depreciation during the year	-	-183	-	-
Total accumulated depreciation	**0**	-275	-	-
Closing carrying amount	**0**	275	-	-

Intangible fixed assets, externally acquired, consist of client relations, order book and outstanding tenders.
Depreciation according to plan on the intangible assets is based on a useful life of 3 years.

Note 13 Inventories

TSEK	Group 31/12/2020	Group 31/12/2019	Parent Company 31/12/2020	Parent Company 31/12/2019
Opening cost	9,851	9,384	-	-
Purchases during the year	579	526	-	-
Sales/disposals	-51	-60	-	-
Translation difference for the year	-	1	-	-
Total accumulated cost	**10,379**	9,851	-	-
Opening depreciation	-9,298	-9,178	-	-
Sales/disposals	51	60	-	-
Depreciation	-305	-170	-	-
Translation difference for the year	2	-10	-	-
Total accumulated depreciation	**-9,550**	-9,298	-	-
Closing carrying amount	**829**	553	-	-

Closing carrying value of TSEK 829 is distributed with TSEK 829 in Sweden and SEK 0 in Finland.
Depreciation according to plan on inventory is based on the following useful lives:

Office equipment	5 years
Computer equipment	3 years
Other equipment	5 years

Note 14 Capitalised Conversion Costs

TSEK	Group 31/12/2020	Group 31/12/2019	Parent Company 31/12/2020	Parent Company 31/12/2019
Opening cost	1,146	1,146	-	-
Purchases during the year	-	-	-	-
Sales/disposals	-	-	-	-
Total accumulated cost	**1,146**	1,146	-	-
Opening depreciation	-1,146	-1,146	-	-
Sales/disposals	-	-	-	-
Depreciation during the year	-	-	-	-
Total accumulated depreciation	**-1,146**	-1,146	-	-
Closing carrying amount	**-**	-	-	-

Note 15 Rights of Use

TSEK	Premises	Cars	Total
Opening cost, 01/01/2020	29,889	6,084	**35,973**
Adjustments to additional rights of use	2,441	-177	**2,264**
Total accumulated acquisition value, 31/12/2020	**32,330**	**5,907**	**38,237**
Opening depreciation, 01/01/2020	-8,357	-1,967	**-10,323**
Depreciation during the year	-8,074	-393	**-8,467**
Total accumulated depreciation, 31/12/2020	**-16,431**	**-2,360**	**-18,790**
Closing carrying amount, 31/12/2020	**15,899**	**3,547**	**19,446**

TSEK	Premises	Cars,	Total
Opening cost, 01/01/2019	13,608	2,395	**16,003**
Adjustments to additional rights of use	16,281	3,689	**19,970**
Total accumulated acquisition values, 31/12/2019	**29,889**	**6,084**	**35,973**
Opening depreciation, 01/01/2019	0	0	**0**
Depreciation during the year	-8,357	-1,967	**-10,323**
Total accumulated depreciation, 31/12/2019	**-8,357**	**-1,967**	**-10,323**
Closing carrying amount, 31/12/2019	**21,532**	**4,117**	**25,649**

Amounts reported in profit or loss

TSEK	**2020**	2019
Depreciation of rights of use	-10,931	-10,323
Interest expenses on leasing liabilities	-721	-911

Costs related to short-term leases and low-value leases		
Cars	627	181
Rent	1,794	1,229
Others	1,547	1,128
Total costs related to short-term leases and low-value leases	**3,968**	**2,538**

The entire amount is expensed during the year.
On 31 December 2020, the Group has obligations regarding short-term lease agreements of TSEK 4,055.
The total cash flow for leases amounted to TSEK 12,279.

Maturity analysis lease liability

TSEK	**31/12/2020**	31/12/2019
Year 1	9,501	11,316
Year 2	8,090	8,512
Year 3	2,649	6,123
Year 4	-	1,301
Year 5 and later	-	-

The amounts refer to undiscounted lease payments

Classified as:

TSEK	**31/12/2020**	31/12/2019
Long-term liabilities	10,869	16,191
Current liabilities	8,041	9,825
Total lease liability	**18,910**	26,016

The Group's rights of use are subject to annual impairment testing. A discount rate of 3% for premises and 5% for real estate has been used. The impairment test is carried out on the Group as a cash generating unit. The outcome of the impairment test is that the carrying value of the rights of use is justified and no impairment needs to occur.

