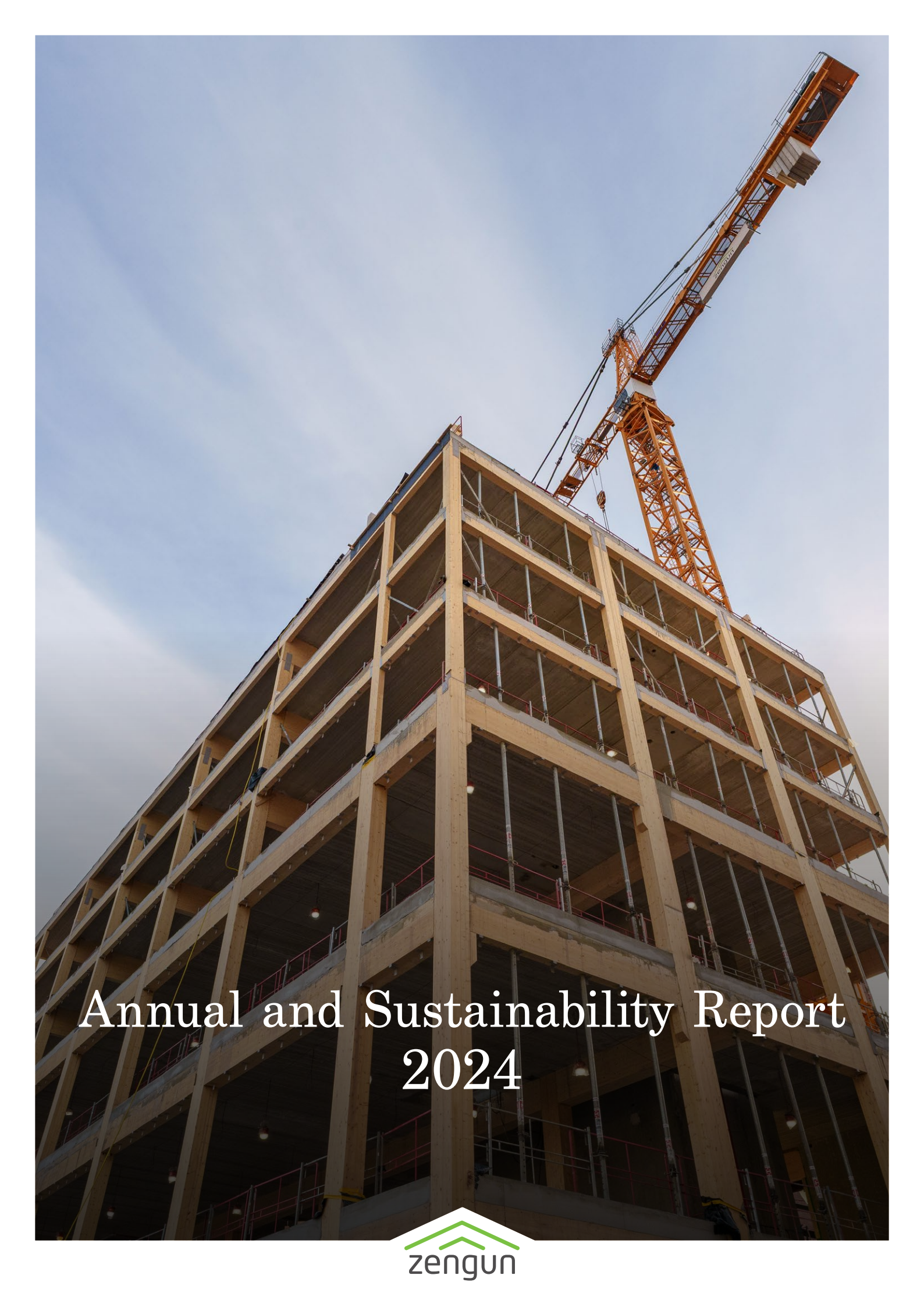
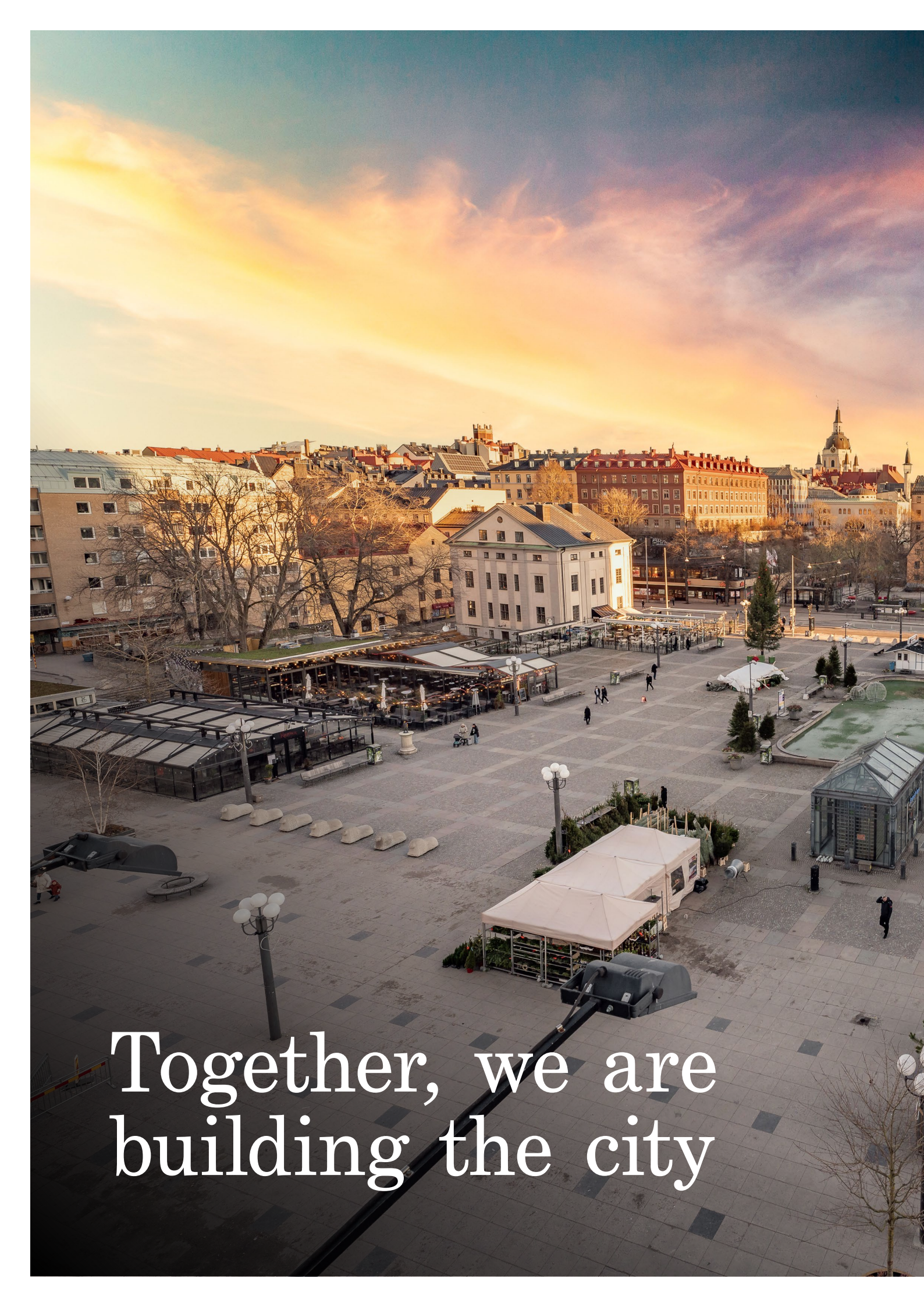




Annual and Sustainability Report 2024

An aerial photograph of a city square during sunset. The sky is filled with vibrant orange, yellow, and purple clouds. The square is paved with a checkered pattern of light and dark stones. In the background, there are several multi-story buildings with red-tiled roofs. A prominent white building with a triangular pediment is in the center. To the right, a church with a tall spire is visible. In the foreground, there are some temporary structures, including a white tent and a glass-enclosed area. A few people are walking in the square. The text "Together, we are building the city" is overlaid in a large, white, serif font at the bottom.

Together, we are
building the city

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FINANCIAL
STATEMENTS

ANNUAL AND SUSTAINABILITY REPORT 2024

Zengun Group AB (Note 23, page 84) reports financial and non-financial information in a joint report, for which the Board of Directors is responsible. The report integrates information relating to finances, sustainability and corporate governance to provide a comprehensive and cohesive description.

The statutory annual report includes an administration report and financial statements, covering pages 44–85.

The Sustainability Report can be found on pages 14 and 22–43. It fulfils the statutory requirements for sustainability reporting as laid down in the Annual Accounts Act and its previous version that applied prior to 1 July 2024.

Zengun in brief

Zengun is one of the leading construction contractors in the Stockholm region. We are a complete supplier and partner, with a customer-centric approach as a natural component of our business concept.

We conduct construction projects on behalf of well-known customers in the real estate industry with a focus on commercial properties. Our portfolio also includes residential projects and public sector construction projects.

EBITDA, MSEK

157.3

NO. OF EMPLOYEES

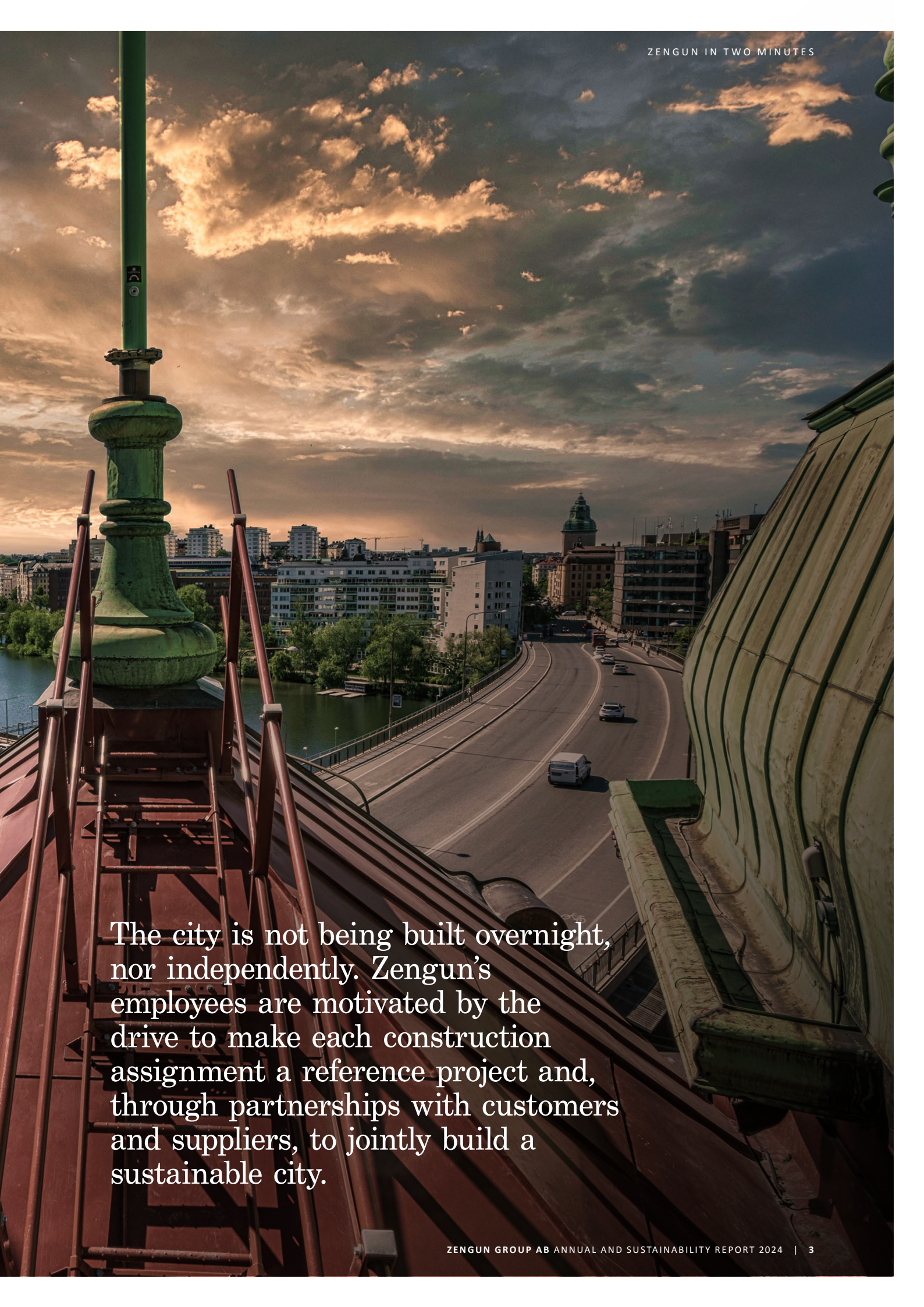
150

NET TURNOVER, MSEK

2,584.5

EBITDA MARGIN, %

6.1



The city is not being built overnight, nor independently. Zengun's employees are motivated by the drive to make each construction assignment a reference project and, through partnerships with customers and suppliers, to jointly build a sustainable city.

