

## ANNUAL REPORT 2022

### REPORT OF THE DIRECTORS

The Board of Directors and the President of Skanska Financial Services AB (publ) hereby submit the Annual Report for the 2022 financial year.

This is a copy of the original version of the Annual Report 2022, which is prepared in Swedish in the European single electronic format (Esef). This document is in all respects a translation of the Swedish original Annual Report 2022. In the event of any differences between this translation and the Swedish original, the latter shall prevail. This translation has not been subject to a review by the company's auditors.

#### Business activities

Skanska Financial Services is a wholly owned subsidiary of Skanska AB (publ) (556000-4615), which has its registered office in Stockholm Municipality. Skanska AB is listed on NASDAQ Stockholm, Large Cap list. Skanska Financial Services has listed bonds in the form of medium-term notes (MTN) on NASDAQ Stockholm.

Skanska Financial Services provides support functions to Skanska AB and the Skanska Group's Business Units. The company coordinates the Skanska Group's relationships with financial markets and institutions. The company is also responsible for managing Skanska Group's borrowing and for ensuring that the Group has sufficient liquidity. Skanska Financial Services coordinates and executes operational financial transactions for the Business Units.

Business activities are conducted within strictly regulated frameworks established by Skanska AB's Board of Directors and the group management (Group Leadership Team). Skanska Financial Services secures solutions or negotiates contract guarantees and any financing that is not otherwise obtained through the internal bank. Skanska Financial Services also manages risks associated with the Skanska Group's operations, such as interest rate, foreign exchange, credit, counterparty and project risk, as well as borrowing and liquidity. The Skanska Group's internal risk management unit, which reviews larger tender requests, is also encompassed within Skanska Financial Services.

Skanska Financial Services AB is not to conduct any business that requires permits under the Banking and Financing Business Act (2004:297).

#### Events during the year

In 2022, Skanska Financial Services refinanced the syndicated backup facility. The new credit facility of EUR 500 million is linked to sustainability. Contract term is five years with the possibility of two extensions of one year each after the first and second year respectively.

During 2022, Skanska Financial Services had a continued strong liquidity position. Due to this no new credits were taken out.

Global interest rates rose sharply in 2022, driven by rising inflation. Both interest income and interest expenses rose, the net effect was positive as interest-bearing assets exceed interest-bearing liabilities.

Rising inflation and increased uncertainty have also led to rising credit spreads during the year. If the levels remain or continue to rise, this may lead to higher financing costs in the long term.

Louise Hallqvist replaced Therese Tegner as CEO as of June 1, 2022. The extraordinary general meeting on June 1, 2022 elected Louise Hallqvist as a new regular board member, dismissing Therese Tegner.

#### Anticipated future development

The core operations will remain the same. Management of financial risks will remain an important focus in the years ahead, in particular in light of the fact that the geopolitical environment remains uncertain.

Multi-year review

|                     | 2022   | 2021   | 2020   | 2019   | 2018   |
|---------------------|--------|--------|--------|--------|--------|
| Net interest income | 257    | 222    | 227    | 410    | 535    |
| Operating revenue*  | 160    | 158    | 140    | 346    | 484    |
| Total assets        | 43 395 | 42 369 | 33 279 | 33 601 | 36 417 |
| Equity              | 650    | 388    | 596    | 433    | 273    |
| Equity/assets ratio | 1,5%   | 0,9%   | 1,8%   | 1,3%   | 0,7%   |

\* Represents revenue before tax

Information on financial risks

Through its operations, aside from business risk, Skanska Financial Services is exposed to various financial risks such as credit risk, liquidity risk and market risk. These risks are associated with the company's reported financial instruments such as cash and cash equivalents, interest-bearing receivables, borrowing and derivatives.

Each year, based on the Skanska Group's Financial Policy, Skanska AB's Board of Directors establishes guidelines, objectives and limits for the management of financial risks within the Group. Skanska Financial Services has operational responsibility for securing Skanska Group's financing and for managing liquidity, financial assets and liabilities.

**Credit risk**

Credit risk is the risk associated with the financial assets and arises if a counterparty does not fulfill its contractual obligations to Skanska Financial Services.

*Financial credit risk - the risk associated with interest-bearing assets*

Financial credit risk is the risk Skanska Financial Services is exposed to in relation to financial counterparties in the investment of surplus funds, bank account balances and investments in financial assets. Credit risk also arises in the use of derivative instruments and consists of the risk that a potential gain will not be realized if a counterparty fails to fulfill its part of the contract.

**Market risk**

Market risk is the risk that the fair value of financial instruments or future cash flows from financial instruments will fluctuate due to changes in market prices. The main market risks for Skanska Financial Services are interest rate risk and foreign exchange rate risk.

*Interest rate risk*

Interest rate risk is the risk that changes in interest rates will adversely affect Skanska Financial Services financial items and cash flow (cash flow risk) or the fair value of financial assets and liabilities (fair value interest rate risk).

*Foreign exchange rate risk*

Foreign exchange rate risk is defined as the risk of a negative impact on the income statement and statement of financial position of Skanska Financial Services due to fluctuations in foreign exchange rates. Foreign exchange rate risk arises mainly in connection with the company's transaction exposure, i.e. net operating and financial (interest/principal payment) flows.

For more information on financial risks, see Note 3 Financial instruments and financial risk management.

Significant events after the closing day

There were no significant events after the closing day.

### Employees

To attract and retain employees, the Skanska Group has, among other things, established an employee ownership program, Seop. Indefinite-term employees of the Skanska Group are entitled to participate in the program.

Every year an employee survey is carried out at Skanska Financial Services to get an idea of employee satisfaction and well-being, and of the need for development measures. The survey results over the years have been consistently positive and stable.

Skanska Financial Services works according to a plan for equal treatment that is revised annually. The plan for equal treatment is based on Swedish laws and is supported by Skanska AB's code of conduct. The plan for equal treatment is a plan for rights, responsibilities and opportunities regardless of gender, age, ethnic group, religion or other belief system, sexual orientation, disability, or part-time or temporary employment.

The employee turnover rate for the year was 8 (11) percent.  
The average number of employees in 2022 was 26 (28).

### Proposed allocation of Company earnings

The Board of Directors proposes that the available profit of SEK 589 087 364 to be allocated as follows:

Dividend to Skanska AB: SEK 250 000 000

To be carried forward: SEK 339 087 364

For information on the company's results and position in general, please refer to the following income statement and balance sheet and the accompanying notes, as well as the cash-flow statement.

### Corporate governance principles

Skanska AB owns 100 percent of Skanska Financial Services, which is a Swedish public limited company. Skanska Financial Services has bonds listed on Nasdaq Stockholm.

Skanska Financial Services is governed in accordance with the Articles of Association, the Swedish Companies Act, the Nasdaq Stockholm Rule Book for Issuers and other applicable Swedish and foreign laws, rules and regulations as well as internal rules and processes

### Articles of Association

The Articles of Association are adopted by the shareholders' meeting and are required to contain a number of mandatory disclosures about the company of a more fundamental nature. They state, for example, the nature of the company's business, the size of the Board of Directors and the location of the registered office, the size of the share capital, number of shares and how shareholders' meetings are to be convened. The Articles of Association do not contain any provisions concerning discharging board members or amending the Articles of Association. The Articles of Association state that the Board of Directors is to have a minimum of three and a maximum of twelve members, with up to two deputy members. The members and deputy members are to be elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting.

### Internal control and risk management

The Board's Procedural Rules stipulate the duties of the Board and which tasks and decision-making powers the Board has delegated to the President. The Board makes decisions on general company issues while the President is responsible for the day-do-day management of the company and is to inform the Board of Directors on an ongoing basis of any non-compliance issues.

Important governing documents with which Skanska Financial Services complies are the Skanska Group's Financial Policy, which is adopted by the Board of Skanska AB, and the accompanying Skanska Financial Services Procedure, BU Financial Management Procedure, Skanska Tender Approval Procedure, among other documents.

Middle Office is a risk function within the company that is responsible for monitoring and reporting compliance with the financial risk limits established for the company's treasury operations various business units. The main

risks identified and managed by Middle Office are risks relating to liquidity, interest rates, foreign exchange rates and counterparties, as well as the operational risk relating to dealing with the above risks. Middle Office reports on compliance to the President of the company and to the Group CFO of Skanska AB. To ensure that limits are not exceeded, Middle Office consults with the company's Head of Treasury when risks are believed to exceed 90 percent of the established limit.

In addition to the governing documents mentioned above, more detailed instructions regarding documentation and monitoring of financial reporting are provided in the Documentation of Financial Processes for Skanska Financial Services.

Financial reporting is carried out in compliance with rules and regulations in effect and with Skanska AB's Accounting Manual which describes in more detail the Skanska Group's interpretation of accounting rules, and in accordance with Skanska AB's quarterly instructions. As mentioned above, the President of Skanska Financial Services has reporting responsibility.

**Sustainability report**

The operations of Skanska Financial Services have no material environmental impact and are covered by the sustainability report prepared by Skanska AB (publ) (556000-4615), registered in Stockholm municipality. Skanska Financial Services does not therefore prepare its own report.