Note 16 Shares in Group companies

Hifab Group AB	Org. number	Domicile	Number of shares	Capital and votes, %	Book value SEK 31/12/2020	31/12/2019
Hifab Finans AB	556544-8098	Stockholm	205	100	316	316
Hifabgruppen AB	556537-8261	Stockholm	2,900,000	100	147,176	147,176
Hifab AB	556125-7881	Stockholm		100		
Pontem Access AB	556519-9220	Stockholm		75.5		
Hifab AS Norge	954 985 601	Oslo		100		
CMn Byggprojektledaren i Norr AB	556377-2739	Stockholm		100		
Hifab LSPI	81 01-83	Vilnius		100		
Hifab DU Teknik AB	556573-1550	Stockholm		100		
Hifab KanEnergi AB	556541-8927	Stockholm		100		
Hifab Netcom AB	556599-8787	Stockholm		100		
Hifab International AB	556100-3962	Stockholm		100		
Hifab Kazakhstan Sweden Ltd	26879-1901-TOO	Astana		50		
Hifab Oy	1775079-9	Esbo		100		
Hifab Development AB	556426-9297	Stockholm		100		
Hifab Middle East Ltd	1010183035	Riyadh		50		
Hifab SIA	33699	Riga		100		
ICS Interconsult Sweden AB	556460-7884	Stockholm		100		
Hifab Netcom Nigeria Ltd	603173	Lagos		72.5		
Fiberdata Operations AB	556589-6742	Stockholm	1,000	100	79	79
Hifab Activity AB	556318-5833	Stockholm	4,000	100	517	517
Danovia Data AB	556435-0584	Stockholm	50,304	100	503	503
LBK Projektledning AB	556657-7473	Stockholm	1,000	100	4,111	4,111
Total					**152,702**	152,702

Shares in Group companies	Parent Company	
TSEK	**31/12/2020**	31/12/2019
Opening cost	199,509	199,509
Investments for the year	-	-
Divestments for the year	-	-
Closing accumulated acquisition values	199,509	199,509
Opening balance	-46,807	-41,683
Divestments for the year	-	-
Revaluation/write-down for the year	-	-5,124
Accumulated impairment losses	-46,807	-46,807
Closing book value	**152,702**	152,702

Note 17 Shares in Associates and Joint Ventures

	Equity %	Voting rights %	Book value Group TSEK	Org. number	Domicile
Hifab Middle East Co Ltd	50	50	-	1 010 183 035	Riyadh
Hifab Kazakstan	50	50	-	26879-1901-TOO	Astana

Joint ventures are valued at 0 in the Parent Company's balance sheet. In addition to the book value of the Parent Company, the Group's income statement and balance sheet includes the following value additions from Hifab Middle East Co Ltd and Hifab Kazakhstan, which corresponds to 50% of the company's income statement and balance sheet.

Income statement	**2020**
Net sales	-
Operating costs	-
Net income	-

Balance sheet	**31/12/2020**
Fixed assets	-
Current assets	243
Total assets	243

Note 18 Ongoing assignments on behalf of others

	Group		Parent Company	
Fixed price, TSEK	**31/12/2020**	31/12/2019	**31/12/2020**	31/12/2019
Fixed price	26,285	11,332	-	-
Current account, earned	4,892	16,767	-	-
Total	**31,177**	28,099	-	-

Note 19 Prepaid expenses and accrued income

	Group		Parent Company	
TSEK	**31/12/2020**	31/12/2019	**31/12/2020**	31/12/2019
Prepaid rental costs	1,941	2,343	-	-
Prepaid pension expenses	198	146	-	-
Prepaid insurance	53	158	-	-
Other items	3,014	2,886	-	-
Accrued income	-	739	-	-
Total	**5,206**	6,272	-	-

Note 20 Other non-current receivables from Group companies

	Parent Company	
TSEK	**2020**	2019
Opening cost	7,694	6,512
Group receivables	-1,183	1,182
Adjustment	-	-
Outgoing accumulated acquisition value	**6,511**	**7,694**
Opening balance	-	-
Accumulated impairment losses	-	-
Closing carrying amount	**6,511**	7,694

All receivables are Group receivables that are netted company by company, long-term receivables against long-term liabilities. Group contributions, dividends, etc. constitute the net difference.