Highlights of 2024

We can reflect on a turbulent year in terms of the economy and security policy at the same time as we reached our long-term strategic profitability target of an EBITDA of 6%



► NEW CONFIDENCE DURING THE YEAR

New agreements signed in 2024 – a selection:

- Söderhallarna – Zengun and Atrium Ljungberg signed a phase-2 agreement for the renovation and remodelling of Söderhallarna.
- Kvarnstugan – Continued confidence through the signing of a construction contract (phase-2) between Zengun and Fastighets AB Förvaltaren for the production of housing, restaurants and cultural facilities.

► ORGANISATIONAL CHANGES AND GROWTH

- Malin Rylander appointed to the role of Head of Accounting.
- During the year, 19 new employees were hired.



Malin Rylander, Head of Accounting

► AWARDS AND NOMINATIONS

Awards:

- AMF Fastigheter's office in Mood: Sweden's Most Stylish Office, 2024.
- Haga Norra Kv. 1 (Fabège): Facade of the Year, 2024.
- Haga Norra Kv. 4 & 5 (Fabège): PQi – excellent project quality.

Nominations:

- Forskaren (Vectura Fastigheter) was a finalist in Building of the year.



Other significant events

DURING THE YEAR

- ▶ In February 2024, new senior secured sustainability-linked bonds were issued in an initial amount of MSEK 400 with a four-year maturity, in parallel with the early redemption of the previous bond issue.
- ▶ Zengun celebrated its 15 year anniversary in September, we brought our employees and customers together with representatives from the industry and business community to recognise and celebrate the fantastic development of the company.
- ▶ On behalf of the Board of Directors, the Zengun management team together performed more than 100 hours of volunteer work. Examples of initiatives during the year include homework help, leadership coaching, initiatives to promote integration and provide coaching for marginalised groups as well as mentoring young people with diagnoses.

AFTER THE END OF THE FINANCIAL YEAR

- ▶ After three years in the role, Zengun's Sustainability Manager Caroline Hill is handing over the role of Chairperson of SGBC Öst to Emelie Glaser, Reuse Coordinator at Zengun. We are proud of the continued trust we receive from the Sweden Green Building Council.
- ▶ Bonnier Fastigheter renewed its trust in Zengun by signing a phase-2 agreement for the Portalen project in Stockholm's harbour district.
- ▶ Zengun and Fastighets AB Förvaltaren signed an agreement for continued collaboration in the construction of a mobility facility in Rissne.

DID YOU KNOW?

ZENGUN'S MANAGEMENT TEAM COLLECTIVELY PERFORMED MORE THAN ONE HUNDRED HOURS OF VOLUNTEER WORK.

ZENGUN GROUP

(Amounts in MSEK, unless otherwise stated)

	2024	2023
Net turnover	2,584.5	2,771.2
EBITDA	157.3	122.8
EBITDA margin, %	6.1	4.4
EBITA	150.4	116.9
EBITA margin, %	5.8	4.2
Earnings for the period	70.3	43.5
Operating cash flow	31.6	142.4
Net debt	186.5	221.4
Debt/equity ratio, %	36.0	49.4
Equity ratio, %	37.4	29.7
Orders received	2,891.7	1,929.9
Order book	3,098.9	2,791.7

We look forward with confidence

For Zengun, 2024 was a stable year with good turnover and robust orders received. Despite a stagnant construction market in Sweden, demand for commercial properties remained high and, at year end, we were able to deliver good results.

More and more people consider the physical workplace an important part of attracting talent, building a healthy corporate culture and creating the conditions for success. This in turn increases the importance of attractive properties that are close to public transportation, with offices, services, retail and restaurants. The larger social trend towards sustainability is also leading to growing demand for buildings that are flexible, energy-efficient and made from reused materials. All of this benefits our business since we have chosen to specialise in exactly these kinds of complex and sustainable remodeling and new construction of commercial properties in the right locations.

At Zengun, we always put employees and projects first, and we build for the future. I'm pleased to say that, together with our customers, we always challenge ourselves to improve and become more sustainable. We are noting a rapid pace of change, with increased demands from the outside world, and it is gratifying to note that our own development is also pushing the boundaries of the entire industry.

In 2024, we continued to work to meet milestones on several important projects, including Hästen 21 for Pembroke in Stockholm City, the remodelling of Söderhallarna at Medborgarplatsen for Atrium Ljungberg and the tenant improvements of AMF Fastigheter's new offices in the MOOD block, which

were conducted by our subsidiary Zengun re:do. The latter also won the award for *Sweden's Most Stylish Office*.

We also completed the landmark building Forskaren, which we built on behalf of Vectura Fastigheter in Hagastaden, and Haga Norra Kvarter 1 in Solna on behalf of Fabège. We have a long-standing and natural collaboration with these customers based on our shared values and business focus.

Zengun's strong culture is reflected in our great teams who work their hardest every day to achieve both our internal goals and our customers' ambitions. I was proud to have the opportunity to recognise our incredible development and thank all of our employees during the celebrations for Zengun's 15th anniversary.

To sum up, Zengun has weathered the recession well and we are noting signs of a recovery in the market due to interest rate cuts and declining inflation. The willingness to invest is now returning and we are ready to increase production rates. This, together with our stable financial position, means that we are looking forward to 2025 with confidence.

Mick Salonen

President and CEO

A portrait of a man with dark hair and a light beard, smiling warmly. He is wearing a light blue button-down shirt under a dark navy blue jacket. The background is a soft-focus outdoor scene with greenery and a body of water under a clear sky.

At Zengun, we always
put employees and
projects first.

Operating environment and market

Despite a difficult economy, Zengun was able to pursue its long-term strategy during the year and there was still substantial demand for commercial construction in Stockholm. In terms of turnover, 2024 was a stable year with a strong margin. Moreover, our financial position improved due to the refinancing at the beginning of the year.



Russia's continued invasion of Ukraine, Sweden's entry into NATO, the EU parliamentary elections and the US presidential election were important external events that affected security and foreign policy and had an impact on the economy and growth in 2024. The Swedish economy was in a downturn. Despite improved interest rates and stabilised food and electricity prices, households remained cautious, consumption was subdued and demand for new housing was low. Population growth in 2024 was the lowest in 20 years. An unfavourable trend for the construction industry, among others, in the long term.

SUSTAINABILITY MILESTONES

Increased requirements mean that the industry is continuously raising its sustainability ambitions. Zengun's reputation for sustainability expertise means we are in demand for several complicated project partnerships and that we can help steer the entire construction industry towards more circular urban development. One milestone during the year was our sustainability-linked financing, where the terms and conditions depend on our ability to reach our sustainability goals. We also continued efforts in 2024 to ensure that our supply chains reflect our ambitious requirements. Read more about our sustainability agenda on page 22.

EMPLOYEES WHO THRIVE – STAY AND DEVELOP

Zengun has a strong culture and the company is characterised by a team spirit and personal treatment. During the year, we continued to develop and invest in our employees, for example through initiatives to promote physical health, individual health counselling and health insurance for all employees. As in previous years, Zengun participated with four teams in the Stafettvasan race and supported the Ica Maxi-PARKEN race in Sundbyberg and Solna. Read more about our health and wellness initiative Zengun Life on page 38.

CAUTIOUS OPTIMISM IN THE CONSTRUCTION INDUSTRY

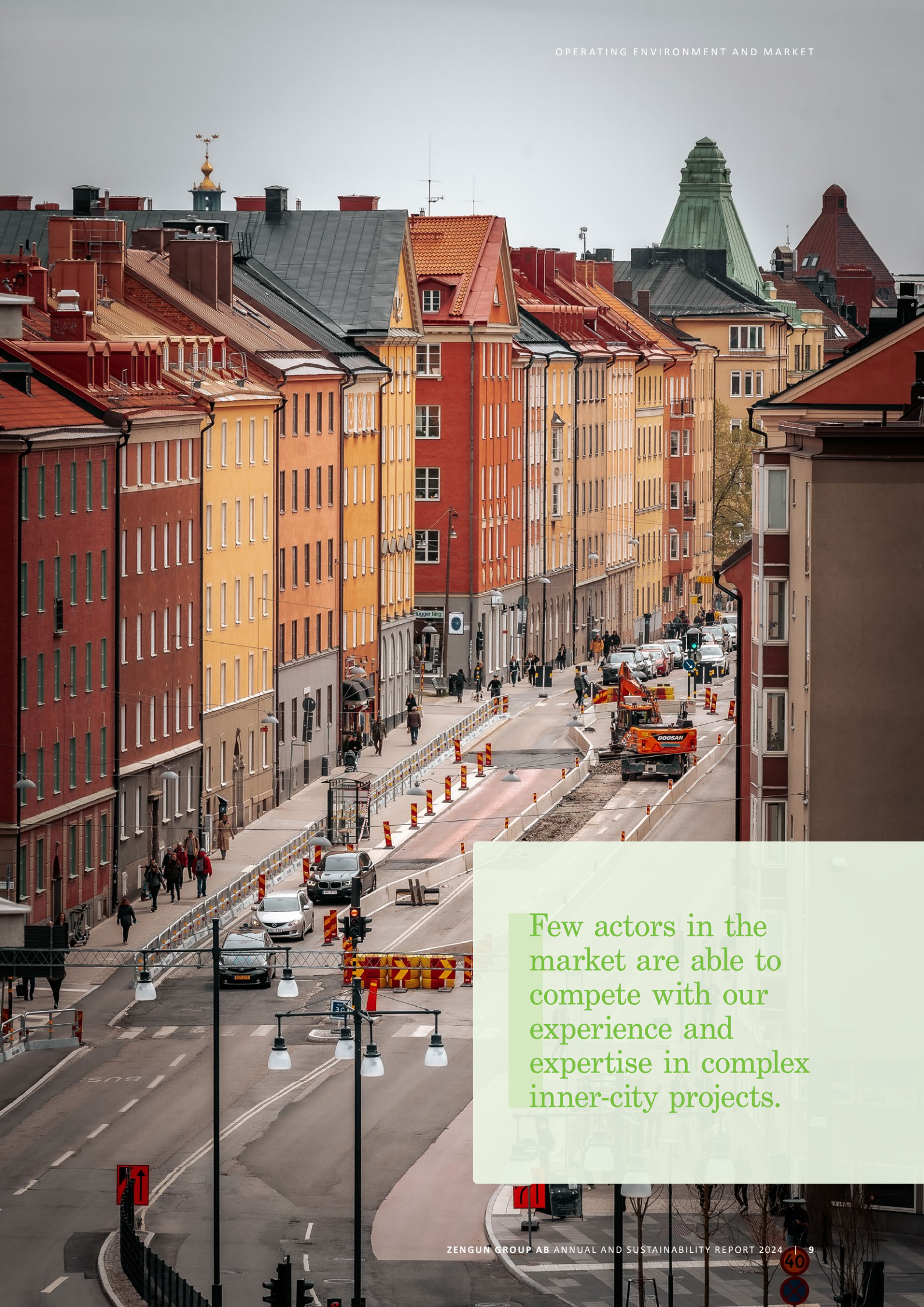
Fostering long-term partnerships is at the core of Zengun. Long-term customer relations are especially important in times of uncertainty, when the industry needs to focus and streamline operations.

Our expertise in complex new construction and remodelling in the right locations helped us through the difficult year as our customers chose to invest in prioritised submarkets and key projects. We won several awards together with some of our customers, including *Facade of the Year* for Haga Norra Kvarter 1 and *PQi – Excellent project quality* for Haga Norra Kvarter 4 & 5, which we built on behalf of Fabege in Solna, and *Sweden's Most Stylish Office* for the tenant improvements at AMF Fastigheter's new offices in the MOOD shopping centre.

Overall, we ended the year with a stable order book in new construction and remodelling in Stockholm. Eased interest rates and subdued inflation have led to increased optimism among our customers ahead of 2025 and we are optimistic about future prospects.

DID YOU KNOW?

TOGETHER WITH OUR CUSTOMERS, WE WON SEVERAL AWARDS DURING THE YEAR.



Few actors in the market are able to compete with our experience and expertise in complex inner-city projects.

Working strategically with goals and focused on core operations

During the last few years, Zengun has worked extensively with strategic goals. Our business plan is updated annually with specific activities and KPIs that are followed up regularly in order to help us achieve our long-term strategic goals. This work is primarily performed in project operations and data collection procedures were improved during the year, primarily related to our sustainability goals.