**Income statement**

| <b>SEK M</b>   | <b>Note</b> | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|-------------|
| <b>Operating revenue</b>   |             |             |             |
| Interest income <sup>1</sup>   | 4           | 898         | 347         |
| Interest expense   | 5           | -641        | -125        |
| Net profit/loss from financial transactions  | 6           | -4          | -15         |
| Other operating revenue  | 7           | 28          | 27          |
| <b>Total operating revenue</b>   |             | <b>282</b>  | <b>234</b>  |
| <b>Operating expenses</b>  |             |             |             |
| General administrative expenses  | 8, 9        | -118        | -75         |
| Depreciation/amortization and impairment losses of property, plant and equipment and intangible non-current assets | 12, 13      | -1          | -1          |
| <b>Total operating expenses</b>  |             | <b>-119</b> | <b>-76</b>  |
| Credit losses, net   | 10          | -3          | 0           |
| <b>Operating revenue</b>   |             | <b>160</b>  | <b>158</b>  |
| Tax on profit for the year   | 11          | 20          | 3           |
| <b>Profit for the year</b>   |             | <b>180</b>  | <b>161</b>  |

<sup>1</sup> The recognized interest income is essentially the same as the interest income estimated based on the effective interest method.

**Report of other comprehensive income**

| <b>SEK M</b>   | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
| Profit for the year  | <b>180</b>  | <b>161</b>  |
| <b>Items that have been or will be reclassified to profit or loss for the period</b> |             |             |
| Changes in the fair value of cash flow hedges for the year                           | -3          | 7           |
| Changes in the fair value of cash flow hedges transferred to profit for the year     | 5           | -1          |
| Tax related to items that have been or will be reclassified to profit for the year   | 0           | -1          |
| <b>Other comprehensive income after taxes</b>  | <b>2</b>    | <b>5</b>    |
| <b>Total comprehensive income</b>  | <b>182</b>  | <b>166</b>  |

**Balance sheet**

| <b>SEK M</b>   | <b>Note</b> | <b>2022</b>   | <b>2021</b>   |
|--|-------------|---------------|---------------|
| <b>ASSETS</b>  |             |               |               |
| <b>Non-current assets</b>                              |             |               |               |
| Intangible non-current assets                          |             |               |               |
| Capitalized expenses for development and similar work  | 12          | 1             | 1             |
|  |             | <u>1</u>      | <u>1</u>      |
| Property, plant and equipment                          |             |               |               |
| Equipment, tools and installations                     | 13          | 0             | 0             |
|  |             | <u>0</u>      | <u>0</u>      |
| Financial non-current assets                           |             |               |               |
| Receivables from Group companies                       | 14          | 0             | 3             |
| Other non-current receivables                          | 15          | 1             | 101           |
|  |             | <u>1</u>      | <u>104</u>    |
| <b>Total non-current assets</b>                        |             | <b>2</b>      | <b>105</b>    |
| <b>Current assets</b>                                  |             |               |               |
| Current receivables                                    |             |               |               |
| Accounts receivable                                    |             | 0             | 5             |
| Receivables from Group companies                       | 3           | 27 155        | 20 898        |
| Other receivables                                      | 3           | 185           | 96            |
| Prepaid expenses and accrued income                    | 16          | 57            | 12            |
|  |             | <u>27 398</u> | <u>21 011</u> |
| Short-term investments                                 |             |               |               |
| Other short-term investments                           | 3           | 10 366        | 12 792        |
|  |             | <u>10 366</u> | <u>12 792</u> |
| Cash   |             | 5 629         | 8 461         |
| <b>Total current assets</b>                            |             | <b>43 393</b> | <b>42 264</b> |
| <b>TOTAL ASSETS</b>                                    |             | <b>43 395</b> | <b>42 369</b> |
| of which interest-bearing financial non-current assets |             | 0             | 0             |
| of which interest-bearing current assets               |             | 43 112        | 42 105        |
|  |             | <u>43 112</u> | <u>42 105</u> |

**Balance sheet**

| <b>SEK M</b>                                      | <b>Note</b> | <b>2022</b>   | <b>2021</b>   |
|---|-------------|---------------|---------------|
| <b>EQUITY AND LIABILITIES</b>                     |             |               |               |
| Restricted equity                                 |             |               |               |
| Share capital                                     | 17          | 50            | 50            |
| Statutory reserve                                 |             | 10            | 10            |
| Reserve for development costs                     |             | 1             | 1             |
| Unrestricted equity                               |             |               |               |
| Hedge reserve                                     |             | 3             | 1             |
| Retained earnings or loss                         |             | 406           | 165           |
| Profit for the year                               |             | 180           | 161           |
| <b>Total equity</b>                               |             | <b>650</b>    | <b>388</b>    |
| Provisions  |             |               |               |
| Provisions for pensions and similar obligations   | 18          | 9             | 0             |
| Other provisions                                  | 18          | 3             | 2             |
|   |             | <b>12</b>     | <b>2</b>      |
| Non-current liabilities                           |             |               |               |
| Bonds   | 3, 19       | 0             | 500           |
| Liabilities to credit institutions                | 3, 19       | 2 662         | 2 834         |
| Liabilities to Group companies                    | 3, 19       | 15 523        | 10 785        |
| Other liabilities                                 | 3, 19       | 0             | 3             |
|   |             | <b>18 185</b> | <b>14 122</b> |
| Current liabilities                               |             |               |               |
| Bonds   | 3, 19       | 480           | 0             |
| Liabilities to credit institutions                | 3, 19       | 519           | 0             |
| Trade accounts payable                            |             | 2             | 6             |
| Liabilities to Group companies                    | 3, 19       | 23 315        | 27 630        |
| Other liabilities                                 | 3, 19       | 169           | 186           |
| Accrued expenses and prepaid income               | 20          | 64            | 35            |
|   |             | <b>24 549</b> | <b>27 857</b> |
| <b>Total liabilities</b>                          |             | <b>42 746</b> | <b>41 981</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |             | <b>43 395</b> | <b>42 369</b> |
| of which interest-bearing financial liabilities   |             | 42 421        | 41 713        |
| of which interest-bearing pensions and provisions |             | 9             | 0             |
|   |             | <b>42 430</b> | <b>41 713</b> |

**Change in equity (SEK M)**

|                                   | Share capital | Statutory reserve | Reserve for development costs | Reserve for cash flow hedges | Retained profit/loss incl. profit for the year | Total equity |
|-----------------------------------|---------------|-------------------|-------------------------------|------------------------------|--|--------------|
| <b>Equity, January 1, 2021</b>    | <b>50</b>     | <b>10</b>         | <b>1</b>                      | <b>-4</b>                    | <b>539</b>                                     | <b>596</b>   |
| Profit for the year               | -             | -                 | -                             | -                            | 161  | 161          |
| Other comprehensive income        | -             | -                 | -                             | 5                            | -  | 5            |
| Dividend paid                     | -             | -                 | -                             | -                            | -400   | -400         |
| Group contributions               | -             | -                 | -                             | -                            | 31   | 31           |
| Group contributions, taxes        | -             | -                 | -                             | -                            | -5   | -5           |
| <b>Equity, December 31, 2021/</b> | <b>50</b>     | <b>10</b>         | <b>1</b>                      | <b>1</b>                     | <b>326</b>                                     | <b>388</b>   |
| <b>Equity, January 1, 2022</b>    |               |                   |                               |                              |  |              |
| Profit for the year               | -             | -                 | -                             | -                            | 180  | 180          |
| Other comprehensive income        | -             | -                 | -                             | 2                            | -  | 2            |
| Group contributions               | -             | -                 | -                             | -                            | 101  | 101          |
| Group contributions, taxes        | -             | -                 | -                             | -                            | -21  | -21          |
| <b>Equity, December 31, 2022</b>  | <b>50</b>     | <b>10</b>         | <b>1</b>                      | <b>3</b>                     | <b>586</b>                                     | <b>650</b>   |

**Cash flow statement**

| <b>SEK M</b>  | <b>2022</b>   | <b>2021</b>         |
|---|---|---------------------|
| <b>Operating activities</b>   |   |                     |
| Operating revenue   | 160   | 158                 |
| Adjustments for items not included in cash flow, see supplementary information 2. | 308   | 397                 |
| Tax paid  | 2   | -2                  |
| Cash flow from operating activities before change in working capital              | <u>470</u>  | <u>553</u>          |
| Contributions to pension fund   | <u>-8</u>   | <u>-1</u>           |
| <b>Cash flow from change in working capital</b>                                   |   |                     |
| Change in interest-bearing receivables, Group companies                           | -6 195  | -2 842              |
| Change in other interest-bearing receivables                                      | 95  | -100                |
| Change in other non-interest-bearing receivables                                  | -40   | -9                  |
| Change in interest-bearing liabilities, Group companies                           | 381   | 9 625               |
| Change in other non-interest-bearing liabilities                                  | 28  | 4                   |
| Cash flow from operating activities   | <u>-5 269</u>   | <u>7 230</u>        |
| <b>Investing activities</b>   |   |                     |
| Net investment in investment assets <sup>1</sup>                                  | -7 558  | 0                   |
| Cash flow from investing activities   | <u>-7558</u>  | <u>0</u>            |
| <b>Financing activities</b>   |   |                     |
| Group contributions   | 31  | 44                  |
| Dividend to Parent Company  | 0   | -400                |
| Borrowings  | -   | -                   |
| Repayment of debt   | -20   | -544                |
| Cash flow from financing activities   | <u>11</u>   | <u>-900</u>         |
| <b>Cash flow for the year</b>   |   |                     |
|   | <u>-12 816</u>  | <u>6 330</u>        |
| Cash and cash equivalents, January 1, see supplementary information 3.            | 21 253  | 14 923              |
| Cash and cash equivalents, December 31, see supplementary information 3.          | 8 437   | 21 253              |
| <b>Supplementary information</b>  |   |                     |
| 1.  | <i>Interest paid and dividends received</i>                 |                     |
|   | Interest received   | 898 347             |
|   | Interest paid   | -641 -122           |
| 2.  | <i>Adjustments for items not included in cash flow</i>      |                     |
|   | Depreciation/amortization and impairment losses, assets     | 1 1                 |
|   | Provisions for pensions                                     | 17 -8               |
|   | Other provisions  | 1 -2                |
|   | Unrealized exchange rate differences, financial liabilities | 345 203             |
|   | Impairment in accordance with IFRS 9                        | -3 0                |
|   | Currency effects  | 2 6                 |
|   | Unrealized change in value, derivatives, liabilities        | 18 20               |
|   | Unrealized change in value, derivatives, assets             | -73 178             |
|   |   | <u>308 397</u>      |
| 3.  | <i>Cash and cash equivalents, December 31</i>               |                     |
|   | Other short-term investments                                | 2 808 12 792        |
|   | Cash  | 5 629 8 461         |
|   |   | <u>8 437 21 253</u> |