Note 21 Earnings per share

TSEK	Group 2020	Group 2019
Profit for the year attributable to shareholders of the Parent Company	3,457	-10,798
Average number of shares	60,838,912	60,838,912
Earnings per share	0.06	-0.18

No potential ordinary shares exist, so the above summary refers to earnings per share before and after dilution.

Note 22 Share Capital

The Parent Company's share capital consists of 60,838,912 shares with a nominal value of SEK 0.10. For specification of changes in equity, see summaries of changes in equity, page 18.

Number of shares
The share capital of the Parent Company is divided into 1,562,666 Class A shares and 59,276,246 Class B shares.
Class A shares carry 10 votes and Class B shares carry 1 vote.

Proposed dividend
According to the Board of Directors' Report, the Board proposes that no dividend be paid (0).

Number	A-Shares	B-Shares	Total number of shares
IB 01/01/2020	1,562,666	59,276,246	60,838,912
UB 31/12/2020	**1,562,666**	**59,276,246**	**60,838,912**

Note 23 Overdraft Facility

The Group has an unused overdraft of TSEK 25,029 (26,043). The overdraft facility is utilised with TSEK 975 (0).

Note 24 Financial Liabilities

	31/12/2020			31/12/2019		
Group, TSEK	Financial liabilities	Lease liabilities	Total	Financial liabilities	Lease liabilities	Total
Matures within 1 year	32,413	8,041	40,454	35,794	11,316	47,110
Matures within 1-3 years	73	10,869	10,942	131	14,635	14,766
Matures within 5 years	136	-	136	-	1,301	1,301
Total	**32,622**	**18,910**	**51,532**	**35,925**	**27,252**	**63,177**

	31/12/2020			31/12/2019		
Parent Company, TSEK	Financial liabilities	Lease liabilities	Total	Financial liabilities	Lease liabilities	Total
Matures within 1 year	-	-	-	2,678	-	2,678
Matures within 1-3 years	-	-	-	-	-	-
Matures within 5 years	-	-	-	-	-	-
Total	**-**	**-**	**-**	**2,678**	**-**	**2,678**

Note 25 Accrued expenses and deferred Income

	Group		Parent Company	
TSEK	**31/12/2020**	31/12/2019	**31/12/2020**	31/12/2019
Staff-related costs	19,128	17,809	-	-
Accrued expenses, sub-contractors	7,246	5,300	-	-
Other items	1,587	5,073	-	2
Total	**27,961**	28,182	**-**	2

Note 26 Pledged assets and contingent liabilities

Pledges and thus comparable collateral for own liabilities and provisions.

	Group		Parent Company	
TSEK	**31/12/2020**	31/12/2019	**31/12/2020**	31/12/2019
Corporate mortgages for debt to credit institutions	26,500	26,500	-	-
Pledged assets for shares in Group companies	12,900	12,900	-	-
Guarantees	7,380	11,332	-	-
Total	**46,780**	50,732	**-**	-

Note 27 Purchases and sales to Group companies

The Parent Company, Hifab Group AB, does not conduct any sales and does not have any purchases from subsidiaries.

Note 28 Non-cash flow-related accounting Items

	Group		Parent Company	
TSEK	**2020**	2019	**2020**	2019
Depreciation according to plan	305	353	-	-
Depreciation right of use	10,931	10,323	-	-
Exchange rate changes	-170	40	-	-
Provision for capital insurance	-	-34	-	-
Provision for taxes	-	-79	-	-
Effect IFRS 16	-4,728	240	-	-
Total	**6,338**	10,843	**-**	-

Note 29 Distribution of the Company's profit or loss

Proposal for distribution of profit for the year

The following earnings are for distribution at the Annual General Meeting, SEK:	
Balanced profit	93,155,323
Share premium fund	50,192,102
Net income	2,013,520
Earnings to distribute	**145,360,945**
	-
No dividend for the financial year 2020 is proposed:	
To be transferred	**145,360,945**

Note 30 Related party transactions

No related party transactions have taken place during the period, except for remuneration to the Board and Management.