Vision

The key to a better construction industry.

Mission

Committed and solution-oriented project teams who care.

Business concept

Driving projects drives Zengun. We operate in the Stockholm region, in close collaboration with customers and always with the project and people in focus.

We help property owners improve their property portfolios in each project by offering know-how and skills as a collaboration and sustainability partner throughout the entire lifespan of the project. We build commercial properties in combination with select public-sector properties and residential projects. We take the long term into consideration for our employees, customers and surroundings, and are constantly developing to make each project a reference project.

Our long-term goals

- ▶ Zengun is to be a growth company.
- ▶ Zengun is to be the sustainable choice.
- ▶ Zengun is to be a quality builder.
- ▶ Zengun builds the best project teams.



OUR VALUES

PARTNERING

Zengun means “the entire team.” Zengun is built through collaboration, respect and humility. Zengun develops by helping colleagues, partners and customers to succeed.

KNOWLEDGE

We have the know-how and expertise to deliver high-quality projects and build for a sustainable future.

SUSTAINABILITY

We are building a sustainable society for people, the environment and communities, through sustainable construction, commitment, consideration and a strong ethical compass. We are succeeding, thanks to our sustainable long-term relationships with partners and customers.





Operations



Zengun exclusively builds on behalf of other parties and strives for long-term business relationships with a high level of service, engagement, and a customer-centric approach. We want to be our customers' preferred choice and a sustainable approach means we remain competitive.

Leading quality builder

Zengun exclusively builds on behalf of other parties and strives for long-term business relationships with a high level of service, engagement, and a customer-centric approach. We want to be our customers' preferred choice and a sustainable approach means we remain competitive. The foundation of our operations is that every project is to be a reference project. This is a major reason why we have satisfied, new and returning customers which contributes to our growth and current net turnover of approximately MSEK 2,584.5.



Zengun is a premium builder that operates in the Stockholm region. We are primarily focussed on large, complex inner-city projects involving new construction and ROT (renovation, remodelling and extension). The project portfolio mainly comprises commercial properties along with selected public-sector properties and residential buildings. This generates a diverse project portfolio and contracts of varying sizes.

Our goal is to always be our customers' preferred choice, with a competitive edge ensured by our sustainable approach. Zengun's values – knowledge, collaboration and sustainability – permeate our work internally and externally. Our skills and good business practices engender confidence among our customers that we will always deliver the best product. Our commitment and our corporate culture are a large part of Zengun's offering, and have proven to be the key reasons for why returning customers choose us over our competitors.

SYSTEMATIC APPROACH AND GOVERNANCE

Zengun's projects should always be delivered in line with regulations and in a consistently high quality that corresponds to the customer's needs, expectations and agreed specifications. Progress is made using a systematic approach and well-developed management system.

Three of our four work-management groups are certified in line with ISO 9001, ISO 14001 and ISO 45001, which govern quality, the environment and the work environment. The fourth group, which consists of the subsidiary Zengun re:do, is certified

under the equivalent system, BKMA. Our long-term objective is for the entire Group to be ISO certified. An internal development group continuously ensures the management system is up to date.

To pinpoint and highlight needs within the projects and systematically expand exchanges of experiences, we formed several focus groups for areas such as the work environment, sustainability, purchasing, IT and technology.

LONG-TERM BUSINESS RELATIONSHIPS AND CONSENSUS

Zengun primarily works with well-known long-term actors in the property market. We strive for long-term business relationships where a high level of service, commitment and a customer-centric approach are success factors.

We build properties solely on behalf of other parties, which differentiates us from many competitors. Since we do not conduct any project development on our own behalf, there is no need for us to be tied up in various funding commitments. This is a conscious choice that means we never compete with our customers and it simultaneously minimises financial risks.

88%

SHARE FOR PROJECT
PARTNERSHIPS



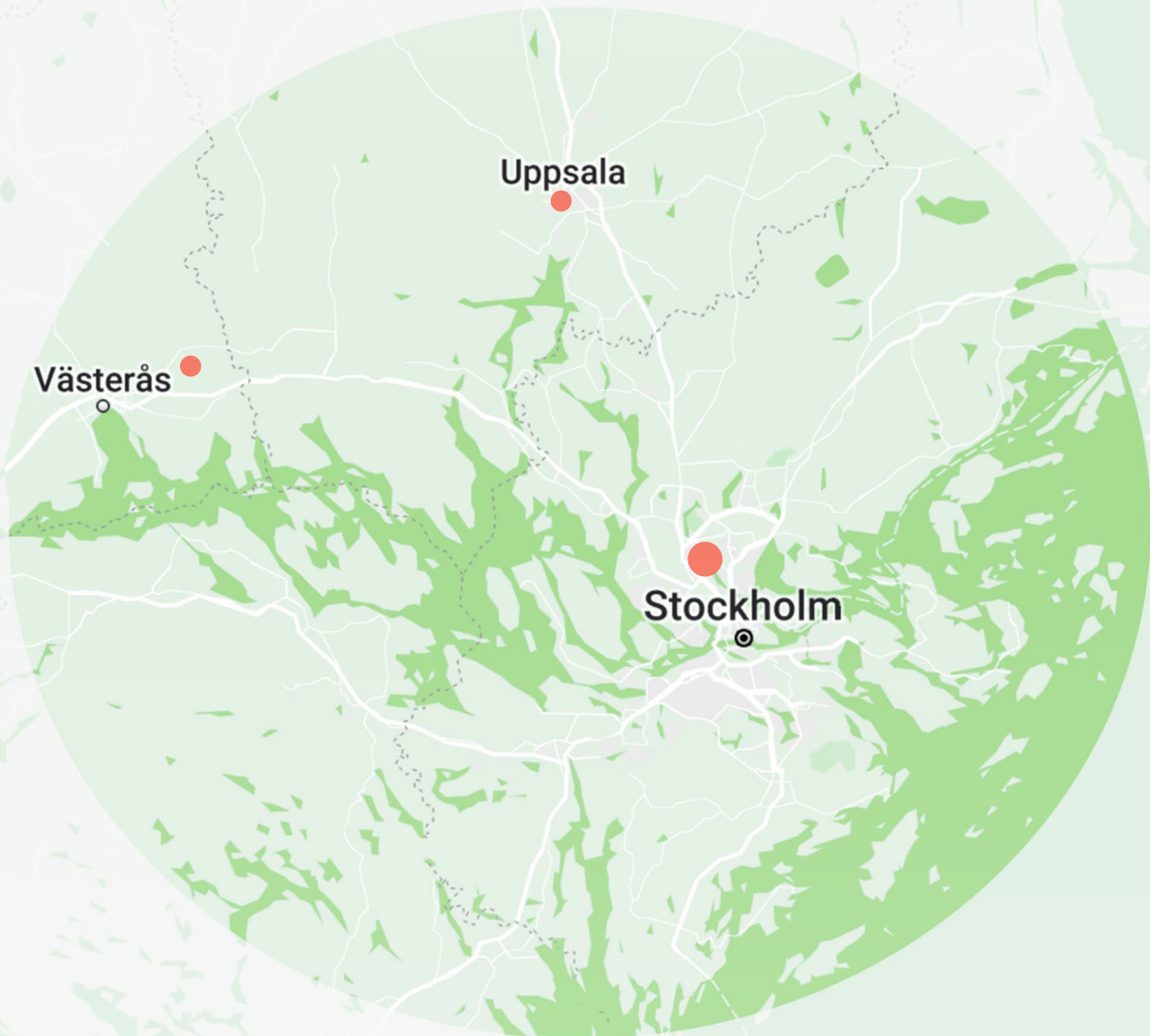


PROJECTS IN FOCUS

Zengun has a flat, project-centric organisation. One of Zengun's strengths is how it builds teams of skilled individuals who complement and assist each other within challenging construction projects.

OPERATING AREAS

Zengun's primary operating area is Stockholm, but we are also active in several areas in the Mälardalen region.

**WE GROW WITH OUR CUSTOMERS**

Zengun's projects are dominated by its preferred choice for collaboration – the partnering format. It is an approach that creates added value and is based on open and trusting collaboration between customers, construction contractors and other project participants, who all share the same goals and maintain transparent finances. Our shared purpose is to find the best solutions for those who will use the completed property, thus reducing the risk of the sub-optimisation of individual components.

The project partnering format involves a holistic approach and a mutual interest in seeing all parties involved succeed, which in turn promotes a collaborative project culture. By leveraging this format, we can contribute skills and advice early on in the decision-making process.

DECENTRALISED ORGANISATION

Zengun uses a flat, project-centric organisation with decentralised responsibilities. Our management group is responsible for the company's overall strategic focus, while execution of works is conducted in operations. Operational work is organised into four business units that independently drive the projects. Decisions are taken in close dialogue with customers within projects, which are led by the project and production managers with the help of the company's support functions.

Kv. Kvarnstugan



A new landmark in western Ursvik

In western Ursvik we are currently building a new block that will become a central hub for the district. It includes 113 rental apartments, 30 of which are specially designed senior housing for residents over the age of 55. There are also plans for the block to include ground floor premises as well as a cultural centre that offers singing, theatre, dance and a library – a natural meeting place for residents and visitors to the area.

Since summer 2023, Zengun has been active in developing this project together with the customer, Fastighets AB Förvaltaren. Construction began in autumn 2023 and the block is expected to be completed by summer 2026. It comprises three blocks of flats with a shared garage. These buildings will be connected by a courtyard garden one floor above street level.

HIGH AMBITION AND FOCUS ON SUSTAINABILITY

The project is characterised by high ambitions in terms of architecture, function and sustainability. The choice of materials and system solutions were carefully designed to achieve the shared goals. All three buildings are being constructed with different frame and facade solutions designed to optimise the functionality and appearance of each building.

Reducing the environmental impact of the project has been a key focus area. For Torghuset, the block's central building, the goal is to receive a Miljöbyggnad Silver rating from the Sweden Green Building Council and to minimise its carbon footprint. With three stories of cultural operations and three stories of housing, Torghuset is being constructed with a hybrid frame of glued laminated beams and high-density fibre-board flooring. Additionally, the facade features lightweight construction of timber with wood panelling, most of which is prefabricated in order to reduce shipments and work on site.

A DYNAMIC MEETING PLACE FOR EVERYONE

The municipality of Sundbyberg plans to complete the street and build a new square in front of Torghuset. Eventually, the tram line will pass right in front of the property, with a stop by the new square. This will further reinforce the sense of meeting place and help boost activity in the area, making it more dynamic.



GFA: approximately 15,000 sqm

Project timetable: 2023–2026

Customer:
Fastighets AB Förvaltaren

Kv. Oxen Större 21

AMF Fastigheter's headquarters at MOOD

Thanks to its colourful, playful and functional design, AMF Fastigheter's newly built office in the Mood shopping centre was named *Sweden's Most Stylish Office, 2024*. Some 30 colours were used to paint the walls, including some inspired by Stockholm's most distinctive places and buildings, helping create a lively – and colourful – oasis for AMF Fastigheter. The new office is not just a workplace for employees – the open entrance facing Mood also invites partners and visitors into an inspiring meeting place for collaboration.

In addition to its innovative design, the central theme of reuse permeates both the interior design and the construction. A great deal of focus went into joint efforts to restore doors, kitchenettes and glass partitions from AMF Fastigheter's other properties. Shelves, fittings and installation products were reused with the help of several actors in the reuse market.

With its luxurious choice of materials and inspiring interiors, the project highlights the potential of reuse and challenges the usual idea of what reuse looks like. We hope that reuse will be enthusiastically embraced in more and more projects. AMF Fastigheter shared our vision throughout the entire project, which was a key to its success.

Move-in was in May 2024.



GFA: 1,400 sqm

Project timetable: 2023–2024

Customer:
AMF Fastigheter







Sustainability



Sustainability is one of Zengun's three values. It guides our strategic decision-making and core operations out in the projects.

A role model for sustainability

Sustainability is a natural component of Zengun's business model*, in order to maintain competitiveness as well as to assume responsibility for future generations. Zengun helps materialise our customers' sustainability ambitions by acting as their sustainability partner and offering knowledge and expertise in every project.