<sup>1</sup> As of 2022, short-term investments that mature beyond three months from the time of acquisition are reported as net investment in investment assets. Previously, the item was reported as cash and cash equivalents in the cash flow analysis.

**Conformity with laws and standards**

Skanska Financial Services has prepared its annual accounts according to the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities. According to RFR 2 Skanska Financial Services must apply the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), issued by the International Accounting Standards Board (IASB), to the extent these have been approved by the EU and within the framework of the Swedish Annual Accounts Act taking into account the connection between accounting and taxation. The income statement is prepared in compliance with the Act (1995:1559) on Annual Reporting for Credit Institutions and Securities Companies as the company's business is financial in nature and this provides a more fair and true representation of the company's operations.

The Annual Report was approved for issuance by the Board of Directors on March 24, 2023. The income statement and balance sheet will be subject to adoption by the Annual General Meeting on April 5, 2023.

**Considerations in the preparation of the Group's financial statements**

The functional currency of Skanska Financial Services is Swedish kronor (SEK), which is also the reporting currency. The financial statements are therefore presented in Swedish kronor. All amounts are rounded off to the nearest million, unless otherwise stated. Preparing the financial statements in accordance with IFRS requires management to make judgements and estimates, and to make assumptions that affect the application of the accounting principles and the recognized amounts of assets, liabilities, revenue and expenses. Actual outcomes may deviate from these estimates and judgments. Estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the current period and future periods. Judgments made by management when applying IFRS that have a material impact on the financial statements and estimates that may lead to significant adjustments in the financial statements in subsequent years are described in more detail in Note 2.

The accounting principles below, with the exceptions described in more detail, have been applied consistently in all periods presented in the financial statements.

**Measurement principles applied in the preparation of the financial statements**

Assets and liabilities are recognized at historical cost, with the exception of certain financial assets and liabilities. Financial assets and liabilities measured at fair value consist of derivatives.

**Changed accounting principles and effects of changes in accounting principles**

As of 1 January 2021 Skanska Financial Services is applying the amendment in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in response to the Interest Rate Benchmark Reform - fase 2. The change has had no significant impact on Skanska Financial Services financial statements. New or changed standards have not had any significant impact on the company during the year.

**Early adoption of new or revised IFRSs and interpretations**

There has been no early adoption of new or revised IFRSs or interpretations.

**Classification**

Non-current assets and non-current liabilities essentially consist of amounts that are expected to be recovered or paid after more than 12 months have passed since the closing day. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or paid within 12 months of the closing day.

**Operating segment reporting**

An operating segment is a part of the company's operations that can generate revenue and incur costs and about which separate financial information is available. An operating segment's results are monitored by the company's chief operating decision-maker in order to be able to allocate resources to the operating segment. Skanska Financial Services has no separable parts that meet the definition of an operating segment and thus has only one segment.

**Foreign currency transactions**

Foreign currency transactions are translated into the functional currency at the exchange rate in effect on the transaction date. Functional currency is the currency of the primary economic environment where the companies operate. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate in effect on the closing day. Exchange rate differences that arise in connection with translation are recognized in profit or loss for the year.

**Leased assets**

Skanska Financial Services does not apply IFRS 16 in accordance with the exception in RFR 2. Where the company is the lessee, lease payments are recognized as a linear cost over the term of the lease and right-of-use assets and lease liabilities are therefore not recognized in the balance sheet.

**Interest income and interest expense**

Interest income and expense presented in the income statement consist of:

- Interest on financial assets and liabilities measured at amortized cost according the effective-interest method.

- Interest from financial assets and liabilities measured at fair value through profit or loss.

- Paid and accrued interest on derivatives that are hedging instruments and where hedge accounting is applied.

Unrealized changes in the value of derivatives are recognized in the item Net profit/loss from financial transactions.

**Net profit/loss from financial transactions**

The item Net profit/loss from financial transactions contains realized and unrealized changes in value that have arisen in financial transactions. Net profit/loss from financial transactions consists of:

- Realized and unrealized changes in fair value of the assets and liabilities that are recognized at fair value through profit or loss.

- Capital gains/losses from the divestment of financial assets and liabilities.

- Realized and unrealized changes in the value of derivatives that are economic hedging instruments but where hedge accounting is not applied.

- Ineffective portions of hedging instruments in cash flow, other than the part of the change in value that is recognized as interest.

- Exchange rate fluctuation.

- Bank costs and the cost of borrowing programs.

**General administrative expenses**

This item consists of personnel expenses, including salaries and fees, bonuses, pension costs, payroll costs and other social insurance contributions. It also includes rental, audit, training, IT, telecom, travel and entertainment expenses.

**Taxes**

Income taxes consist of current tax and deferred tax. Income taxes are recognized in profit/loss for the year except when the underlying transaction is recognized in other comprehensive income or in equity, in which case the accompanying tax effect is recognized in other comprehensive income or in equity. Current tax is tax to be paid or received in the current year, applying the tax rates that have been enacted or substantively enacted as of the closing day. Current tax includes adjustments of current tax from previous periods. Deferred tax is calculated according to the balance sheet method based on temporary differences between the reported and tax base amounts of assets and liabilities. Deferred tax is measured based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and tax rules that have been enacted or substantively enacted as of the closing day. Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognized only where it is probable that they will be able to be utilized. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilized.

## Financial Instruments

IFRS 9 Financial Instruments addresses the recognition of financial assets and liabilities. Categories exempt from application according to IFRS 9 include holdings in subsidiaries, associated companies and joint ventures, leases, rights under employment contracts, treasury shares, financial instruments as described in IFRS 2, and rights and responsibility in the statement of financial position when the entity becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of a financial asset is recognized in and derecognized from the statement of financial position using trade date accounting. A financial asset is derecognized from the statement of financial position when the contractual rights to cash flows from the financial asset expire or when the entity transfers the contractual rights to receive cash flows from the financial asset or retains the contractual rights to receive cash flows, but assumes a contractual obligation to pay cash flows to one or more recipients. A financial liability is derecognized from the statement of financial position only when the contractual obligation is fulfilled, cancelled or expires.

Presentation of financial assets is based on the entity's business model and the contractual cash flows of the asset. A financial asset is measured at amortized cost if the asset is held within the framework of a business model the objective of which is to hold financial assets in order to collect contractual cash flows, and the cash flows on specified dates are solely payments of principal and interest on the principal amount outstanding. A financial asset is measured at fair value through other comprehensive income if the asset is held according to a business model the objective of which can be achieved both by collecting contractual cash flows and selling financial assets, and the cash flows are solely payments of principal and interest on the principal amount outstanding. A financial asset is measured at fair value through profit or loss if it is not measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are measured at amortized cost with the exception of: a) financial liabilities measured at fair value through profit or loss (such liabilities, including derivatives that are liabilities, are thereafter to be measured at fair value); b) financial liabilities arising when a transfer of a financial asset does not meet the criteria for derecognition from the statement of financial position or where a continued commitment is appropriate; c) financial guarantee contracts; d) a loan commitment with an interest rate below the market interest rate; and e) a contingent consideration acknowledged by an acquiring party in connection with a business combination covered by IFRS 3 (the contingent consideration is thereafter measured at fair value with changes recognized through profit or loss). An entity is only entitled to reclassify all relevant financial assets when the entity changes its business model for managing financial assets. Reclassification of financial liabilities is not permitted.

Financial assets and liabilities are initially measured at fair value plus or minus transaction costs upon acquisition of a financial asset or financial liability for a financial asset or financial liability that is not measured at fair value through profit or loss. Trade accounts receivable that do not contain a significant financing component are measured upon initial recognition at their transaction price (as defined in IFRS 15). After initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. Subsequent measurement of financial liabilities is at amortized cost or fair value through profit or loss.