Note 31 Risks

Market risks
The Group's operations are affected by the general economic development, which has a strong impact on private companies' willingness and ability to invest. A large part of revenue is to public clients, where political decisions can have an impact on the Group's business opportunities. The industry's lack of staff with high mobility in the market as a result may adversely affect opportunities if the trend continues.

Insurable risks
Hifab Group AB has normal insurance for property and liability risks for the Group.

Financial risk factors
The Group's business is exposed to various financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The financial risks in the Parent Company are consistent with the Group's risks. As of 31 December 2020, the Group's total loan financing amounts to MSEK 0.1, of which MSEK 0 is short-term. The Group's borrowing is with Danske Bank and follows the usual terms and conditions with pledges as specified in Note 26. Financial liabilities excluding bank loans, have a short term of 0-3 months, which is why the carrying amount is deemed to correspond to the fair value. These are mainly variable interest rates, which is why the assessment is that the fair value corresponds to the carrying value.

Financial risks
The Parent Company coordinates liquidity planning and follows a financial policy adopted by the Board of Directors. The financial risks in the business are low. Checks are carried out internally in different ways. The main financial risk is credit risk. Financial instruments such as derivatives and the like are not used and thus do not pose any risk.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments varies due to changes in market rates. The Group has net financial interest-bearing assets of MSEK -4.8 at the balance sheet date. Hifab has good solvency and the loan requirement mainly relates to the use of the overdraft facility. Most of the year the credit is not used.

Credit risk
Credit risk is the risk that a party to a transaction with a financial instrument cannot fulfill its commitment. Most of the Hifab Group's major clients are large and dependable. The current credit risk consists primarily of these accounts receivable. Of the Group's total accounts receivable of TSEK 57,761, the share of overdue receivables older than 90 days is TSEK 12,277. Credit controls are made for new clients. The maximum credit risk is matched by the book value of the financial assets. The assessment is that there is no significant concentration of credit risk, geographically or within a particular client segment. The accounts receivable reserve is assessed on the basis of individual assessments that are based on past events, current conditions and forecasts of future economic conditions. The loss reserve for accounts receivable and contractual assets is always valued at an amount equal to the maturity of expected credit losses. Review to assess business risks in these relationships occurs on an ongoing basis, and write-downs of receivables occur when there is objective evidence that overdue amounts will not be paid. See Note 10.

Liquidity risk
Prudence in dealing with liquidity risk means holding sufficient cash, or agreed credit facilities to be able to close market positions. Liquidity risk is currently considered to be reasonably low, there is sufficient cash and agreed credit facilities to make this assessment.

Actual values
Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:
- a financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the agreed terms of the financial asset give rise at specified times to cash flows which are only payments of principal and interest on the outstanding principal

Debt instruments that meet the following conditions are then measured at fair value through other comprehensive income:
- the financial asset is held within a business model whose objectives are achieved by both collecting contractual cash flows and selling the financial assets; and
- the agreed terms of the financial asset give rise at specified times to cash flows which are only payments of principal and interest on the outstanding principal.

The Group's goals regarding capital structure are to maintain the Group's ability to continue its operations in order to generate returns to shareholders, benefit other stakeholders, and to maintain an optimal capital structure to keep the cost of capital down. Dividends to shareholders, redemption of shares, issuance of new shares or sale of assets are examples of measures that the Group can use to adjust the capital structure.

Currency risks
Currency risk occurs where exchange rate fluctuations have a negative impact on the Group's earnings and equity. Foreign currency exposure occurs in connection with payment flows in foreign currency when international client contracts are drawn up mainly in EUR, USD or BDT. The policy involves matching costs as much as possible with the same currency as revenues. Expected currency surpluses are continuously measured and a decision is made whether to hedge or exchange. All within the framework of the fiscal policy that means that the Group should not speculate in currency. The total exposure expressed in SEK and after offsetting counterflows amounted to TSEK 353 in 2020.