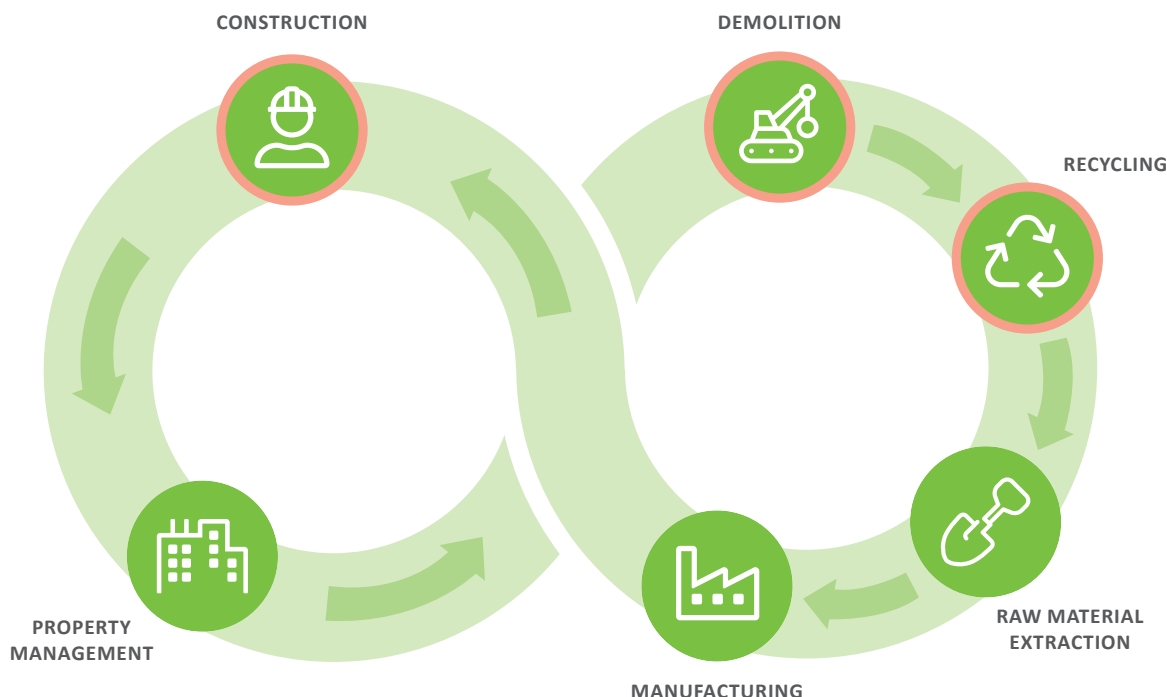


SUSTAINABILITY: PART OF THE BUSINESS MODEL

Zengun's ambition is to be part of building a sustainable society. We conduct systematic sustainability work in every stage of operations, with the ambition of promoting sustainable development at a societal level.

Sustainability is a key issue for us, both to maintain our competitiveness as a premium builder and to shoulder our responsibility to build sustainably for coming generations.

This responsibility includes the impact of our operations on our surroundings from financial, environmental and social perspectives. This is reflected in how projects are led and conducted by our employees in partnership with a large number of subcontractors. Compliance with environmental, social and financial sustainability criteria is ensured in the supply chain by setting and following up on requirements for subcontractors and suppliers.



ZENGUN – AS PART OF THE CHAIN

The illustration shows our operating chain, with the highlighted circles representing the phases where we operate and therefore have the greatest impact potential. However, to conduct sustainable operations, it is necessary that we also work actively with other phases to promote sound terms and conditions and reduced environmental impact at every stage.

* See pages 2 and 14.

MATERIALISING CUSTOMER AMBITIONS

At Zengun, we challenge and materialise our customers' sustainability ambitions. We do this by taking an active role in forming the project's vision within areas that circulate the flow of materials (waste management, reuse, choice of materials), climate footprint (choice of materials, transportation, life-cycle analysis), environmental certification (type and level) and social topics (supplier assessments, local commitment).

Our employees proactively contribute their expertise in sustainability to the projects and engage subcontractors and partners in these efforts. Risks and opportunities are jointly identified with other stakeholders within the framework of each project phase.

MEETING STAKEHOLDER EXPECTATIONS

Following the EU's New Green Deal, including the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy, in the last few years there have been significant changes in how companies are obligated to report sustainability data. These new requirements will lead to increased accuracy in our data collection from construction projects, while increased transparency requirements will further strengthen the legitimacy of our sustainability work. Zengun is subject to these requirements as of the next operating year.

Focus on sustainable operations is governed by our stakeholders – understanding their needs and meeting their expectations is crucial for meeting current and future needs. Zengun's key stakeholders are customers, employees, suppliers, subcontractors, investors, third parties and other stakeholders in society, such as government agencies and trade unions.

To keep Zengun's sustainability efforts up-to-date and relevant, a materiality assessment is performed every three years. The most recent one was in 2024. During the year, we also conducted a transparent and continuous dialogue with our existing customers, employees, potential customers, investors and suppliers. Based on the above, we mapped relevant issues to provide a solid basis for the continued assessment of the development of our sustainability efforts. For Zengun, this assessment provides guidance for daily operations and long-term strategy.

The sustainability matters that were highly prioritised in the previous materiality assessment remain relevant. We are noting continued interest among our stakeholders in increased governance and follow-up at the supplier level, as well as minimised climate impact throughout the value chain, with a strong emphasis on reuse and energy efficiency.

PRIORITISED FOCUS AREAS BASED ON OUR MOST RECENT MATERIALITY ASSESSMENT

- Work environment with a focus on safety
- Human rights, labour law and countering corruption and bribes
- The circular flow of materials
- Reduced climate footprint throughout the value chain
- Equal treatment and diversity
- Physical and mental well-being
- Sustainable business conduct
- Energy efficiency

Responsible business with a focus on sustainability

Zengun's sustainability agenda follows our principles for corporate governance, where the Board of Directors has the ultimate responsibility and takes decisions regarding the sustainability strategy and relevant policies. The CEO, together with the company management, is responsible for the development of the sustainability agenda within the company.



Zengun has an overarching Sustainability Policy that regulates work methods related to social and environmental sustainability, and which applies to all employees, customers, suppliers, subcontractors and consultants. The Sustainability Policy is supplemented by the company's Code of Conduct, as well as its Quality Policy, Work Environment Policy, Pay Policy, procurement procedures and supplier assessment procedure. Policies, guidelines and manuals for sustainability initiatives can be found on the company's intranet and management system.

IN-HOUSE TRAINING IN SOCIAL RESPONSIBILITY

At Zengun, it is natural to promote social responsibility and a healthy construction industry in which we combat irregularities together. To contribute to this, we provide continuous training for our employees. Regular training sessions were held throughout the year to raise awareness of workplace crime and to strengthen the procedure for registering subcontractors at our construction sites. As a supplement, we have performed internal and external audits at our construction sites.

CODE OF CONDUCT FOR SUSTAINABLE BUSINESS

All of Zengun's employees, suppliers and partners are covered by our Code of Conduct to ensure that we operate responsibly in every respect. The code is based on the Ten Principles of the UN Global Compact for sustainable business. The company's business strategy is permeated by the Global Compact's values and clear principles within business ethics. We meet fundamental responsibilities in human rights, labour, the environment, workplace crime and anti-corruption. If the supplier deviates from the code and no rectification is made within the agreed time period, the business partnership may be terminated.

WHISTLE-BLOWER FUNCTION

To enable anonymous reporting of breaches of the Code of Conduct and other ethical breaches, Zengun has an external whistle-blower function. The service is open to employees, suppliers and customers, who are informed of this when they sign the company's Code of Conduct. No reports were received during the year.

You can read about the whistle-blower function and Zengun's Code of Conduct in its entirety on our website.

THE GOVERNANCE OF PURCHASING PROCESSES IS CRITICAL TO SUSTAINABILITY WORK

Purchases of materials and services is often the biggest cost driver in our projects and also poses the greatest risk both to the environment and to people throughout the value chain. Zengun's Code of Conduct is a cornerstone of sustainable purchasing and supplier assessments are performed in accordance with the procurement procedure with every purchase. The procurement procedure enables us to check the ability of potential suppliers to meet the minimum requirements, separate supplier conditions and project-specific requirements as well as requirements in terms of financial stability and risk profile. An important criterion in procurement and purchasing is how suppliers can contribute to our climate goals, for example by offering climate improvement measures and materials as options in their tenders. In this way, Zengun can present alternative sustainable solutions to our customers and demonstrate that our commitment goes beyond what is included in contracts.

We have developed a central supplier register to help us identify the right suppliers. The platform functions as a collective source of intelligence, where we collect experiences and information that can be used across various projects.

This comprehensive assessment ensures that we work with suppliers who not only meet our project-specific needs, but who also actively support our vision of a more sustainable future.

SUPPLIERS WITH CONSENSUS

As well as being an attractive supplier for our customers, we want to be an attractive customer for our suppliers and partners. In our experience, this creates competitiveness and ensures quality, both in sales and when carrying out projects.

Zengun is familiar with the subcontractor and supplier market where it operates, and conducts continuous close dialogue with these parties to ensure compliance with requirements.

We consider Europe our primary market for material suppliers with whom we have direct agreements, but there are parties from other parts of the world in our supplier base. All subcontractors and suppliers are covered by our Code of Conduct and are expected to share our position on sustainability and responsible business.

An important role for preventing fraud and workplace crime

In her role as project administrator, Pia Elvesund is often the first person someone new meets on the job.



“As a project administrator at Zengun, I’m often one of the first people a new employee meets. I register them on the project, go through the safety introduction, check their documents and identification, and much more. The registration process is an important part of ensuring we do the right thing and that we only have authorised people at our work sites. There are great tools to prevent fraud and workplace crime, but at the same time the rules can be complicated. It’s important to understand the different roles authorities play and the various requirements they have. But fortunately for me, I think this something interesting and exciting to work with! I’ve also been

able to train my colleagues at other projects in the registration procedures so that everything goes as smoothly as possible at our work sites.

New Zengun employees also contact me since I’m responsible for things like ordering ID06 cards and helping with time reports or questions about wellness, or anything else that comes up.

I’ve already been at Zengun for ten years and I really enjoy my work and all of my great colleagues and customers! I also appreciate how flexible the job is and how I can combine it with free time and my family. Zengun is a considerate employer and there are opportunities to grow every day.”

CONTINUOUS DEVELOPMENT OF SUSTAINABILITY IN THE SUPPLY CHAIN

The supply chain in the construction industry is often complex and it is hard to control sustainability factors. This is primarily linked to human rights, working conditions and anti-corruption. To ensure the sustainable production of products and services used, Zengun participates in cross-industry initiatives to improve the work methods and procedures for risk-analysis, knowledge transfer and increased control.

By continuously developing and refining procedures in the purchasing process for supplier assessment and follow-up, we can ensure that sustainability efforts are improved, clarified and integrated throughout the supply chain. To enable us to verify that materials and services are purchased from serious suppliers, subcontractors are only permitted to be used in two stages. The companies that supply us with goods or services are controlled based on environmental, financial, risk, working conditions and safety criteria.

SUPPLIER EVALUATION

All prospective suppliers to Zengun are first screened against the requirements of our supplier assessment. Our suppliers must comply with applicable laws, regulations and directions and hold collective agreements for their operating areas. They

must hold the necessary permits and their employees must have received the necessary training for the task at hand. In addition to the initial checks, we perform ongoing post-purchase checks to ensure the requirements of the *Banking Initiative* are upheld and according to the responsibilities of the main contractor.

Our supplier base consists primarily of Swedish companies, with only a few carefully selected foreign companies. This allows us to focus risks and assessments based on these factors. Another strategic decision is to only subcontract two stages out. These choices collectively result in better control of the entire subcontractor chain.

We promote fair competition throughout our purchasing process, from contracting to registering employees and, where appropriate, workplace checks. Our contractor must pre-notify its prospective subcontractor for approval. To further secure our registration procedures and existing controls, we engaged an external party to conduct audits at our construction sites during the year.

Due to an increase in crime in the workplace, an increasing amounts of control responsibilities have been gradually shifted to the main contractor. Zengun monitors these developments and strives to be at the forefront.

Creating added value through collaboration

At Zengun, we challenge and materialise our customers' sustainability ambitions through our role as sustainability partner and offering know-how and expertise in every project.



At Zengun, sustainability means taking responsibility across the entire value chain, creating increased customer value and contributing to the transition to a sustainable society. Our dedicated employees in the projects are best-placed to collaborate with clients, subcontractors and other partners to optimise the product from a sustainability perspective.

Our project partnerships enable us to advise from the onset and therefore be involved throughout the entire project process. Early project participation allows a proactive approach that generates added value, business and competitive advantages, and long-term savings for our customers. For us, this entails engaging in close dialogue to investigate, discuss and identify the conditions that are important for different parties in order to thereafter present good choices and promote a more sustainable industry. In the same way as we want to be a good sustainability partner for our customers, we want to use sustainable suppliers. As such, we evaluate all of our suppliers starting at the tendering process, based on their ability to perform in accordance with our objectives.

At Zengun, we welcome higher environmental standards and a rapid transition.