An entity is to apply the impairment requirement to expected credit losses on financial assets and a loss provision for these is to be recognized as a deduction from the asset. On every closing day the loss provision is to be equivalent to an amount reflecting the expected credit losses for the remaining time until maturity if the credit risk has increased significantly since it was initially recognized. If the credit risk has not increased significantly since it was first recognized, the loss provision is to be equivalent to 12 months of expected credit losses. For trade receivables, contractual assets and lease receivables, Skanska Financial Services measures the loss provision at an amount equivalent to the remaining time to maturity. An entity is to measure expected credit losses taking into account an objective and probability-weighted amount, the time value of money, reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

The purpose of hedge accounting is that, in its financial statements, an entity can report the effect of its risk management where financial liability identified as measured at fair value through profit or loss for which the amount of the change in fair value arising from changes in credit risk for the liability is recognized in other comprehensive income. In hedge accounting, only financial instruments are used to manage exposure from specific risks that would impact results. A derivative that is measured at fair value through profit or loss can be identified as a hedging instrument. A financial asset or liability that is not a derivative measured at fair value

through profit or loss can be identified as a hedging instrument unless it is a contract with an external party can be identified as hedging instruments. A hedged item may be a recognized asset or liability, an unrecognized binding commitment, a highly likely forecast transaction or a net investment in foreign operations. A hedging relationship only qualifies for hedge accounting when the following criteria have been met: the hedging relationship consists only of eligible hedging instruments and eligible hedged items, where there is a formal designation and documentation for the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, and where the effectiveness requirement for the hedges has been met. The effectiveness requirement is met when there is an economic relationship between the hedged item and the hedging instrument, the effect of credit risk does not dominate the changes that result from the economic relationship, and the hedge ratio of the hedging relationship is the same as the ratio between the quantity of the hedged item that the entity actually hedges and the quantity that the entity actually uses to hedge that quantity of hedged items.

Skanska Financial Services uses hedge accounting for cash flow hedging. Hedge accounting is used for cash flow hedges when a future cash flow is attributable to a recognized asset or liability or a highly probable future transaction.

A cash flow hedge is recognized as follows:

- a) the separate component in equity, cash flow hedge reserve, which is linked to the hedged item is to be adjusted to the lower of the following: the cumulative gains or losses from the hedging instrument from the date the hedge was entered into or the cumulative change in fair value for the hedged item from the date the hedge was entered into;
- b) the portion of the gain or loss for a hedging instrument that has been determined to be an effective hedge is recognized in other comprehensive income;
- c) the remaining gain or loss for the hedge instrument is hedging ineffectiveness that is to be recognized through profit or loss;
- d) the amount accumulated in the cash flow hedge reserve derived from the cash flow hedged in accordance with a is to be recognized as follows: i) if a hedged forecast transaction subsequently leads to recognition of a non-financial asset or liability, or a hedged forecast transaction for a non-financial asset or liability becomes a binding commitment for which hedge accounting of fair value is used, the entity is to deduct this from the reserve originating from the cash flow hedge and include it directly in the initial cost or other recognized value for the asset or liability; ii) for all cash flow hedges except those covered by i) this amount is to be reclassified from the reserve originating from the cash flow hedge to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss; iii) if this amount is a loss and an entity is expecting all or part of the loss not to be recovered during one or more future periods, the amount not expected to be recovered is to be immediately reclassified to profit or loss as a reclassification adjustment.

### **Property, plant and equipment**

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Depreciation is applied on a straight-line basis over the estimated useful life of the asset. Equipment is depreciated over a period of five years.

### **Intangible assets**

Intangible assets are recognized at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized over a period of five years.

### **Impairment losses**

Recognized assets are assessed on every closing day to determine if there is any indication of impairment. IAS 36 is applied for asset's recoverable amount is calculated. For other intangible assets that are not yet ready for use the recoverable amount is also calculated annually. An impairment loss is recognized when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is recognized as an expense in profit or loss for the year.

**Employee benefits***Short-term benefits*

Short-term employee benefits are calculated without being discounted and are recognized as an expense when the related services are received. In addition to salary, bonuses may also be paid as short-term benefits to employees. Bonuses are paid out the year after they are earned and are recognized as an accrued expense in the balance sheet.

**Reporting of pension plans***Defined contribution pension plans*

Pension plans in which the company's obligations are limited to the contributions the company has undertaken to pay are classified as defined contribution pension plans. In such cases the size of the employee's pension is based on the contributions paid by the company into the plan or to an insurance company and the return on capital resulting from the contributions. Consequently, the employee bears the actuarial risk (that the benefit will be lower than expected) and the investment risk (that the invested assets will not be sufficient to provide the expected benefits). The company's obligations with respect to contributions in defined contribution plans are recognized as expenses in profit/loss for the year as they are earned through the employee performing services for the company over a period of time.

*Defined benefit pension plans*

The company reports defined benefit plans as defined contribution plans where a pension premium is paid to an insurance company, an insurance association or a similar entity. Skanska Financial Services complies with the regulations in the Pension Obligations Vesting Act and the instructions from Finansinspektionen as these are required for the right to make a tax deduction. The most important differences compared with the rules in IAS 19 are that the discount rate is established in a different way, that the calculation of the defined benefit obligation is done based on current salary levels without an assumption on future salary increases and that actuarial gains and losses are recognized in the income statement. Pension obligations secured by transferring funds to a pension fund are only reported as a provision if the market value of the fund's assets is less than the obligations. If the fund's assets exceed the obligations, no asset is reported.

*Share-based payment*

The Seop employee ownership program is recognized as share-based payment settled with equity instruments in accordance with IFRS 2. Social insurance contributions that are payable in connection with share-based payments are reported in compliance with statement UFR 7 issued by the Swedish Financial Reporting Board.

**Provisions**

A provision differs from other liabilities in that there is uncertainty concerning the time of payment or the sum required for settlement. A provision is reported in the statement of financial position when there is an existing legal or informal obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are made in the amount that represents the best estimate of funds needed to settle the existing obligation on the closing day. In cases where the effect of when a payment is made is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

**Contingent liabilities**

Information on contingent liabilities is provided where there is a possible undertaking originating from events that have occurred and whose existence is only confirmed by one or more uncertain future events outside Skanska Financial Services control or where there is an undertaking that is not recognized as a liability or provision because it is not likely that an outflow of resources will be required, or the amount cannot be estimated with sufficient reliability.

**Reporting of Group contributions**

Group contributions, provided or received, are recognized in equity.

**Note 2. Key estimates and judgments**

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Management has discussed with the Board of Directors the developments, choices and disclosures relating to the Skanska Financial Services important accounting principles and estimates, as well as the application of these principles and estimates. Skanska Financial Services is an internal bank the purpose of which is to be responsible for investment and cash borrowing, and its financial statements therefore mainly consist of financial instruments. The balance sheet consists mainly of intra-group receivables and liabilities and other receivables and liabilities recognized at amortized cost. Additionally, there are internal and external derivatives measured at fair value, see Note 3.

**Note 3. Financial instruments and financial risk management**

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Through its operations, aside from business risks, Skanska Financial Services is exposed to various financial risks such as credit risk, liquidity risk and market risk.

Through the Skanska Group's Financial Policy, each year the Board of Directors of the Skanska Group adopts guidelines, objectives and limits for financial management and management of financial risks within the Group. The Financial Policy stipulates the division of responsibility between Skanska's Board, Group Leadership Team, Skanska Financial Services and the Business Units.

Skanska Financial Services has operational responsibility for securing financing for Skanska Financial Services and the Skanska Group and for managing cash liquidity, financial assets and financial liabilities. Guidelines and risk mandates are defined in risk instructions established for Skanska Financial Services.

The objectives and policies for each type of risk are described in the respective sections below.

**Credit risk**

Credit risk describes the risk from financial assets and arises if a counterparty does not fulfill its contractual payment obligations to Skanska Financial Services.

**Financial credit risk - risk associated with interest-bearing assets**

Financial credit risk is the risk Skanska Financial Services is exposed to in relation to financial counterparties in investing surplus funds, bank account balances and investments in financial assets. Credit risk also arises when using derivatives and consists of the risk that a potential gain will not be realized if the counterparty does not fulfill its part of the contract.

According to the Financial Policy, Skanska Financial Services is to limit its exposure to financial counterparties by using banks and financial institutions that have been assigned a satisfactory rating by credit rating institutes Standard & Poors, Moody's or Fitch. The permitted exposure volume per counterparty is dependent on the counterparty's credit rating and the maturity of the exposure. To reduce the credit risk associated with derivative instruments, Skanska Financial Services has also signed standardized netting agreements (ISDA agreements) with all financial counterparties with whom Skanska has entered into derivative contracts. Most of Skanska Financial Services interest-bearing assets consist of receivables from Group companies within Skanska. Lending to Group companies is not expected to expose Skanska Financial Services to any material credit risk.

When investing surplus funds with external counterparties the objective is to always attain a good spread of risk. As of the end of the year surplus funds were mainly invested with large banks with a global footprint, primarily in the Nordic region, Europe, USA and Japan as well as in short-term fixed-income instruments and money market funds. Skanska Financial Services currently uses around 10 banks for derivative transactions.

The maximum exposure is equivalent the fair value of the assets and amounts to SEK 43 324 M. Of this amount, SEK 27 152 M consists of receivables from Skanska companies. Other external interest-bearing assets amounted to SEK 16 172 M.

**Liquidity and refinancing risk**

Liquidity and financing risk is defined as the risk of Skanska Financial Services not being able to meet its payment obligations due to lack of liquidity or due to difficulties in obtaining or rolling over external loans. Skanska Financial Services has operational responsibility for managing the Skanska Group's liquidity and employs a system of liquidity forecasting as a means of identifying and managing the fluctuations in short-term liquidity. Surplus liquidity is, if possible, to be used primarily to repay the principal on loan liabilities.