Note 31 Risks (cont.)

Sustainability risk
The sustainability risks in Hifab are in the areas of environment, human resources, social conditions, human rights and corruption. The area that poses the greatest risk is corruption, both in Sweden and abroad. Together with the World Bank, the company has initiated a review and improvement of internal processes and the procurement of partners. These activities are in their final phase, and was completed in February 2021. Hifab is actively working to mitigate these risks and has supplemented our Code of Conduct with an anti-corruption policy that will provide guidance to both employees and partners. See our Sustainability Report.

IT security
Hifab is actively working with IT security and has taken steps to prevent IT issues from occurring. To the extent that problems still arise, this is quickly addressed so that production and deliveries are minimally affected. Hifab has an IT department that works to ensure operations, evaluate our systems and develop them safely.

Note 32 Group Capital

Hifab Group manages its capital in order to ensure the Group's continued survival and freedom of action and to ensure that returns to shareholders are maximised through a good balance between liabilities and equity. The breakdown between equity and borrowed capital should be such that a good balance is obtained between risk and return. The Group's equity consists of equity, as well as short-term and long-term borrowings. The share of equity and change during the year are described in the Group's change in equity on page 18. As a guarantee for this, an overdraft facility TSEK 26,004 has been pledged and corporate loans worth TSEK 39,400. The capital structure is adapted as necessary to changing economic conditions and other external factors. To maintain and adjust the capital structure, the Group may distribute funds, increase its own equity through the issuance of new shares or capital injections, and reduce or increase its liabilities.

During the year, the Group has amortised interest-bearing liabilities of MSEK 1.9 and the Group's share of interest-bearing liabilities as of 31 December 2020 is minimal. In addition, the Group has good liquidity and good cash flow. There is very little risk that a current loan requirement will arise. The Group's goal is not to utilise any loans, nor to use our overdraft facilities more than for operational fluctuations in the form of calendar effects in day-to-day operations. Have stable solvency and liquidity so that the operating companies have a good credit rating equivalent to AA or better.

Note 33 Events after the end of the financial year

New Market Area Manager
Hifab has recruited Jonas Thimberg as New Market Area Manager South. Jonas has long experience from the industry where he has worked as, among other things, Regional Manager, Divisional Manager and CEO in various technology and consulting companies. Jonas took up his position on 1 February 2021 and will be part of Group Management.

Covid-19
Hifab has taken several measures to avoid the spread of the virus, protect employees and clients and to mitigate the negative effects that may occur for Hifab. These measures have continued in 2021. The Swedish market has remained good during the start of 2021. As far as overseas operations are concerned we see continued locked down countries, but the assessment is that they will gradually open up.
The impact on operations has continued to be limited in 2021 and has not materially changed. However, such changes can still occur relatively quickly.

Stockholm 31 March 2021

Karin Annerwall Parö
Chairman of the Board

Tomas Hermansson

Mikael Sjölund

Petter Stillström

Carl Östring

Henrik Hederfors

Patrik Schelin
CEO

Our Audit Report was submitted on 31 March 2021.

Deloitte AB
Johan Telander, Chartered Accountant

Auditor's Report

To the Annual General Meeting of Hifab Group AB
corporate identity number 556394-1987

Report on the annual report and consolidated accounts

Statements

We have audited the annual accounts and consolidated accounts of Hifab Group AB for the financial year 01/01/2020 – 31/12/2020. The company's annual accounts and consolidated accounts are included on pages 10-48 of this document.

In our opinion, the annual accounts have been prepared in accordance with the annual accounts act and present, in all material respects a true and fair view of the Parent Company's financial position as of December 31, 2020, and of its financial performance and its cash flows for the year in accordance with the Swedish Annual Accounts act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present, in all material respects a true and fair view of the Group's financial position as of December 31, 2020, and of its financial performance and its cash flows for the year in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EUROPEAN union, the Swedish Annual Accounts Act. The annual report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the Annual General Meeting establishes the Income Statement and the Balance Sheet of the Parent Company and the Group.