MEETING INCREASED REPORTING REQUIREMENTS

At Zengun, we welcome higher environmental standards and a rapid transition in the industry. Our competitiveness advantage stems from our extended project support and we emphasise the importance of internal expertise in the environmental field. During the past year, we established a working group to focus

and work proactively on ensuring that Zengun meets the new requirements in the EU Taxonomy and the CSRD that Zengun will be subject to in 2025. Part of the preparations includes hiring external consultants to guide the preparatory work and train our team in the sustainability data requirements of the CSRD and the eligibility and alignment requirements in the Taxonomy. We have chosen to prioritise internal skills development to strengthen our role as project support in environmental topics for our customers. This not only enables us to ensure that Zengun is well prepared for future reporting requirements, it also contributes to the transformation of the industry and managing future sustainability challenges strategically with an eye towards the future.

During the year, Zengun also began the production phase of our first project to be subject to the Act (2021:787) on climate statement for buildings. In connection with this, we have prepared new procedures to ensure efficient collection of data and a seamless reporting process. By adapting our internal approach, we can spread expertise throughout the organisation and better contribute to promoting sustainability work.

COMMITMENT TO INDUSTRY-WIDE INITIATIVES

Zengun is involved with several industry-wide initiatives and networks to strengthen competence in the field of sustainability and to set good examples and increase the demand for sustainable construction in the long term. As of early 2022, our Sustainability Manager Caroline Hill has been Chairperson of the regional network, SGBC Öst (Swedish Green Building Council) and a member of SGBC's technical and operational LEED council. Zengun also joined CC Build in 2024. This is an organisation that aims to strengthen the market for circular products and services, and to establish approaches in line with circular principles. We are also active in Klimatarena Stockholm, a collaboration platform for the county's climate transition. Together with other participants, we signed the climate pledge to halve emissions between 2020 and 2030.

<3%

LANDFILL

We have been calculating our climate footprint according to the GHG Protocol on an annual basis since 2019. Over and above our goal of being climate-neutral by 2045, in line with the industry-specific roadmap, we have shorter-term goals in Scopes 1, 2 and 3. The outcome for 2024 is presented below.



In 2024, the total carbon footprint in Scope 1 and 2 per employee was negatively impacted by a shift in the distribution of energy sources, as well as by an increase in the number of new projects, some of which lacked sufficient documentation regarding the use of renewable electricity.

LEADER IN ENVIRONMENTAL CERTIFICATIONS

We are experiencing high demand from our customers for the environmental certification of projects and ever-higher sustainability ambitions as a whole. Out of all of Zengun's ongoing projects for 2024, 84% will be environmentally certified, calculated in terms of net turnover. Our employees are knowledgeable about all of the market-leading sustainability certification standards – BREEAM, LEED; Sweden Green Building Council, Net Zero Carbon, Swan Ecolabel, WELL and Green Building – and support our customers in their work with them. We can also offer in-house support in the capacity of BREEAM Advisory Professional and thus provide further support for our customers in certification processes, and in their general and project-specific goal attainment.

GOING THE EXTRA MILE

From 2019 onward, Zengun has prepared annual climate accounts in accordance with the GHG Protocol, covering Scopes 1, 2 and 3 to be able to identify significant emission factors and set relevant long-term goals that are in line with the Sustainable Development Goals and the approaching climate transition.

We rely on close collaboration with our customers, suppliers and industry colleagues to reduce emissions throughout the entire value chain. We are positive about developments and the already existing high demand from our customers and suppliers for climate-improvement initiatives. Our set climate goals are formulated in line with the industry roadmap, which means we will be climate neutral by 2045. The greatest climate impact exists within project activities and thereby, our potential to make the biggest difference. We have therefore elected to break down our long-term and strategic goals into project-specific action plans that identify universal and customised solutions to reduce the climate impact of each project.

One example of a project where we actively seek to minimise our climate footprint is Haga Norra Kv. 1. Here we are actively seeking to minimise our climate footprint and work

with facades made from reused bricks, climate-enhanced concrete, steel columns replaced by concrete columns, fossil-free fuels and waste minimisation. As a result of these initiatives, the project was awarded the SGBC award BREEAM Building of the Year 2023 and Mur- & Putsföretagen's Facade of the Year 2024. The facade consists of 90% reused brick.

As a further step towards fossil-free operations, Zengun's vehicle fleet has only comprised electric vehicles since 2024.

REUSE – NEW TARGETS & EXPERIENCES

By prioritising reuse, we minimise both our waste and our environmental footprint. We are noting a growing trend toward circularity that aligns with more stringent requirements as well as increased demand from our customers and from the industry in general. There is great potential to reduce resource use in the construction sector by promoting reuse over products based on virgin materials.

In 2024, Zengun started to include the category of Reuse in its strategic sustainability goals. Of the products and materials we have a direct impact on, such as provisional materials and products for our temporary site establishments, the target was for 20% of these to be reused. The result was 78%. The targets also included requirements for our ongoing projects to identify product categories where reuse could be applied.

Zengun is collecting beneficial reuse experience from several ongoing projects where the solutions are often close at hand. With help from Emelie Glaser, our Head of Reuse, we are making contact with other companies in the market that enable reuse on a larger scale. One example of a project with a focus on reuse in 2024 is the remodelling of AMF Fastigheter's new headquarters, Kv. Oxen Större 21. The minimum requirement here was to reuse the provided products and to purchase more material to reuse. The project's successful application of reuse when putting the new premises in order was recognised when the office won the *Sweden's Most Stylish Office, 2024* award at Stora Kontorsdagen.





Employees



Our employees are our most important resource, which is why safety awareness pervades all of our workplaces, which also offer a safe and inclusive work environment.

Building the sustainable workplace together

Zengun's offering is largely built on the expertise of our employees. We want to promote their continued development and strive to furnish them with all the tools they need to reach their potential. We do this by maintaining a safe and inclusive work environment with high safety awareness that is free from harassment.



A SAFE WORK ENVIRONMENT REQUIRES COLLABORATION

Health and safety must always be the top priority in our day-to-day work. Pursuant to our vision for zero workplace accidents, we conduct systematic safety work from three perspectives:

- Preventative
- Based on regulations
- Proceeding from informal structures at each workplace

We constantly develop tools and processes to create safe and secure workplaces. In preventative work, it is important to take individual construction sites into consideration. The unique construction site is combined with specific work elements, which means different kinds of risks and choices of measures.

RISK AWARENESS A MATTER OF CULTURE

We work actively with the work environment across the entire project organisation. The production and project managers have the expressed responsibility for safety and are tasked with ensuring that the project has conditions conducive to maintaining a sound and safe work environment. An absolute prerequisite for achieving an injury-free workplace entails maintaining high risk awareness and a healthy safety culture. Consequently, Zengun regularly provides all employees with health and safety training in order to develop attitudes and behaviours that promote a safe work environment. It is important that each employee takes their personal responsibility for the work environment seriously. By avoiding short cuts and protecting yourself, you also protect your colleagues.

Zengun is also a member of *Håll Nollan*, an important industry initiative to ensure that everyone gets home safely at the end of each workday.

HEALTH OUTSIDE THE WORKPLACE

Safety work extends beyond project work sites. In addition to immediate protective measures, we also place considerable importance on individual well-being. If we maintain a good physical and mental health, this prepares us for the challenges of a construction project. We proactively promote these aspects through our health and wellness initiative, Zengun Life. The initiative is employee-driven and includes

all kinds of activities to promote health and well-being. Read more on page 38.

Safety work at Zengun is also built on a long-term environmental perspective – we deliver a finished building that is safe for future users for the rest of its lifetime.

WORK ENVIRONMENT AT PROJECTS

During construction, building work environment coordinators ensure that active safety measures are taken on site. This is conducted through regular minuted safety inspections, which have been performed using digital tools for several years now. The same applies for risk observations and incident reporting. Digital tools accelerate the information flow and reduce lead times to address shortcomings.

All individuals at a work site are to contribute to a safe workplace every day. In conjunction with workplace introductions, information about the project's identified risks and applied approaches is provided along with information about applicable conduct and safety rules, and other work environment guidance. Work sites are to be kept tidy with designated space for storing material and for recycling among other items. Moreover, the site must have functioning fire protection and clear evacuation routes. The introduction also provides employees with information about how to use the digital reporting function to report a risk observation at any given time.

ASSURANCE AT SEVERAL STAGES

Our projects are led by our employees and are often conducted together with a large number of reliable subcontractors. While procuring these, we ensure that only approved contractors with explicit and well-implemented safety and quality agendas are contracted. Everyone at the workplace is to have access to our safety procedures and to understand them, so each working group must have supervisors able to speak at least Swedish or English.

WORK ENVIRONMENT ACTIONS TAKEN DURING THE YEAR

Preparations were conducted in 2024 ahead of the Swedish Work Environment Authority's new regulatory structure, which entered force on 1 January 2025. These included training our

Finance = Sustainability

Martin Håkansson Wintzell has gained a new perspective on the company's sustainability matters in his role as Business Controller.



"When I started as Business Controller at Zengun, I didn't think I'd be working with sustainability as much as I actually am. But as new agreements align and bring sustainability reporting together with financial reporting, sustainability matters have become increasingly important in my role. New requirements mean that the companies have to adapt quickly and Zengun has established a project group to help with the work in the EU's new Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy. These directives entail major changes in the sustainability data we need to collect and report from our operations.

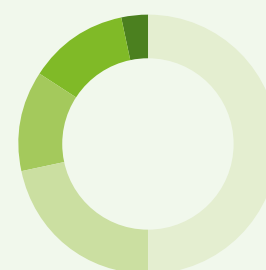
I've been part of driving the project since the beginning and brought a financial perspective on sustainability. The work has been very rewarding and in my role, I get to see that the entire company has gained insight into how broad sustainability actually is. It's also exciting to see our impact in light of the increasingly stringent requirements. Now more than ever they are legitimising our efforts. We'll be able to prove that increased transparency benefits organisations like ours who aren't afraid to invest wholeheartedly in sustainability."

production employees in the new directions for designing, project planning and coordinating construction work. These instructions aim to prevent ill health and accidents that can arise during the construction and use phases as well as to create the right conditions for a good work environment when designing workplaces. We also reviewed our legislative monitoring and adjusted procedures so that references align with the new regulatory structure.

Employees and safety officers need to work together with the employer to prevent ill health at the workplace. During the past year, we emphasised the importance of systematic work environment management at central level. We have highlighted the work and objective of the Safety Committee, and encouraged dialogues to deepen and reinforce the Group's safety culture. Zengun's Safety Committee reviews the need for work environment training and preventive measures such as new tools, incident data (accidents and near-accidents), legislative compliance and collective workplace agreements as well as overall sick leave statistics. Discussing and making safety efforts visible makes us better prepared and has a preventive effect in the long term.

As part of Zengun's goal to be an attractive employer, we continued to train our new leaders this year using leadership training custom-made for the company. It provides tools for creating sustainable workplaces from an organisational and social perspective.

TYPE OF ACCIDENT/INJURY



- ▶ Cuts, superficial injuries (16)
- ▶ Light injuries from falling (7)
- ▶ Minor crushing injuries (4)
- ▶ Light trip injuries (4)
- ▶ Lighter eye injuries (1)

Creating an attractive workplace

Our ambition has always been to create a safe, inclusive and people-centric workplace – which is something that requires continuous effort. Every employee must feel engaged and their expertise put to good use. One of our cornerstones is that all our workplaces are safe and secure, and that they have an inclusive work environment and a healthy culture.



A SAFE WORK ENVIRONMENT IS A SHARED COMMITMENT

Inclusion and equal treatment are essential for the creation of an attractive and stimulating workplace that retains and attracts the best employees. This is a key issue that filters through every level of the organisation, from the Board and management to every project. Zengun is to enable the conditions for employees to conduct their work safely and with dignity, regardless of gender, gender identity, age, ethnicity, religion, sexual orientation or disability.

Our decentralised organisation, with project decisions made in close dialogue with customers, entails that employees shoulder considerable responsibility for how we conduct our work.

Every employee is to thrive, be challenged and feel well.

Employee commitment and know-how are key contributors to a successful project. The ability to build teams of skilled individuals who complement, support and assist each other in complicated construction projects is one of Zengun's strengths. Ensuring that our employees develop, are challenged and thrive is an important focus area. Everyone is to have the same opportunities of employment, training, promotion and development. Moreover, equal pay for equal work applies, regardless of gender.

COUNTERACTING DISCRIMINATION

We take systematic steps to prevent and follow up on measures countering all forms of discrimination and abusive treatment. It is especially important in the construction sector to shake off antiquated culture and language by actively discouraging and drawing attention to abusive situations, in the moment as well as afterwards. At Zengun, everyone has a shared responsibility to speak up, although the ultimate responsibility for this lies with our leaders and managers. We have been using a workshop format for some time now, where our employees can freely discuss these types of issues with each other. The aim of this is to enable discussion around expression and language, and to gain new perspectives – what is acceptable to me may not be acceptable to you.