**Financing**

Skanska Financial Services has several borrowing programs in the form of both committed bank credit facilities and market funding programs. This provides good preparedness for temporary fluctuation in the Group's short-term liquidity requirements and ensures long-term financing.

In 2022 Skanska Financial Services refinanced the syndicated backup facility. The new credit facility of EUR 500 M is linked to sustainability. The term is five years with the possibility of two extensions of one year each after the first and second year respectively.

**2022**

|   | <b>Maturity</b> | <b>Currency</b> |             | <b>Limit in SEK</b> | <b>Utilized</b> |
|---|-----------------|-----------------|-------------|---------------------|-----------------|
| <b>Market funding programs</b>                        |                 |                 |             |                     |                 |
| Commercial paper (CP) program, maturities 0-1 year    |                 | SEK/EUR         | SEK 6 000 M | 6 000               | -               |
| Medium-term note (MTN) program, maturities 1-10 years |                 | SEK/EUR         | SEK 8 000 M | 8 000               | 480             |
|   |                 |                 |             | <u>14 000</u>       | <u>480</u>      |
| <b>Committed credit facilities</b>                    |                 |                 |             |                     |                 |
| Syndicated bank loan                                  | 2027            | SEK/EUR/USD     | EUR 500 M   | 5 538               | -               |
| Bilateral loan agreements                             | 2023/2024       | USD             | USD 100 M   | 1 038               | 1 038           |
| Bilateral loan agreements                             | 2024            | USD             | USD 100 M   | 1 037               | 1 037           |
| Bilateral loan agreements                             | 2025            | EUR             | EUR 50 M    | 553                 | 553             |
| Bilateral loan agreements                             | 2027            | EUR             | EUR 50 M    | 553                 | 553             |
| Other credit facilities                               |                 |                 |             | <u>515</u>          | <u>-</u>        |
|   |                 |                 |             | <u>9 234</u>        | <u>3 181</u>    |

**2021**

|   | <b>Maturity</b> | <b>Currency</b>    |             | <b>Limit in SEK</b> | <b>Utilized</b> |
|---|-----------------|--------------------|-------------|---------------------|-----------------|
| <b>Market funding programs</b>                        |                 |                    |             |                     |                 |
| Commercial paper (CP) program, maturities 0-1 year    |                 | SEK/EUR            | SEK 6 000 M | 6 000               | -               |
| Medium-term note (MTN) program, maturities 1-10 years |                 | SEK/EUR            | SEK 8 000 M | 8 000               | 500             |
|   |                 |                    |             | <u>14 000</u>       | <u>500</u>      |
| <b>Committed credit facilities</b>                    |                 |                    |             |                     |                 |
| Syndicated bank loan                                  | 2024            | SEK/EUR<br>USD/GBP | EUR 600 M   | 6 143               | -               |
| Bilateral loan agreements                             | 2023/2024       | USD                | USD 100 M   | 906                 | 906             |
| Bilateral loan agreements                             | 2024            | USD                | USD 100 M   | 906                 | 906             |
| Bilateral loan agreements                             | 2025            | EUR                | EUR 50 M    | 511                 | 511             |
| Bilateral loan agreements                             | 2027            | EUR                | EUR 50 M    | 511                 | 511             |
| Other credit facilities                               |                 |                    |             | <u>448</u>          | <u>-</u>        |
|   |                 |                    |             | 9 425               | 2 834           |

**Liquidity reserve and maturity structure**

The objective is to have a liquidity reserve of at least SEK 4 billion available within one week in the form of cash liquidity or committed credit facilities. At year-end, Skanska Financial Services cash and cash equivalents and committed credit facilities amounted to about SEK 22 (28) billion, of which around SEK 12 (15) billion is expected to be available within one week.

The Skanska Group's policy is for the central borrowing portfolio's maturity structure to be distributed over time and for the portfolio to have a weighted average residual term of three years, including unutilized committed credit facilities, with authorization to deviate within a 2-4 year interval. On December 31, 2022 the average maturity of the borrowing portfolio was 3.6 (2.5) years, if unutilized credit facilities are weighed in.

The maturity structure, including interest payments, of Skanska Financial Services financial interest-bearing liabilities and derivatives is distributed over the next few years according to the following table. Most of the interest-bearing financial liabilities are investments from Skanska companies in a cash pool with a contractual maturity within three months. Historically, however, the relationship between intra-Group liabilities and receivables has essentially remained at a stable level. In addition to intra-Group financing Skanska Financial Services, as mentioned above, also has access to committed bank credit facilities and market funding programs.

| <b>2022</b>                             | Carrying      | Future        | Maturity      |                |                |          |
|---|---------------|---------------|---------------|----------------|----------------|----------|
| Maturity                                | amount        | payment       | within        | After 3 months | After 1 year   | After    |
|   |               | amount        | 3 months      | within 1 year  | within 5 years | 5 years  |
| Interest-bearing financial liabilities  | 58 420        | 59 425        | 39 348        | 1 526          | 18 552         | 0        |
| Derivatives: Currency forward contracts |               |               |               |                |                |          |
| Inflow                                  |               | -13 094       | -11 701       | -1 356         | -37            | -        |
| Outflow                                 | 244           | 13 338        | 11 898        | 1 401          | 39             | -        |
| Derivatives: Interest rate swaps        |               |               |               |                |                |          |
| Inflow                                  |               |               |               |                |                |          |
| Outflow                                 | 1             | 1             | -             | 1              | -              | -        |
| Trade accounts payable                  | 2             | 2             | 2             | -              | -              | -        |
| <b>Total</b>                            | <b>58 667</b> | <b>59 671</b> | <b>39 547</b> | <b>1 572</b>   | <b>18 554</b>  | <b>0</b> |

| 2021<br>Maturity                        | Carrying<br>amount | Future<br>payment<br>amount | Maturity<br>within<br>3 months | After 3 months<br>within 1 year | After 1 year<br>within 5 years | After<br>5 years |
|---|--------------------|-----------------------------|--------------------------------|---------------------------------|--------------------------------|------------------|
| Interest-bearing financial liabilities  | 41 712             | 41 950                      | 27 638                         | 54                              | 13 741                         | 517              |
| Derivatives: Currency forward contracts |                    |                             |                                |                                 |                                |                  |
| Inflow                                  |                    | -15 014                     | -11 826                        | -2 804                          | -384                           | -                |
| Outflow                                 | 214                | 15 208                      | 11 980                         | 2 844                           | 384                            | -                |
| Derivatives: Interest rate swaps        |                    |                             |                                |                                 |                                |                  |
| Inflow                                  |                    |                             |                                |                                 |                                |                  |
| Outflow                                 | 1                  | 1                           | -                              | 1                               | -                              | -                |
| Trade accounts payable                  | 6                  | 6                           | 6                              | -                               | -                              | -                |
| <b>Total</b>                            | <b>41 933</b>      | <b>42 151</b>               | <b>27 798</b>                  | <b>95</b>                       | <b>13 741</b>                  | <b>517</b>       |

### Market risk

Market risk is the risk that the fair value of financial instruments or future cash flows from financial instruments will fluctuate due to changes in market prices. The main market risks for Skanska Financial Services are interest rate risk and foreign exchange rate risk.

### Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect Skanska Financial Services financial items and cash flow (cash flow risk) or the fair value of financial assets and liabilities (fair value interest rate risk).

To limit the risk, the fixed interest periods for financial assets and liabilities are to be matched in the respective borrowing currency to the greatest extent possible. When calculating Skanska Financial Services sensitivity to changes in interest rates, all interest-bearing assets, liabilities and derivatives are included, with the exception of pensions and taxes. Analysis indicates that the position as of December 31, 2022 remains constant in terms of both size of net debt, in the ratio of fixed and variable interest rates as well as the percentage of financial instruments in foreign currencies.

Fair value sensitivity is measured using three different scenarios: a basic scenario involving an increase in the interest rate of one percentage point across all maturities, or an increase or decrease in the basic scenario of one half of a percentage point over the maturities. According to the policy, the change in fair value may not exceed SEK 150 M for any of these interest rate scenarios.

As of December 31, 2022 the change in fair value estimated with the scenarios above would impact net financial items within the range of SEK 21-61 (41-95) M, as hedge accounting is not applied. All amounts are stated before tax. Equity would thus be affected by around SEK 17-48 (32-75) M taking tax into account.

The average fixed interest period for external interest-bearing assets was 0.1 (0.2) years, taking derivatives into account. The interest rate for these was 2.27 (0.1) percent at year-end. Of Skanska Financial Services external interest-bearing financial assets, 51 (34) percent carry fixed interest rates and 49 (66) percent variable interest rates.

The average fixed interest period for external interest-bearing liabilities, taking into account derivatives but excluding pension liabilities, was 0.1 (0.2) years. The interest rate for interest-bearing liabilities amounted to 4.31 (1.25) percent at year-end. Taking into account derivatives, the interest rate was 4.31 (-0.81) percent. Of the total interest-bearing financial liabilities, after taking into account derivatives, 0 (9) percent carry fixed interest rates and 100 (91) percent variable interest rates.

As of December 31, 2022 there were two outstanding interest rate swap contracts amounting to a nominal value of SEK 550 (4200) M which was entered into swap parts of the group's borrowing from variable to fixed interest rates.