Basis for Statements

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities according to these standards are described in more detail in the Auditor's Responsibilities section. We are independent in relation to the Parent Company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional 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 opinion.

Information other than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information can be found on pages 1-9 and 52-54 but does not include the annual report, the consolidated financial statements and our audit report.

Our statement regarding the annual accounts and the consolidated accounts does not include this information and we do not make any statement confirming this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially incompatible with the annual accounts and consolidated accounts. In this review, we also take into account the knowledge we otherwise acquired during the audit and assess whether the information otherwise seems to contain material misstatements.

If, based on the work that has been done regarding this information, we conclude that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and for giving a true and fair view in accordance with the Annual Accounts Act and, as regards the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control they deem necessary for the preparation of an annual and consolidated financial statements that contain no material misstatement, whether due to irregularities or mistakes.

When preparing the annual accounts and the consolidated accounts, the Board of Directors and the CEO are responsible for assessing the company's and the Group's ability to continue operations. They inform, where applicable, of conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation does not apply if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of these.

Auditor's Responsibilities

Our objectives are to achieve a reasonable degree of certainty as to whether the annual accounts and consolidated accounts as a whole do not contain material misstatement, whether due to irregularities or mistakes, and to submit an audit report containing our statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden will always detect a material misstatement when available. Errors may arise due to irregularities or mistakes and are considered material if they can reasonably be expected to affect individually or together the financial decisions made by users on the basis of the annual accounts and consolidated accounts.

As part of an audit according to ISA, we use professional judgment and have a professionally skeptical attitude throughout the audit. Also:

- identification and assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures, among other things, according to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detection of material misstatement as a result of irregularities is higher than that of material misstatement due to errors, as irregularities may include collusion, falsification, deliberate omissions, misinformation or breach of internal control.
- we acquire an understanding of the part of the company's internal control that is relevant to our audit in order to design audit measures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of internal control.
- we evaluate the appropriateness of the accounting policies used and the reasonableness of the estimates of the Board of Directors and the CEO in the accounting and related disclosures.

- we conclude on the appropriateness of the Board of Directors and the CEO using the assumption of continued operation in the preparation of the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether there is any material uncertainty related to such events or conditions that could lead to significant doubts about the company's and the Group's ability to continue operations. If we conclude that there is a material uncertainty factor, then in the audit report we must draw attention to the disclosures in the annual accounts and consolidated financial statements about the material uncertainty factor or, if such disclosures are insufficient, modify the statement on the annual accounts and consolidated financial statements. Our conclusions are based on the audit evidence collected up to the date of the audit report. However, future events or circumstances may prevent a company and a Group from continuing to operate.
- we evaluate the overall presentation, structure and content of the annual accounts and consolidated financial statements, including the disclosures, and whether the annual accounts and consolidated financial statements reflect the underlying transactions and events in a way that gives a true and fair view.
- we obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to make a statement regarding the consolidated financial statements. We are responsible for Controlling, Monitoring and performing the Group audit. We are solely responsible for our statements.

We must inform the Board of Directors about, among other things, the planned scope and direction of the audit and the timing of it. We must also provide information on significant findings during the audit, including any significant deficiencies in internal control identified by us.

Report on other requirements of Laws, Regulations and Administrative Provisions

Statements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the management of the Board of Directors and the CEO of Hifab Group AB for the financial year 2020-01-01 – 2020-12-31 and the proposed appropriations regarding the company's profit or loss.

We approve that the annual general meeting disposes of the profits as proposed in the annual general report and grants discharge to the members of the Board of Directors and the CEO for the financial year.

Basis for Statements

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under this are described in more detail in the section Auditor's Responsibilities. We are independent in relation to the Parent Company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional 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 opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. When proposing a dividend, this includes, among other things, an assessment of whether the dividend is justifiable taking into account the requirements that the Company's and the Group's type of activity, scope and risks impose on the size of the Parent Company's and the Group's equity, consolidation needs, liquidity and other positions.