As part of continuing our work to ensure inclusion and equal treatment regardless of the project, a checklist and guide was prepared last year to support ensuring that our workplaces are welcoming and inclusive. Relevant areas include accessibility adaptations, making privacy possible when needed, and allowing employees to participate in staff meetings on an equal basis and under the same conditions.

In 2024, we held an event together with Pepp, an organisation devoted to promoting gender equality in engineering, where women engineering students mentor girls in upper secondary school. The event's goal was to showcase all of the exciting roles and development opportunities available in the construction industry.

To continue to develop as a company and secure our skills supply, we need to regularly address these types of issue. Recruitment, training and skills development courses are organised strategically with an inclusive approach to support diversity and gender equality. It also goes without saying that all employees are given the preconditions to create a healthy balance between work, family life and leisure time.



IN SIGHT

The construction sector is traditionally male-dominated. At Zengun, we actively promote gender equality as part of our sustainability agenda – we are not only to drive successful projects

now, but also in the future. Zengun currently has 29% female employees and we are constantly working to make Zengun a workplace where everyone is happy, included and wants to work.

SHARE OF FEMALE
EMPLOYEES

30%

(2023: 33%)

SHARE OF WOMEN
IN MANAGEMENT POSITIONS

43%

(2023: 40%)

SHARE OF WOMEN IN THE
COMPANY MANAGEMENT

57%

(2023: 60%)

SHARE OF WOMEN ON THE
GROUP'S BOARD OF DIRECTORS

25%

(2023: 25%)



Employees are Zengun's most important asset

There is no set path to take at Zengun. We work unceasingly to leverage and nurture each employee's talents, commitment and curiosity.

In 2024, Zengun continued to grow and we hired 19 new employees. While the majority were carpenters, we also recruited several project engineers and production managers as well as for roles in the accounting function. We nurture the ability, willingness and competence of each employee, with the most important being the desire to develop and learn. Individuals are provided considerable freedom to investigate different tasks and roles, which means every career path is unique.

LEADERSHIP PROGRAMME TO ENSURE OUR GROWTH

For the second consecutive year, Zengun conducted a specially-developed leadership training programme in collaboration with an external training partner. Leadership training is based on Zengun's leadership profile, which consists of identified behaviours that we believe characterise good leadership.

2024 TOGETHER CONFERENCE

The Together conference, a joint conference for all our employees and consultants was held for a second time during the year in order to spread and build on our corporate culture. The aim of the conference was to build on and spread our strong culture of community and engagement. This year, we chose to focus on how Zengun is working towards its goals – that engagement and strength stems from employees being aware of the goals and knowing how they can help achieve them.

CROSS-DISCIPLINE FORUM

In order to continuously work on knowledge transfer between projects, broadening skills and working according to best

practices, our staff members regularly meet in cross-discipline forums for their specific professional roles. Examples of cross-discipline forums include project planning, management, sustainability and purchasing. The groups meet several times a year and work with different thematic areas, with lessons learned being shared with other parts of the organisation.

TRAINEE PROGRAMME

Zengun's popular trainee programme was implemented for the eleventh time during the year, and in April two new talented Royal Institute of Technology (KTH) students were recruited to Zengun.

Our trainees are recruited early in their studies and work in our projects during the summers and, if time permits, during their studies. This enables trainees to try out different roles and tasks early in their studies and test their theoretical knowledge in practice. The programme is run by the trainees themselves who decide what they require and what they want to learn more about. During the year, the trainees chose to deepen their knowledge of financial management and the digital tools used in project and construction processes. Four of our trainees graduated during the year and started working for us full-time.

The trainee programme is a very important recruitment base for Zengun. Our trainees bring new knowledge from higher education institutions and in return gain practical knowledge to apply during their studies. We mainly recruit trainees from KTH, and in 2024 we participated as we traditionally do in the labour market fair LAVA, the labour market fair for the Civil Engineering Section. We also participated in the reception for



DID YOU KNOW?

IN 2024, 19 NEW EMPLOYEES
BEGAN WORKING
WITH US.

new students, where we organised the popular soapbox rally for the second consecutive year.

VOCATIONAL COLLEGES – AN IMPORTANT RECRUITMENT BASE

Another important recruitment base for us is higher vocational education in construction, and we promote the high quality of these courses. For Zengun, it is important to be involved in influencing the content of higher vocational education programmes and we are therefore part of management teams for various programmes at Nackademin and Företagsekonomiska institutet (FEI).

During the year, we participated in two labour market days at Nackademin and received several trainees from various vocational colleges. The aim of internships is to provide students with the opportunity to gain some practical experience of the construction industry during ongoing studies. In return, Zengun gains innovative, curious and motivated employees who often remain and find employment with Zengun.

TEKNIKSPRÅNGET AND JOBBSPRÅNGET

Since 2017, Zengun has regularly received trainees from both the Tekniksprånget and the Jobbsprånget programmes. Both programmes originate from a collaboration with the government and the Confederation of Swedish Enterprise. Tekniksprånget aims to attract more young people to high-level technical degrees while Jobbsprånget aims to help newly arrived graduates with a foreign background enter the Swedish labour market. After a one-year break, we started the recruitment process again via Jobbsprånget in autumn 2024.



Securing our skills supply is inspiring

Helena Swahn Lepre's role as Head of People & Communication is incredibly diverse and includes most aspects of HR and communication.

"I like variety, so it suits me perfectly!"

I've worked at Zengun for over three years and am struck, almost daily, by the strength of our corporate culture, and by the desire to invest in and develop employees. We're not afraid to trust our junior employees with great potential, and it's fantastic to see them develop.

One of the aspects I like most about my role is being able to work on the long-term skills supply. One example of this is the partnership we strengthened during the year with a vocational upper secondary school in construction. We lectured, organised study visits, and hosted trainees and apprentices. Our trainee programme has a good reputation and it's the trainees themselves who drive the programme and their own development. We also take on interns from vocational colleges – many of whom go on to work for us. Working with long-term skills supply should be a core issue for all companies in the industry, and I'm proud to work at a company that practices what it preaches."

Zengun aims to be Sweden's healthiest company

Zengun Life is managed by the employees themselves, which means that the focus and activities change from year to year, with room for employee-driven initiatives. The variety of activities makes it possible for all employees to participate.

DID YOU KNOW?

MORE THAN 60% OF OUR EMPLOYEES HAVE PARTICIPATED IN AT LEAST ONE ZENGUN LIFE ACTIVITY DURING THE YEAR.

Zengun Life is what we call our health and wellness initiative, which is now in its eleventh year. The initiative is based in our vision of being "Sweden's healthiest and most active company." Zengun Life is an important component in the systematic and preventative approach to the work environment. It focuses primarily on health-promoting activities that are driven and initiated by our employees – everything from the Stafettvasan race and CrossFit to cultural events and Christmas crafts at headquarters.

We can see that it strengthens community, and in the long term also corporate culture, by informally bringing

employees together outside daily operations and job roles to have fun together.

In 2024, we conducted a number of appreciated, recurring activities such as fun runs, the Stafettvasan race, our own relay race in the archipelago and around Siljan lake, but we also introduced a large number of new activities with positive feedback from employees, such as a hiking weekend in Dalarna and climbing.

For several years now, we have arranged an annual football tournament together with students from the Construction and Civil Engineering section at KTH, which has since become a time-honoured tradition.







Risks



In our day-to-day operations, we deal with major and minor risks. We have identified our risks as operating environment risks, strategic risks, operating risks and regulatory risks.



Risk analysis

	RISK AREA	DESCRIPTION	MANAGEMENT
OPERATIONAL RISKS	Health and safety	There are always health and safety risks for employees and subcontractors at a construction site. Personal injuries could lead to lifelong impairment and invalidity or, in the worst case, death. Another health risk is poor mental or physical health, which could lead to sick leave, a negative work climate and poor work morale.	• Safety and environmental inspections • Procedures for monitoring accidents/incidents • Training on policy content • Employee performance reviews • Employee and health surveys • Review of and training in workplace ergonomics • Zengun Life • Active members of Byggbranschens Säkerhetspark (Eng: Construction Industry's Safety Park)
	Environment	The risk of Zengun's operations causing various types of environmental damage. This could, for example, involve emissions from machines, irresponsible material choices or pollution that affects the local environment and/or a more extensive area.	• Project-specific environmental and work environment plans • Safety and environmental inspections • Requirements for building materials assessed from an environmental perspective • Sustainable logistics solutions • Fossil-free transportation and fuel alternatives • Internal courses and continuous in-house education • Sustainability workshops at the beginning of major projects
	Supply of skills and resources	Zengun's operations and high-quality goals are dependent on individuals with the right qualifications and right skills being in place for their role. A prerequisite for our expansion and financial performance is therefore the recruitment, development and retention of skilled and committed employees.	• Procedures for monitoring project requirements • Project audits to ensure routines are implemented • Ensure the right staffing for projects • Clear requirements from and dialogues with customers • Experience exchange forums • Sustainable recruitment • Internal skills analysis • Leadership and corporate culture training • Unizen
	Digitalisation	New digital solutions are replacing old technology and ways of working, which creates new services and demand for information management as well as efficient operating solutions for properties. Companies unable to adapt their operations to these changing conditions can lose customers, suppliers and employees.	• External trend monitoring • Increased digitalisation initiatives • Designated IT focus group
REGULATORY RISKS	Ethical breaches	The risk that employees, suppliers and/or subcontractors do not comply with applicable laws or internal and external policies relating to ethics, anti-corruption, equal treatment and human rights. Breaches or neglect could damage the Zengun brand and its relationships with customers and employees.	• Expanded procedures to ensure a sustainable supply chain • Subcontractor monitoring • Internal audits • Code of Conduct monitoring • The whistle-blower function ensures both internal and external anonymous reporting • Continuous internal dialogues on values and corporate culture • Employee surveys to identify signs of dissatisfaction
	Regulatory compliance	Inadequate regulatory compliance can lead to financial losses, such as damage to our brand and legal processes. Individual well-being can also be affected.	• Regular controls of regulatory compliance • Internal quality control audits at several stages • Code of Conduct • Corporate culture with high ethical standards • Competent and responsible employees

	RISK AREA	DESCRIPTION	MANAGEMENT
LONG-TERM RISKS	OPERATING ENVIRONMENT RISKS		
	Crises	External crises beyond Zengun's influence and which are therefore difficult to predict, such as pandemics, terrorist attacks, war or cyber-attacks.	- Guidelines for information security - Crisis management plans tailored to projects - Increased digitalisation initiatives - External trend monitoring
	Climate change	Climate change refers to, for example, extreme weather events and environmental catastrophes.	To help the property sector prepare for new climate conditions, Zengun integrates climate considerations into all of its project operations.
	Supply of materials and price increases	Factors such as the availability and cost of materials and services must always be taken into account in our projects, particularly in light of the events of the past year. Russia's invasion of Ukraine, the cement crisis and rampant energy prices are some examples of factors in our operating environment that have proven to have a material impact on the construction-related pricing.	Zengun is monitoring developments and maintaining continuous dialogues with suppliers and subcontractors for ongoing projects as well as prior to submitting tenders.
STRATEGIC RISKS			
	Trademark	Demand for Zengun's services is largely built on customers' and employees' impressions and their perception of the company. The industry is constantly changing, and customer and employee requirements and expectations continuously change with the times. A flexible long-term trademark strategy is necessary to avoid the risk of losing market shares or competitive drive.	- External trend monitoring - Market forums - Job fairs - Customer dialogues - Employee surveys and dialogue meetings
	Changing economy	The construction industry is sensitive to the state of the economy. Zengun's operations depend on customers' willingness to invest and are thereby affected by cyclical fluctuations.	- A decentralised organisational structure, which delivers an agile organisation - Broad customer base within several segments



Administration Report

ZENGUN GROUP AB (PUBL) CORP. REG. NO. (559177-5282)

The Board of Directors and the Chief Executive Officer of Zengun Group AB (publ), domiciled in Stockholm, hereby submit the annual report and consolidated financial statements for the financial year from 1 January 2024 until 31 December 2024.