Hedge accounting is applied for interest rate swaps with terms that match the secured loan regarding nominal amount, reference interest rate, maturity date, payment and interest rate adjustment date. The efficiency is evaluated partly when the hedging relationship is entered into and partly on an ongoing basis. Inefficiencies may arise if the creditworthiness of the contracting parties affects changes in the fair value of the hedge and the secured loan differently.

As of December 31, 2022 Skanska does not apply hedge accounting for any outstanding interest rate swap agreement. The fair value of interest rate swaps for which hedge accounting is not applied amounted to SEK -1 (-1) M as of December 2022. Change in fair value are recognized through profit or loss.

### **Foreign exchange rate risk**

Foreign exchange rate risk is defined as the risk of a negative impact on the income statement and statement of financial position of Skanska Financial Services due to fluctuations in foreign exchange rates. This risk refers to transaction exposure, i.e. net operating and financial (interest/principal payment) flows.

### **Transaction exposure**

The foreign exchange rate risk for Skanska Financial Services is in general limited to a total of SEK 5 M, with risk calculated as the effect on earnings of a 5 percentage point shift in exchange rates. A higher risk level is permitted if it is within the total foreign exchange rate risk limit for the Skanska Group, which is SEK 50 M. As of December 31, 2022 foreign exchange rate risk accounted for SEK 0.1 (0.8) M of transaction exposure for Skanska Financial Services and SEK 21 (9) M for the Skanska Group.

Skanska Financial Services hedges foreign currency flows by matching critical factors such as nominal amount, currency and due date. By this means a qualitative evaluation of the efficiency of the relationship is made. The efficiency of a hedge is evaluated when the hedging relationship is entered into and on an ongoing basis. Skanska Financial Services uses hedge accounting for hedging of contracted future EUR and USD flows relating to long-term borrowing. The hedged contracted flows amount to EUR 1 M and USD 2 M. The hedges meet effectiveness criteria, which means that unrealized gains or losses are recognized under other comprehensive income. As of the closing day the hedge reserve amounted to SEK 3 (1) M.

### **Financial instruments in the balance sheet**

The table below shows carrying amounts and fair value for financial instruments by category, and a reconciliation with total assets and liabilities in the statement of financial position.

### **Fair value**

There are three different levels for establishing fair value.

The first level uses the official price quotation in an active market. The second level, which is used when a price quotation in an active market does not exist, calculates fair value by discounting future cash flows based on observable market interest rates for each respective maturity and currency. The third level uses substantial elements of input data that are not observable in the market.

All fair values in the table below have been calculated according to level two above. In calculating fair value in the borrowing portfolio, Skanska Financial Services takes into account current market interest rates, which include the credit risk premium that Skanska Financial Services is estimated to pay for its borrowing. The assessment of financial instruments with option elements is calculated using the Black-Scholes model. As of December 31, 2022 and December 31, 2021 Skanska Financial Services had no instruments with option elements.

For financial instruments, current intra-Group receivables and liabilities, other non-current and current receivables and liabilities, trade accounts receivable, short-term investments, cash and trade accounts payable, the fair value is the same as the carrying amount.

|  | Fair value<br>through<br>profit or<br>loss | Fair value<br>through other<br>comprehen-<br>sive income | Amortized cost | Total carrying<br>amount | Total fair<br>value |
|--|--|--|----------------|--------------------------|---------------------|
| <b>2022</b>  |  |  |                |                          |                     |
| <b>Assets</b>  |  |  |                |                          |                     |
| <b>Financial assets<br/>at fair value</b>                |  |  |                |                          |                     |
| Derivatives, external <sup>1</sup>                       | 172  | -  | -              | 172                      | 172                 |
| Derivatives, internal <sup>2</sup>                       | 38   | -  | -              | 38                       | 38                  |
|  | <b>210</b>                                 | -  | -              | <b>210</b>               | <b>210</b>          |
| <b>Financial assets not<br/>recognized at fair value</b> |  |  |                |                          |                     |
| Current receivables, Group companies                     | -  | -  | 27 114         | 27 114                   | 27 114              |
| Other non-current and current receivables                | -  | -  | 1              | 1                        | 1                   |
| Trade accounts receivable                                | -  | -  | 0              | 0                        | 0                   |
| Short-term investments                                   | -  | -  | 10 366         | 10 366                   | 10 368              |
| Cash   | -  | -  | 5 629          | 5 629                    | 5 629               |
|  | -  | -  | <b>43 110</b>  | <b>43 110</b>            | <b>43 113</b>       |
| <b>Total financial instruments</b>                       | <b>210</b>                                 | -  | <b>43 110</b>  | <b>43 320</b>            | <b>43 324</b>       |
|  |  |  |                |                          |                     |
|  | Fair value<br>through<br>profit or<br>loss | Fair value<br>through other<br>comprehen-<br>sive income | Amortized cost | Total carrying<br>amount | Total fair<br>value |
| <b>2021</b>  |  |  |                |                          |                     |
| <b>Assets</b>  |  |  |                |                          |                     |
| <b>Financial assets<br/>at fair value</b>                |  |  |                |                          |                     |
| Derivatives, external <sup>1</sup>                       | 88   | -  | -              | 88                       | 88                  |
| Derivatives, internal <sup>2</sup>                       | 49   | -  | -              | 49                       | 49                  |
|  | <b>137</b>                                 | -  | -              | <b>137</b>               | <b>137</b>          |
| <b>Financial assets not<br/>recognized at fair value</b> |  |  |                |                          |                     |
| Current receivables, Group companies                     | -  | -  | 20 844         | 20 844                   | 20 844              |
| Other non-current and current receivables                | -  | -  | 101            | 101                      | 101                 |
| Trade accounts receivable                                | -  | -  | 5              | 5                        | 5                   |
| Short-term investments                                   | -  | -  | 12 792         | 12 792                   | 12 791              |
| Cash   | -  | -  | 8 461          | 8 461                    | 8 461               |
|  | -  | -  | <b>42 203</b>  | <b>42 203</b>            | <b>42 202</b>       |
| <b>Total financial instruments</b>                       | <b>137</b>                                 | -  | <b>42 203</b>  | <b>42 340</b>            | <b>42 339</b>       |

1) The carrying amount of external derivatives is included in Other non-current receivables in the amount of SEK 1 (1) M and Other receivables in the amount of SEK 171 (87) M.

2) The carrying amount of internal derivatives is included in Non-current receivables from Group companies in the amount of SEK 0.1 (3) M and Current receivables from Group companies in the amount of SEK 38 (46) M.

**Reconciliation with the balance sheet**

|   | <u>2022</u>   | <u>2021</u>   |
|---|---------------|---------------|
| <b>Assets</b>                                       |               |               |
| Financial instruments                               | 43 320        | 43 324        |
| <b>Other assets</b>                                 |               |               |
| Property, plant and equipment and intangible assets | 1             | 1             |
| Receivables from Group companies                    | 3             | 8             |
| Other non-current and current receivables           | 13            | 8             |
| Prepaid expenses and accrued income                 | 58            | 12            |
| <b>Total assets</b>                                 | <b>43 395</b> | <b>42 369</b> |

| <b>2022</b>   | Fair value<br>through<br>profit or<br>loss | Fair value<br>through other<br>comprehen-<br>sive income | Amortized cost | Total carrying<br>amount | Total fair<br>value |
|---|--|--|----------------|--------------------------|---------------------|
| <b>Liabilities</b>  |  |  |                |                          |                     |
| <b>Financial liabilities at<br/>fair value through profit or loss</b> |  |  |                |                          |                     |
| Derivatives, external <sup>3</sup>                                    | 155  | -  | -              | 155                      | 155                 |
| Derivatives, internal <sup>4</sup>                                    | 78   | -  | -              | 78                       | 78                  |
|   | <b>232</b>                                 | <b>-</b>   | <b>-</b>       | <b>232</b>               | <b>232</b>          |
| <b>Financial liabilities at<br/>amortized cost</b>                    |  |  |                |                          |                     |
| Non-current liabilities to Group companies and<br>credit institutions | -  | -  | 18 183         | 18 183                   | 18 204              |
| Long-term and short-term bonds  | -  | -  | 0              | 0                        | 0                   |
| Other non-current and current liabilities                             | -  | -  | -              | -                        | -                   |
| Current liabilities to Group companies and<br>credit institutions     | -  | -  | 24 238         | 24 238                   | 24 238              |
| Trade accounts payable  | -  | -  | 2              | 2                        | 2                   |
|   | <b>-</b>                                   | <b>-</b>   | <b>42 423</b>  | <b>42 423</b>            | <b>42 444</b>       |
| <b>Total financial instruments</b>                                    | <b>232</b>                                 | <b>-</b>   | <b>42 423</b>  | <b>42 655</b>            | <b>42 676</b>       |

| 2021  | Fair value<br>through<br>profit or<br>loss | Fair value<br>through other<br>comprehen-<br>sive income | Amortized cost | Total carrying<br>amount | Total fair<br>value |
|---|--|--|----------------|--------------------------|---------------------|
| <b>Liabilities</b>  |  |  |                |                          |                     |
| <b>Financial liabilities at<br/>fair value through profit or loss</b> |  |  |                |                          |                     |
| Derivatives, external <sup>3</sup>                                    | 178  | -  | -              | 178                      | 178                 |
| Derivatives, internal <sup>4</sup>                                    | 36   | -  | -              | 36                       | 36                  |
|   | <b>214</b>                                 | <b>-</b>   | <b>-</b>       | <b>214</b>               | <b>214</b>          |
| <b>Financial liabilities at<br/>amortized cost</b>                    |  |  |                |                          |                     |
| Non-current liabilities to Group companies and<br>credit institutions | -  | -  | 13 618         | 13 618                   | 31 684              |
| Long-term and short-term bonds  | -  | -  | 500            | 500                      | 502                 |
| Other non-current and current liabilities                             | -  | -  | -              | -                        | -                   |
| Current liabilities to Group companies and<br>credit institutions     | -  | -  | 27 595         | 27 595                   | 27 595              |
| Trade accounts payable  | -  | -  | 6              | 6                        | 6                   |
|   | <b>-</b>                                   | <b>-</b>   | <b>41 719</b>  | <b>41 719</b>            | <b>41 787</b>       |
| <b>Total financial instruments</b>                                    | <b>214</b>                                 | <b>-</b>   | <b>41 719</b>  | <b>41 933</b>            | <b>42 001</b>       |

3) The carrying amount of external derivatives is included in Other non-current liabilities in the amount of SEK 0.2 (3) M and Other current liabilities in the amount of SEK 155 (175) M.