The Board of Directors is responsible for the organisation and management of the Company's affairs. This includes continuously assessing the Company's and the Group's financial situation and ensuring that the Company's organisation is designed to ensure that the accounting, administrating organisation and the Company's financial affairs are controlled in a satisfactory manner. The CEO shall manage the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall, inter alia, take the necessary measures to ensure that the Company's accounts are carried out in accordance with the law and that the administrating organisation is managed in a satisfactory manner.

Auditor's Responsibilities

Our objective regarding the audit of management, and therefore our statement of discharge, is to obtain audit evidence in order to assess with a reasonable degree of certainty whether any Board Member or CEO in any material respect:

- committed any action or negligence which may cause liability to the company; or
- in any other way acted in violation of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the revision of the proposed appropriation of the company's profit or loss, and therefore our statement on this, is to assess with reasonable degree of certainty whether the proposal is compatible with the Companies Act.

Reasonable assurance is a high degree of certainty, but no guarantee that an audit carried out in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may cause liability to the Company, or that a proposed appropriation of the Company's profits or losses is not compatible with the Companies Act.

As part of an audit in accordance with good auditing practice in Sweden, we use professional judgment and have a professionally skeptical attitude throughout the audit. The audit of the management and the proposed disposition of the company's profit or loss is based primarily on the audit of the accounts. The additional review measures that are carried out are based on our professional assessment based on risk and materiality. This means that we focus the review on such measures, areas and conditions that are essential for the business and where departures and violations would have particular significance for the Company's situation. We review and review decisions made, documentation, actions taken and other circumstances relevant to our discharge statement. As a basis for our statement on the Board's proposed appropriation of the Company's profit or loss, we have examined whether the proposal is compatible with the Swedish Companies Act.

Stockholm, March 31, 2021,
Deloitte AB, Johan Telander, Authorised Public Accountant

Board of Hifab Group AB

Karin Annerwall Parö

Board Member, 1961

Elected to the Board: 2018

Other relevant assignments:
Member of the Swedish Academy of Engineering Sciences Division II, Board Member of Brand Invest.

Main work experience:
Karin has held several senior positions at Sweco, including as CEO of Sweco Systems AB and as business area manager for WSP Environmental. Karin has also been part of the management team for Sweco Sweden. She has previously been CEO of Metria AB and before that she worked for several years at Vattenfall, including as Environmental Manager. Since 2017, she runs her own company with a focus on leadership, strategy and business development.

Education: Master of Science & Technology in Chemical Engineering, KTH, Stockholm

Shareholding: -

Tomas Hermansson

Board Member, 1968

Elected to the Board: 2017

Other relevant assignments:
Chairman of the Board of the City Developers in Värtahamnen. Board Member of Real Estate News and Fire Office

Main work experience:
President and CEO of Bonnier Fastigheter AB since 2007, before that Business Unit Manager at Klövern AB, Head of Administration at Fabege AB and over 10 years of experience from various line positions within the Skanska Group.

Education: Civil Engineer, Road and Water, KTH, Stockholm

Shareholding: 10,000 B-shares

Mikael Sjölund

Board Member, 1971

Elected to the Board: 2020

Other relevant assignments:
Board Member of Libitum, Project Purchase and Wirba.

Main work experience:
CEO and the Owner of Coreco since 2015 and own investment business Kvarnsvik since 2014. Before that, Deputy CEO Assemblin, Purchasing Director Skanska Sweden and various other senior positions within Skanska for more than 15 years.

Education: Construction Engineer with Economic Focus, University of Borås

Shareholding: -

Petter Stillström

Board Member, 1972

Elected to the Board: 2019

Other relevant assignments:
Chairman of the Nilörn Group, OEM International and Softronic. Member BE Group.

Main work experience:
CEO of Traction since 2001 and Board Member since 1997.

Education: Master of Economics, Stockholm University

Shareholding: Partner in Traction and Niveau Holding, which together owns about 61% of the shares and 68% of the votes in Hifab Group.

Carl Östring

Board Member, 1974

Elected to the Board: 2018

Other relevant assignments:
Chairman of the Board Drillcon AB, Stenhusgruppen AB and Kapatens Partners AB., Board Member of Duroc AB and Recco AB.