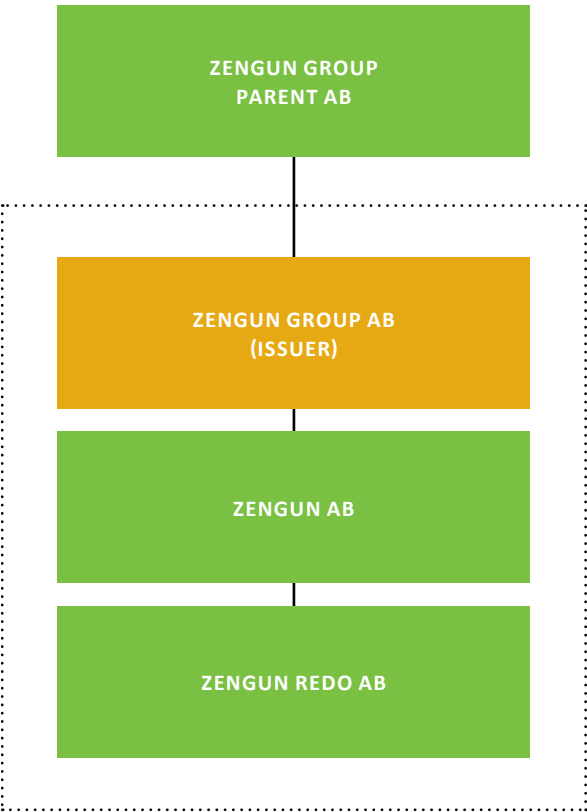
Since 25 March 2019, the company is a wholly owned subsidiary of Zengun Group Parent AB (Corp. Reg. No. 559198-4629). The ownership structure is illustrated in the diagram to the right. All companies in the Group are wholly owned. In February 2024, new senior secured sustainability-linked bonds were issued in an amount of MSEK 400 with a four-year maturity, in parallel with the early redemption of the previous bond issue. The bonds are listed and admitted to trading on Nasdaq Stockholm's corporate bond market.

OPERATIONS

Operations are conducted in the Group's two wholly owned subsidiaries: Zengun AB and Zengun Redo AB.

Zengun AB is a leading contractor for major and complex construction projects in the Stockholm region. The projects are carried out on behalf of major, well-known customers in the real estate industry and are mainly conducted in a project partnering format. The typical duration of a project is over one to three years. The company is active in new construction and the ROT (renovation, remodelling and extension) segment. While the majority of the projects comprise new construction or remodelling of commercial properties, the company also builds residential and public buildings. The operations of Zengun re:do encompass smaller contracts and construction services in the Stockholm region.

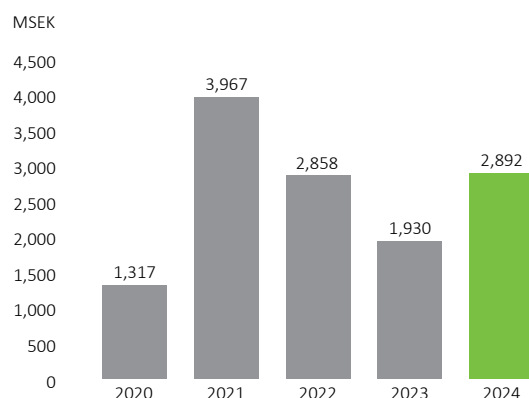
OWNERSHIP STRUCTURE



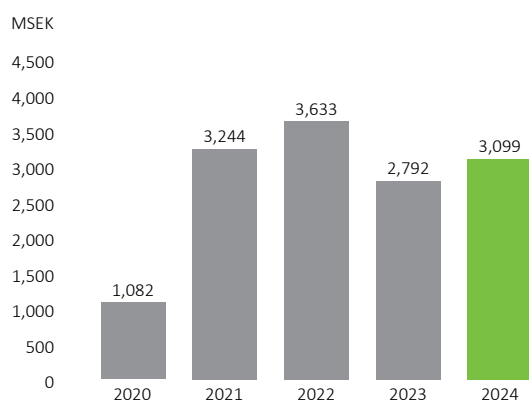
MARKET

The Zengun Group operates primarily in the Stockholm region's construction market, which is the Nordic region's largest building and construction market. While inflation and interest rates gave rise to complex market conditions during the year, the Group's main segment, commercial properties, experienced continued high demand compared with the housing segment. Despite market conditions, Zengun was able to achieve its long-term strategic profitability target, namely an EBITDA of 6%.

Orders received



Order book



NET TURNOVER

Net turnover amounted to MSEK 2,584.5 (2,771.2), down 7% on last year. In the third and fourth quarters, a number of larger projects were completed, resulting in lower turnover in the latter half of the year. We have a stable, robust order book with a gradually increasing production rate in several of our ongoing projects. The projects that primarily contributed to net turnover in 2024 were Forskaren Hagastaden, Haga Norra Kv. 1 and Kv. 4–5, Hästen 21 Regeringsgatan, Bromma Sjukhus (Bromma hospital) and one confidential project.

OPERATING PROFIT

EBITDA totalled MSEK 157.3 (122.8), up 28% year-on-year. The EBITDA margin increased to 6.1% (4.4).

EBITA amounted to MSEK 150.4 (116.9).

The EBITA margin was 5.8% (4.2).

Sales and administrative expenses totalled MSEK 54.3 (49.8), up MSEK 4.5 year-on-year. The expenses corresponded to 2.1% (1.8) of net turnover.

NET FINANCIAL ITEMS

Net financial items for the period amounted to an expense of MSEK 48.5 (expense: 46.7), which pertained primarily to interest expenses on bonds issued and which was negatively impacted by the early redemption of the company's previous bond issue.

Earnings before and after tax

Earnings before tax were MSEK 90.0 (58.2) and after tax amounted to MSEK 70.3 (43.5).

Liquidity and financial position at the balance-sheet date

Operating cash flow was MSEK 31.6 (142.4). The change in working capital impacted cash flow negatively with an outflow of MSEK 48.9 (inflow: 72.1).

Net debt amounted to MSEK 186.5 (221.4). Cash and cash equivalents totalled MSEK 224.8 (223.7). An approved bank overdraft facility of MSEK 75.0 had not been utilised as of the balance-sheet date. Total assets at the end of the period amounted to MSEK 1,384.8 (1,510.7), of which MSEK 755.9 (767.8) pertained to intangible assets.

Current assets totalled MSEK 614.2 (730.2), of which MSEK 262.0 (334.4) pertained to accounts receivable. At the balance-sheet date, the equity ratio was 37.4% (29.7). At the end of the period, equity totalled MSEK 518.3 (448.0).

PARENT COMPANY

The Parent Company has its registered office in Stockholm and conducts no construction activities. The Parent Company reported earnings after tax of MSEK 78.7 (52.8) for the period.

EMPLOYEES

The Group is dependent on its ability to attract and retain highly skilled and experienced employees. At the close of the period, the Group had 150 employees of whom 46 were women. The breakdown between salaried employees and skilled workers was 124/26.

SHARE AND OWNERSHIP STRUCTURE

Related-party transactions in the Group and Parent Company

No related-party transactions with a material impact on the Group's earnings or financial position took place during the period.

Seasonal variations

The operations are not subject to any seasonal impact, though the Group is positively affected by months with many working days and no holiday periods.

Expected future development and material risks and uncertainties

Through its operations, the Group is exposed to operational and strategic risk as well as financial risk. Operational and strategic risk can include, inter alia, operational and liability risk in the form of warranties on work performed and environmental risk. The Zengun Group maintains ongoing dialogues with various stakeholders regarding warranties and environmental risks. Based on these dialogues and estimated likelihoods for outcomes, provisions of MSEK 6.2 (6.6) had been recognised at the balance-sheet date to meet any future claims. Financial risk includes liquidity, interest-rate and currency risk. The company works continuously with risk identification and assessment.

In recent years, turbulence in the world around us has impacted, inter alia, prices for energy and raw materials, which have in their turn impacted construction projects. The consequent economic effects, high inflation and high interest rates, pose a risk for Zengun since property owners' willingness to invest is essential for the business. Zengun is monitoring developments and maintaining continuous dialogues with customers, suppliers and subcontractors for ongoing projects as well as prior to submitting tenders.

OUTLOOK

The Group has not published any forecast for 2025.

Significant events during the financial year

In February, new senior secured sustainability-linked bonds were issued in an initial amount of MSEK 400 with a four-year maturity, in parallel with the early redemption of the previous bond issue. The new bonds were issued under a total framework of MSEK 600 and carry a floating interest rate of STIBOR 3M + 6.35%. The bonds are listed and admitted to trading on Nasdaq Stockholm's corporate bond market.

In November, Zengun Holding AB, Corp. Reg. No. 559050-0707, merged with operating company Zengun AB, Corp. Reg. No. 556779-9456, through a downstream merger, with Zengun Holding AB transferring its assets and liabilities to Zengun AB. The merged company had no turnover during the financial year prior to the merger date.

Zengun and the public housing property company Fastighets AB Förvaltaren have signed a construction contract for the next phase of the production of the Kvarnstugan block in Sundbyberg. The project encompasses 113 rental apartments, a café, restaurants and cultural facilities. The order volume amounts to around MSEK 400.

Zengun and Atrium Ljungberg have signed a phase-2 agreement for the renovation and remodelling of Söderhallarna. The project aims to strengthen Söderhallarna's position as a natural food destination and creative meeting place at Medborgarplatsen. The order volume amounts to around MSEK 775.

Significant events after the end of the financial year

Following the end of the financial year, Zengun has signed several partnering agreements. These include Phase-1 agreements for Skvadronen in Rissne with Förvaltaren, Wenner-Gren Center at Sveaplan with Fabège, and Sergelskrapan in central Stockholm with Wallenstam, as well as a Phase-2 agreement for Portalen in Stockholm's harbour district with Bonnier Fastigheter. More information about Zengun's new projects is available on the company's website.

HEALTH AND SAFETY

The Group applies a systematic approach to continuously improve the work environment and safety. The goal is zero employment injuries with sick leave. Safety is top of the agenda at all meeting levels at the company. Three approaches are used in these efforts: preventive; formal and regulations-based; and through the informal structures at each workplace.

Safety is largely about building a safety culture, whereby a sense of personal responsibility leads employees to take responsibility for their own safety as well as the safety of their colleagues.

QUALITY ASSURANCE

Zengun AB is certified in terms of quality, environment and work environment, and meets the following ISO standard requirements for management systems: ISO 9001:2015/ISO 14001:2015/ISO 45001:2018. An internal development group keeps management systems up-to-date and are followed up by an internal ISO group and audited each year by auditors from DNV-GL.

The certificate numbers are as follows:

175809-2015-AQ-SWE-SWEDAC
175808-2015-AE-SWE-SWEDAC
175781-2015-AHSO-SWE-SWEDAC

Zengun Redo AB is certified in terms of quality, environment and work environment, and meets the following requirements of BKMA, Contracting in the Construction Industry. BKMA is owned and operated by the Swedish Construction Federation and replaces the two previous business management systems, BF9K and Povel. BKMA leads to continuous operational improvements and is subject to annual audits by auditors from DNV.

TREND FOR EARNINGS AND FINANCIAL POSITION KEY FIGURES – GROUP

(Amounts in MSEK, unless otherwise stated)	Zengun Group	
	2024	2023
Net turnover	2,584.5	2,771.2
EBITDA	157.3	122.8
EBITDA margin, %	6.1	4.4
EBITA	150.4	116.9
EBITA margin, %	5.8	4.2
Earnings for the period	70.3	43.5
Operating cash flow	31.6	142.4
Net debt	186.5	221.4
Debt/equity ratio, %	36.0	49.4
Equity ratio, %	37.4	29.7
Orders received	2,891.7	1,929.9
Order book	3,098.9	2,791.7

The certificate number is as follows:
1053-BKMA-0139

ENVIRONMENTAL IMPACT AND SUSTAINABLE DEVELOPMENT

The company promotes responsible business conduct and aims to be perceived as an industry leader in terms of the environment, health and safety fields. For further information, refer to the Sustainability Report, which comprises pages 14 and 22–43 of this Annual Report.

PROPOSED APPROPRIATION OF PROFITS

The Board proposes that the retained earnings of SEK 519,283,601 be carried forward.

SUSTAINABILITY REPORT PURSUANT TO THE ANNUAL ACCOUNTS ACT

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Zengun has chosen to prepare the statutory sustainability report separately from the administration report in the annual report.

INDEX FOR THE SUSTAINABILITY REPORT

General	Disclosure/ Business model	Page reference
Social conditions and personnel	Governance and policies Risks and management Goals and outcomes	pp 34–41
Respect for human rights	Governance and policies Risks and management Goals and outcomes	pp 24–27
Anti-corruption	Governance and policies Risks and management Goals and outcomes	pp 24–27
Environment	Governance and policies Risks and management Goals and outcomes	pp 28–29

Corporate Governance Report

ORGANISATION AND GOVERNANCE

Corporate governance is aimed at sustainable value creation for shareholders through good risk control and a sustainable and sound corporate culture. Good corporate governance ensures effective decision making and increases Zengun's possibilities for leveraging new business opportunities. Zengun has a clear division of roles and responsibilities between the company management, the Board and shareholders.

Moreover, Zengun's organisation is flat, decentralised and project-centric. The formal structure breaks down into four competitive business units that form the heart of the company.