4) The carrying amount of internal derivatives is included in Non-current liabilities to Group companies in the amount of SEK 1 (1) M and Current liabilities to Group companies in the amount of SEK 77 (35) M.

| Reconciliation with the balance sheet | <u>2022</u>   | <u>2021</u>   |
|---------------------------------------|---------------|---------------|
| <b>Liabilities</b>                    |               |               |
| Financial instruments                 | 42 655        | 41 933        |
| <b>Other liabilities</b>              |               |               |
| Equity                                | 650           | 388           |
| Provisions                            | 12            | 2             |
| Other liabilities                     | 15            | 11            |
| Accrued expenses and prepaid income   | 64            | 35            |
| <b>Total liabilities</b>              | <b>43 395</b> | <b>42 369</b> |

#### Disclosures concerning offsetting of financial instruments

|   | <u>2022</u>         |                          | <u>2021</u>         |                          |
|---|---------------------|--------------------------|---------------------|--------------------------|
|   | Financial<br>assets | Financial<br>liabilities | Financial<br>assets | Financial<br>liabilities |
| Gross amounts                           | 43 320              | 42 655                   | 42 340              | 41 933                   |
| Amounts offset                          | -                   | -                        | -                   | -                        |
| Recognized in balance sheet             | <b>43 320</b>       | <b>42 655</b>            | <b>42 340</b>       | <b>41 933</b>            |
| Amounts covered by netting arrangements | -130                | -130                     | -37                 | -37                      |
| Net amount after netting arrangements   | <b>43 189</b>       | <b>42 525</b>            | <b>42 302</b>       | <b>41 896</b>            |

## Impact of financial instruments on the income statement, other comprehensive income and equity

### Revenue and expenses from financial instruments recognized in the income statement

|   | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|
| Interest income on financial assets   |             |             |
| measured at fair value through profit or loss   | 195         | 58          |
| Interest income on assets measured at amortized cost  | 672         | 283         |
| Interest income on cash   | 31          | 6           |
| Change in market value of financial assets/liabilities at fair value through profit or loss | 19          | 13          |
| Total revenue in operating revenue  | <u>917</u>  | <u>360</u>  |
| Interest expense on financial liabilities   |             |             |
| measured at fair value through profit or loss   | -67         | -21         |
| Interest expense on financial liabilities measured at amortized cost                        | -574        | -104        |
| Change in market value of financial assets/liabilities at fair value through profit or loss | -15         | -15         |
| Net exchange rate differences   | 7           | 3           |
| Expense for borrowing programs  | -13         | -15         |
| Bank related expenses   | -2          | -1          |
| Total operating revenue in operating expenses   | <u>-664</u> | <u>-153</u> |
| Net income and expense from financial instruments recognized in the income statement        | <u>253</u>  | <u>207</u>  |

### Note 4. Interest income

|  | <u>2022</u> | <u>2021</u> |
|--|-------------|-------------|
| Interest income, external                      | 326         | 74          |
| Interest income from Group companies           | 571         | 273         |
|  | <u>898</u>  | <u>347</u>  |
| <u>Geographic breakdown of interest income</u> |             |             |
| Sweden   | 276         | 87          |
| USA  | 82          | 21          |
| Poland   | 244         | 115         |
| Other  | 296         | 124         |
|  | <u>898</u>  | <u>347</u>  |

### Note 5. Interest expense

|                                | <u>2022</u> | <u>2021</u> |
|--------------------------------|-------------|-------------|
| Interest expense, external     | -92         | -50         |
| Interest expense Group company | -550        | -75         |
|                                | <u>-641</u> | <u>-125</u> |

### Note 6. Net profit/loss from other financial transactions

|                             | <u>2022</u> | <u>2021</u> |
|-----------------------------|-------------|-------------|
| Financial expense, pensions | 0           | 0           |
| Exchange gains/losses       | 7           | 3           |
| Other financial expense     | -15         | -16         |
| Other financial instruments | 4           | -2          |
|                             | <u>-4</u>   | <u>-15</u>  |

**Note 7. Other operating revenue**

|                           | <u>2022</u> | <u>2021</u> |
|---------------------------|-------------|-------------|
| Fees for financial advice | 28          | 27          |
|                           | <u>28</u>   | <u>27</u>   |

**Note 8. Employees and personnel expenses**

|  | <u>2022</u> | <u>2021</u> |
|--|-------------|-------------|
| Average number of employees  | 26          | 28          |
| Number of women  | 16          | 15          |
| <i>Men and women on the Board of Directors and leadership team as of the closing day</i> |             |             |
| Board of Directors   | 3           | 3           |
| Number of women  | 2           | 2           |
| Other senior executives  | 4           | 4           |
| Number of women  | 2           | 2           |
| Paid as salaries and other remuneration  | -31         | -30         |
| of which for senior executives   | -9          | -11         |
| Social insurance contributions   | -16         | -10         |
|  | <u>-55</u>  | <u>-51</u>  |
| Bonuses included above   |             |             |
| of which for senior executives   | -1          | -3          |
| Pension expenses amounted to   | -25         | 0           |
| of which for senior executives   | -2          | -3          |
| <i>Benefits for the President</i>  |             |             |
| Wages, salaries and other remuneration   | -3          | -3          |
| Bonuses  | 0           | -1          |
| Pensions   | -1          | -1          |
|  | <u>-5</u>   | <u>-5</u>   |

*No fees are paid to other board members.*

**Skanska Employee Ownership Program (Seop)**

The Skanska Employee Ownership Program (Seop) is the Skanska Group's share savings program since 2008. The purpose of the program is to strengthen the Group's ability to retain and recruit qualified personnel and to align employees more closely to the company and its shareholders. The program provides employees with the opportunity to invest in Skanska AB's shares while receiving an incentive in the form of possible allotment of additional shares ( matching shares and performance shares). The allotment is predominantly performance-based. Shares are only allotted after a three-year vesting period. To be able to earn matching shares and performance shares, a person must be employed throughout the vesting period and have retained the shares purchased under the program.

The costs of Seop measured in accordance with IFRS 2 Shared based payment. The amount has been reported as an operating expense and non-interest-bearing liability to Skanska AB. Social insurance contributions have been calculated in accordance with UFR 7. This means that social insurance contributions for the cost for the year of Seop are recognized as operating expenses and other provisions this year.

**Severance pay**

The notice period for the President, in the case of termination by the company, is six months with retention of fixed salary and benefits, excluding variable remuneration. After the notice period, severance pay is payable for 18 months equivalent to fixed salary.

**Note 9. Fees and expense compensation for auditors**

|                   |                    |                    |
|-------------------|--------------------|--------------------|
| Ernst & Young AB  | <b><u>2022</u></b> | <b><u>2021</u></b> |
| Audit assignments | -1                 | -1                 |
|                   | <b>-1</b>          | <b>-1</b>          |

**Note 10. Credit losses, net**

Skanska Financial Services interest-bearing financial assets as of December 31, 2021 consisting mainly of receivables from Group companies, SEK 20 893 M and other bank balances, are expected to still carry a low credit risk as of the closing day as the assets have a high credit rating and thus the loss reserve for these assets is based on 12 months of anticipated credit losses.