Main work experience:
Operates business legal advice through Carl Östring General Counsel AB., former General Counsel and Investment Manager at Traction, prior to that Lawyer and Bankruptcy Trustee.

Education: Masters of Laws, Uppsala University

Shareholding: -

Henrik Hederfors

Board Member of the Union, 1971

Elected to the Board: 2017

Emma Berg Jonsson

Deputy of the Union, 1973

Elected to the Board: 2019

Management in Hifab Group AB

Patrik Schelin

CEO
A-shares: -
B-shares: 200,000

Robert Johansson

CFO
A-shares: -
B-shares: -

Malin Sandkulla

Human Resources Director
A-shares: -
B-shares: -

Krister Ledberg

Market Area Manager West
A-shares: -
B-shares: -

Cecilia Cederloo

Market Area Manager North
A-shares: -
B-shares: 1,500

Jonas Thimberg

Market Area Manager South
A-shares: -
B-shares: -

Farshad Saba

Market Area Manager East
A-shares: -
B-shares: 32,000

Annual General Meeting

Time and place

The Annual General Meeting will be held on Tuesday May 11 2021 at 17.00. Hifab's Head Office: Norrtullspalatset, Sveavägen 167, floor 3, Stockholm. This is subject to change bearing in mind the current situation. A digital AGM can then instead replace the physical AGM. However, the same date and time will apply. More information will be included in the notice convening the Annual General Meeting, which will be published on 8 April 2021.

Right to participate

In order to participate in the Annual General Meeting, shareholders must be entered on the share register kept by Euroclear Sweden AB on behalf of the company on the record date of 3 May 2021, and no later than Friday 7 May 2021 at 12.00 to have informed the company of participation.

Registration

Shareholders who have registered their shares must, no later than 3 May 2021, have temporarily registered the shares with Euroclear Sweden AB in their own name in order to be entitled to participate in the meeting.

Notification of participation in the Annual General Meeting can be made to the company as follows:
Email: hifabgroup@hifab.se
Telephone: 010-476 60 00
Post: Hifab Group AB, Att: Emma-Lisa Runius, Box 19090, 104 32 Stockholm

When registering, shareholders must state their name, social security number/organisation number, address, telephone number, shareholding and, where applicable, any representatives.

Proxy and representatives

Shareholders' rights at the meeting may be exercised through an authorised representative. Power of attorney must be in writing and must not be older than twelve months. Please note that the power of attorney must be submitted in original or brought to the meeting. Shareholders who wish to exercise the right to bring a maximum of two representatives to the meeting must report this and the number of representatives in connection with the notification to the Annual General Meeting.

Dividend

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2020 financial year. If the Annual General Meeting resolves in accordance with the proposal, no dividend will be paid.

Distribution of the Annual Report

The Annual Report is available at the company and on the website www.hifab.se on 8 April 2021. In addition, the Annual Report is sent by post to the shareholders who notify the company that they wish to do so, see below.

Financial information 2021/2022

Interim reports
January–March 2021: 28 April 2021
January–June 2021: 20 July 2021
January–September 2021: 25 October 2021

Annual Report
January – December 2020: February 2022

Information Channels
Hifab's website, www.hifab.se, contains interim reports, annual reports, share price charts and press releases. Printed information can be obtained via the company, either via order by phone, +46 10-476 60 00 or via email at info@hifab.se

”Hifab is leading the construction of tomorrow’s sustainable society

Hifab Group AB

www.hifab.se | tel +46 10-476 60 00 | fax +46 10-476 67 80

HEAD OFFICE

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HIFAB AB – OFFICES

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Magasinsgatan 22, 411 18 **Göteborg**
Östra Storgatan 9, 553 20 **Jönköping**
St Larsgatan 12, 582 24 **Linköping**
Carlsgatan 12A, 211 20 **Malmö**
Olai Kyrkogata 40, 602 33 **Norrköping**
Wedavägen 1B, 152 42 **Södertälje**
Brogatan 1, 903 25 **Umeå**
Badhusgatan 10, 722 15 **Västerås**
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Hifab