Receivables at amortized cost

|                     |                    |                    |
|---------------------|--------------------|--------------------|
|                     | <b><u>2022</u></b> | <b><u>2021</u></b> |
| Provisions - Step 1 | -3                 | 0                  |
|                     | <b>-3</b>          | <b>0</b>           |

*Interest-bearing assets and derivatives*

|                         |               |               |
|-------------------------|---------------|---------------|
| Outstanding receivables | 43 331        | 42 346        |
| Impairment losses       | -7            | -7            |
| Carrying amount         | <b>43 324</b> | <b>42 339</b> |

*Change in impairment losses on interest-bearing assets and derivatives*

|                    |            |           |
|--------------------|------------|-----------|
| January 1          | -7         | -7        |
| Impairment         | -3         | 0         |
| Amount at year-end | <b>-10</b> | <b>-7</b> |

**Note 11. Taxes**

Recognized in the statement of income and other comprehensive income

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| <i>Tax expense</i>                    | <b><u>2022</u></b> | <b><u>2021</u></b> |
| Current taxes                         | 19                 | 2                  |
| Tax on previous years' profits        | 0                  | -                  |
| Deferred tax on temporary differences | 1                  | 1                  |
|                                       | <b>20</b>          | <b>3</b>           |

*Taxes recognized in other comprehensive income*

|  |                    |                    |
|--|--------------------|--------------------|
| Deferred taxes attributable to derivatives for hedging | <b><u>2022</u></b> | <b><u>2021</u></b> |
|  | 0                  | -1                 |
|  | <b>0</b>           | <b>-1</b>          |

*Reconciliation of effective tax*

|  |                    |                    |
|--|--------------------|--------------------|
| Earnings before taxes                                | <b><u>2022</u></b> | <b><u>2021</u></b> |
|  | 160                | 158                |
| Tax based on tax rate in effect, 20,6 percent (21,4) | -33                | -33                |
| Non-deductible costs                                 | 0                  | 0                  |
| Unreported deductible costs                          | 53                 | 36                 |
| <b>Recognized tax expense</b>                        | <b>20</b>          | <b>3</b>           |

Reported in the statement of financial position

*Tax assets (+) and tax liabilities (-)*

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
|                               | <b><u>2022</u></b> | <b><u>2021</u></b> |
| Tax assets                    | 9                  | 6                  |
| <b>Tax assets at year-end</b> | <b>9</b>           | <b>6</b>           |

**Note 12. Intangible non-current assets**

|   | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|
| Cost, January 1   | 9           | 8           |
| Purchases during the year                               | 0           | 1           |
| Cost, December 31                                       | <u>9</u>    | <u>9</u>    |
| Accumulated amortization according to plan, January 1   | -8          | -7          |
| Amortization for the year according to plan             | -1          | -1          |
| Accumulated amortization according to plan, December 31 | <u>-8</u>   | <u>-8</u>   |
| <b>Book value</b>                                       | <b>1</b>    | <b>1</b>    |

**Note 13. Property, plant and equipment**

|   | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|
| Cost, January 1   | 0           | 0           |
| Cost, December 31                                       | <u>0</u>    | <u>0</u>    |
| Accumulated depreciation according to plan, January 1   | 0           | 0           |
| Accumulated depreciation according to plan, December 31 | <u>0</u>    | <u>0</u>    |
| <b>Book value</b>                                       | <b>0</b>    | <b>0</b>    |

**Note 14. Non-current receivables from Group companies**

|                                | <u>2022</u> | <u>2021</u> |
|--------------------------------|-------------|-------------|
| <u>Accumulated cost</u>        |             |             |
| January 1                      | 3           | 781         |
| Receivables added/settled      | -3          | -778        |
| <b>Book value, December 31</b> | <u>0</u>    | <u>3</u>    |

**Note 15. Other non-current receivables**

|                                | <u>2022</u> | <u>2021</u> |
|--------------------------------|-------------|-------------|
| <u>Accumulated cost</u>        |             |             |
| January 1                      | 101         | 0           |
| Receivables added/settled      | -100        | 101         |
| <b>Book value, December 31</b> | <u>1</u>    | <u>101</u>  |

**Note 16. Prepaid expenses and accrued income**

|                                 | <u>2022</u> | <u>2021</u> |
|---------------------------------|-------------|-------------|
| Prepaid administrative expenses | 24          | 7           |
| Prepaid financial expense       | 33          | 5           |
|                                 | <u>57</u>   | <u>12</u>   |

**Note 17. Equity**

According to Swedish law, equity must be allocated between restricted and unrestricted equity. The share capital, statutory reserve and reserve for development costs constitutes restricted equity. Unrestricted equity consists of retained earnings, provisions for cash flow hedging and profit for the year. Skanska Financial Services equity breaks down as SEK 50 M in share capital, SEK 10 M in the statutory reserve, SEK 3 M in reserve for development costs, SEK 1 M in cash flow reserve, SEK 406 M in retained earnings and SEK 180 M in profit for the year. The number of shares amounted to 500,000 (500,000) with a quota (par) value of SEK 100 (100).

**Note 18. Provisions**

|   | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|
| Provisions for pensions and similar obligations | 9           | 0           |
| Other provisions                                | 3           | 2           |
|   | <u>12</u>   | <u>2</u>    |

Other provisions consist of social insurance contributions for employee ownership programs, see Note 8. The normal cycle time for these is around one to three years.

**Note 19. Maturity profile for liabilities**

|                                    | <u>&gt; 5 years</u> | <u>&gt;1 year ; &gt; 3 months;<br/>&lt; 5 years</u> | <u>&lt;1 year</u> | <u>&lt; 3 months</u> | <u>Total</u>  |
|------------------------------------|---------------------|---|-------------------|----------------------|---------------|
| Bonds                              | -                   | 0   | 480               | 0                    | 480           |
| Liabilities to credit institutions | -                   | 2 662   | 519               | 0                    | 3 181         |
| Liabilities to Group companies     | -                   | 15 523  | 77                | 23 239               | 38 837        |
| Other liabilities                  | -                   | 0   | 16                | 153                  | 169           |
|                                    | <u>-</u>            | <u>18 185</u>                                       | <u>1 091</u>      | <u>23 392</u>        | <u>42 668</u> |

**Note 20. Accrued expenses and prepaid income**

|                                 | <u>2022</u> | <u>2021</u> |
|---------------------------------|-------------|-------------|
| Accrued administrative expenses | 26          | 24          |
| Accrued interest expense        | 38          | 11          |
|                                 | <u>64</u>   | <u>35</u>   |

**Note 21. Reconciliation of liabilities originating from financing activities**

|                                   | Dec<br>31, 2021 | Cash flow* | <i>Changes not<br/>affecting<br/>cash flow</i><br>Foreign<br>exchange<br>rate<br>differences | Re-<br>classification | Dec<br>31, 2022 |
|-----------------------------------|-----------------|------------|--|-----------------------|-----------------|
| Financial non-current liabilities | 3 333           | -          | 334  | -                     | 2 662           |
| Financial current liabilities     | 0               | -20        | 11   | -                     | -               |
| <b>Total</b>                      | <u>3 333</u>    | <u>-20</u> | <u>345</u>   | <u>-</u>              | <u>3 661</u>    |

|                                   | Dec<br>31, 2020 | Cash flow*  | <i>Changes not<br/>affecting<br/>cash flow</i><br>Foreign<br>exchange<br>rate<br>differences | Re-<br>classification | Dec<br>31, 2021 |
|-----------------------------------|-----------------|-------------|--|-----------------------|-----------------|
| Financial non-current liabilities | 3 141           | -           | 192  | -                     | 3 333           |
| Financial current liabilities     | 533             | -544        | 11   | -                     | 0               |
| <b>Total</b>                      | <u>3 674</u>    | <u>-544</u> | <u>203</u>   | <u>-</u>              | <u>3 333</u>    |

\*Total cash flows in financing activities also includes group contributions -44 (-185).

**Note 22. Allocation of earnings**

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The Board of Directors proposes that the available profit of SEK 589 087 364 be allocated as follows:

Dividend to Skanska AB: SEK 250 000 000

To be carried forward: SEK 339 087 364

**Note 23. Events after the closing day**

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There were no significant events after the closing day.

**Note 24. Sustainability report**

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Skanska Financial Services is covered by the sustainability report prepared by Skanska AB (publ) (556000-4615), registered in Stockholm municipality and does not therefore prepare its own report.

**Note 25. Contingent liabilities**

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|     | <u>2022</u> | <u>2021</u> |
|-----|-------------|-------------|
| PRI | 2           | 2           |

**Note 26. Transactions with related parties**

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Disclosures about related party relationships, transactions with related parties and outstanding balances are provided in accordance with IAS 24.

Skanska Financial Services is related to all companies within the Skanska Group. 79 percent of Skanska Financial Services interest income as well as operating revenue is revenue from other companies within the Skanska Group. 29 percent of general administrative expenses relates to purchases from other companies within the Skanska Group.

|  | <u>2022</u> | <u>2021</u> |
|--|-------------|-------------|
| Receivables from Group companies             | 27 155      | 20 901      |
| Liabilities to Group companies               | -38 838     | -38 416     |
| Interest income from Group companies         | 571         | 273         |
| Interest expense to Group companies          | -549        | -75         |
| Other operating revenue from Group companies | 25          | 24          |
| Purchases from Group companies               | 24          | 22          |

**Note 27. Definitions of key indicators**

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|                            |  |
|----------------------------|--|
| Total operating revenue    | Net of interest income, pension interest, interest expense, change in market value as well as other financial items.   |
| Operating revenue          | Earning before taxes.  |
| Equity/asset ratio         | Equity as a percentage of total assets.  |
| Comprehensive income       | Change in equity not attributable to transactions with owners.   |
| Other comprehensive income | Comprehensive income minus profit according to the income statement. The item includes translation differences, the effect of cash flow hedges and tax attributable to other comprehensive income. |

**Assurance**

The annual accounts have been prepared in compliance with the international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of IFRS and generally accepted accounting principles, and provide a true and fair view of the position and results of the company. The Report of the Directors provides a true and fair view of the company's activities, position and results and describes material risks and uncertainties faced by the company.

Stockholm, March 24, 2023

Louise Hallqvist  
President and board member

Katarina Bylund  
Chairman of the Board

Jamie Stanbury  
Board member

Our Auditor's Report was submitted on April 5, 2023

Ernst & Young AB

Magnus Engvall  
Authorized Public Accountant