Examples of external regulations affecting governance at Zengun:

- The Companies Act
- Accounting legislation including the Annual Accounts Act and IFRS

Examples of internal regulations affecting Zengun's governance:

- The Articles of Association
- The Board's rules of procedure
- Instructions for the CEO
- The Sustainability Policy and the codes of conduct for employees and for suppliers
- Other internal policies, rules and process descriptions

All instructions and policies are revised annually.

Given that the company is not included in the target group for the Swedish Corporate Governance Code, the company does not apply the Code, though much of the work with corporate governance is inspired by the Code.

SHARE AND OWNERSHIP STRUCTURE

Zengun Group AB (publ) is a wholly owned subsidiary of Zengun Group Parent AB. At year end, via Zengun Group Parent AB, the company had 21 (21) shareholders of which the four largest shareholders accounted for 80% (80) of the share capital and 77% (77) of the votes. These four were: Dyvinge Holding AB (controlled by Ulf Jonsson) with 28% (28) of the share capital and 26% (26) of the votes; Mirasho I AB (controlled by Tobias Örnevik) with 28% (28) of the share capital and 26% (26) of the votes; S A Stockholm Holding AB with 13% (13) of the share capital and 13% (13) of the votes; and Gripz AB with 11% (11) of the share capital and 11% (11) of the votes. No other shareholder holds more than 10% of the votes.

GENERAL MEETING OF SHAREHOLDERS

The Articles of Association entail no restrictions with regard to the number of votes each shareholder can cast at a general meeting. Under the Articles of Association, Zengun's Board of Directors must comprise not less than three (3) and not more than ten (10) members. The Articles of Association contain no other provisions pertaining to the appointment and removal of directors, or amendment of the Articles of Association. The procedure for convening general meetings is set out in the Articles of Association.

2024 ANNUAL GENERAL MEETING

The 2024 AGM of Zengun Group AB (publ) was held on 15 May in Stockholm. All of the company's shares and votes were represented at the Meeting. The Meeting passed resolutions on the following:

- the adoption of the income statement and balance sheet in the Annual Report;
- the adoption of the profit for the year in accordance with the Board of Directors' proposal, which entailed earnings for the period being carried forward;
- the discharge of the Board of Directors and the CEO from liability for their administration of the company's affairs for the 2023 financial year;
- the fee for the Chairman of the Board to amount to SEK 400,000 and for directors' fees to other Board members to amount to SEK 160,000 each;
- re-election of Henrik Lif, Cecilia Safaee and Tobias Örnevik as Board members and the re-election of Ulf Jonsson as Chairman of the Board; and
- the appointment of auditing firm Öhrlings PricewaterhouseCoopers AB with Camilla Samuelsson as Auditor in Charge.

The 2025 AGM will be held on 15 May 2025.

AUTHORISATIONS

The company has no authorisations outstanding.

THE WORK OF THE BOARD

The Articles of Association stipulate that the Board of Zengun is to have not less than three (3) and not more than ten (10) members. During the financial year, the Board comprised:

- Ulf Jonsson (Chairman)
- Henrik Lif
- Cecilia Safaee
- Tobias Örnevik

During the financial year, the Board held ten meetings including the statutory meeting. The Chairman has particular responsibility for leading the Board's work and for ensuring the work is well organised and conducted in an efficient manner.

The Board has not appointed any separate committees.

The Group's business conditions, earnings and financial position, project activities, sustainability, and health and safety are recurring items on the Board's agenda.

INTERNAL CONTROL – FINANCIAL REPORTING

This section sets out the key components of Zengun's system for internal control and risk management in conjunction with financial reporting.

CONTROL ENVIRONMENT

The Board of Directors is responsible for the company having effective and well-functioning procedures for risk management and internal control. The company's internal control environment is based on a clear division of responsibilities and tasks between the Board and the CEO, which is set out in the Board's rules of procedure and the instructions for the CEO. Moreover, the Board and company management have established a number of fundamental rules, policies and procedural descriptions for work with internal control. All of the governing documents and procedural descriptions are circulated within the organisation and are both available and known to the personnel in question. The company management is responsible for the internal control functions required to manage material operating risks and reports regularly to the Board pursuant to established procedures.

RISK ASSESSMENT AND CONTROL ACTIVITIES

The company identifies, analyses and decides on the management of risks pertaining to errors in financial reporting. Areas where there is a risk of errors, omissions or irregularities occurring have been identified by the company as being balance-sheet and profit/loss items and their appurtenant work processes. Thereafter, the company has ensured that the necessary controls were incorporated into its procedures to manage these risks. The company management is responsible for managing the overriding risk, while the main work with operational risk is conducted within the business units. To ensure good management, shared procedures are used to identify and manage risk in conjunction with construction contracts. Prior to submission, tenders that exceed a specific amount are reviewed and analysed before final decision by the Board.

Project risks and opportunities are analysed on an ongoing basis during the execution phase. The company attaches considerable importance to project follow-up to ensure fair recognition of earnings and financial position.

INFORMATION AND COMMUNICATION

The internal regulations, policies and procedural descriptions are available to the company's personnel. Internal communication between the Board and management is conducted through regular meetings, either physically or digitally. A communication policy is in place that regulates how external financial communication should be provided and to ensure the compliance with the applicable regulations for accurate information to the market.

FOLLOW-UP

Annual and interim reports are reviewed by the Board prior to publication. The financial reporting is followed up and discussed with the external auditors on an ongoing basis together with other related issues. Follow-up of operations is performed through compilation and analysis of sales, margins, profit and cash flow as well as other key performance indicators for the company, which are presented each month to the Board. Other important components of internal control comprise the quarterly projection reviews.

Board of Directors



ULF JONSSON
Born 1964

Chairman of the Board since 2023 and a Board member of Zengun Group AB since its start in 2019. Prior to that he was a Board member of Zengun AB and other Group companies since 2009. One of Zengun's founders.

Education/background: Ulf is a graduate in civil engineering for roads and water at the Royal Institute of Technology (KTH). Until founding Zengun in 2009, he held various executive positions in Skanska, including manager of one of the districts in Stockholm. Ulf was the Executive Director and CEO of Zengun Group Holding AB from June 2016–January 2019, and from 2009–2015 in another Group company.

Current appointments: Chairman of the Board of Fastighets AB Hemmaplan and Vida Real Estate Group Holding AB. Board member of Wolf & Eagle Invest AB. Deputy Board member of Fnio AB.

Not independent in relation to the company and company management, and not independent in relation to the company's major shareholders.

Bond holding: Bonds with a nominal value of SEK 15,000,000.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly (via company), he holds 26.5% of the votes and owns 27.6% of the capital in the Parent Company Zengun Group Parent AB.



CECILIA SAFAEE
Born 1991

Board member of Zengun Group AB since its start in 2019. Previously, a Board member of Zengun Group Holding AB (2016–2019).

Education/background: Cecilia has studied subjects including political science at Lund University and has an International Coaching certificate from the International Association of Coaching Institutes.

Current appointments: CEO of Fastighets AB Hemmaplan, a community development property company that invests, develops and manages city centre properties to, thereby, drive positive community development in areas with socio-economic challenges. Founder and Chairwoman of the international Força Foundation, which trains football coaches to lead behavioural change in their local communities, thus strengthening girls' rights and opportunities in 30 countries, and the subsidiary Força Business, a social enterprise that promotes gender equality, diversity and inclusion in business and sport through leadership training. Board member of UNESCO Lucs, UNESCO's Swedish collaboration platform for municipalities, universities, civil society and property companies, with the aim of identifying shared solutions to societal problems.

Independent in relation to the company and company management, and independent in relation to the company's major shareholders.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly (via company), she holds 0.1% of the votes and owns 0.1% of the capital in the Parent Company Zengun Group Parent AB.



HENRIK LIF
Born 1972

Board member of Zengun Group AB since its start in 2019. Previously, a Board member of Zengun Group Holding AB (2016–2019).

Education/background: Henrik is a graduate in Mechanical Engineering at the Royal Institute of Technology (KTH) in Stockholm and holds an MBA from the Stockholm School of Economics. Henrik is a Partner at Stirling Square Capital Partners in London. In 2014–2016, Henrik worked as a co-managing partner at Segulah, and before that he was Managing Director of CPS Color Group Oy and Director of Nordic Capital. In 2017, Henrik was appointed Acting Executive Director of Zengun Group Holding AB on a short-term basis.

Current appointments: Chairman of Hubexo UK Topco Ltd.

Independent in relation to the company and company management, and independent in relation to the company's major shareholders.

Bond holding: Bonds with a nominal value of SEK 10,000,000.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly (via company), he holds 4.0% of the votes and owns 2.8% of the capital in the Parent Company Zengun Group Parent AB.



TOBIAS ÖRNEVIK
Born 1972

Employed since 2009. Head of Project Planning.

Board member of Zengun Group AB since its start in 2019. Also Board member of Zengun AB since 2009. One of Zengun's founders.

Education/background: Tobias is a graduate in Civil Engineering for roads and water at the Royal Institute of Technology (KTH) in Stockholm. He has previous experience from Structor in Dalarna and Skanska. Tobias ran his own project planning business from 2006–2009.

Current appointments: None significant.

Not independent in relation to the company and company management, and not independent in relation to the company's major shareholders.

Bond holding: Bonds with a nominal value of SEK 20,000,000.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly (via company), he holds 26.5% of the votes and owns 27.6% of the capital in the Parent Company Zengun Group Parent AB.

Company management



MICK SALONEN
Born 1987

President and CEO.
Employed since 2009.

Education: Vocational qualification in carpentry from sixth form college. Leadership, Stockholm School of Economics Executive Education.

Previous experience: 2006–2009, Carpenter at Skanska. 2019–2020, CEO of the subsidiary Zengun Redo AB.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly (via company), he holds 1.7% of the votes and owns 1.2% of the capital in the Parent Company Zengun Group Parent AB.



OSKAR BJÖRKLUND
Born 1987

CFO.
Employed since 2021.

Education: Master of Science in Business and Economics from Linköping University.

Previous experience: Authorised accountant at PwC, Business Controller at NCC.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly (via company), he holds 0.2% of the votes and owns 0.1% of the capital in the Parent Company Zengun Group Parent AB.



LOVISA DYREFORS GEBERT
Born 1991

Business Unit Manager.
Employed since 2016.

Education: Master of Science in Civil Engineering from KTH Royal Institute of Technology.

Previous experience: 2013–2016 Various roles at Metrolit Byggnads AB.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly, she holds 0.1% of the votes and owns 0.1% of the capital in the Parent Company Zengun Group Parent AB.



MATTIAS BYSTEDT
Born 1981

Business Unit Manager.
Employed since 2014.

Education: Educated at Nackademin.

Previous experience: 2006–2007 Project Engineer/Production Manager at Skanska. 2007–2014 Project Manager at Bravida.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly (via company), he holds 1.0% of the votes and owns 0.7% of the capital in the Parent Company Zengun Group Parent AB.



HELENA SWAHN LEPRE
Born 1978

Head of People & Communication.
Employed since 2021.

Education: Human Resources at Stockholm University.

Previous experience: Various HR roles at LFV, Swedavia AB, MTR Stockholm, the Swedish Police Authority and Preem AB.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly, she holds 0.1% of the votes and owns 0.1% of the capital in the Parent Company Zengun Group Parent AB.



KAJSA FLACK
Born 1981

Business Unit Manager.
Employed since 2021.

Education: Construction Engineer in Architecture from the Technical University of Jönköping.

Previous experience: 2005–2007 CAD designer, 2008–2011 project engineer, 2012–2013 project manager market, 2013–2021 project manager at Skanska.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly, she holds 0.2% of the votes and owns 0.1% of the capital in the Parent Company Zengun Group Parent AB.



JULIA KÅGSTRÖM
Born 1987

Business Unit Manager.
Employed since 2017.

Education: Bachelor of Science in Construction Engineering from Gävle University.

Previous experience: 2011–2012 Supervisor at Skanska AB. 2012–2015 project, construction and design manager at Projektengagemang. 2015–2017 project manager at JM.

Bond holding: 0.

Holding in Zengun Group AB: Owns no shares directly in Zengun Group AB. Indirectly, she holds 0.02% of the votes and owns 0.01% of the capital in the Parent Company Zengun Group Parent AB.

Consolidated income statement

(TSEK)	Note	2024	2023
Net turnover	4	2,584,531	2,771,232
Production costs	5, 7	-2,373,384	-2,599,630
Gross profit		211,147	171,602
Sales and administrative expenses	5, 6, 7	-54,334	-49,763
Other revenue		505	1,117
Other expenses	5	-18,787	-17,980
EBIT		138,531	104,976
Financial income	8	5,870	4,520
Financial costs	8	-54,370	-51,254
Financial items – net		-48,500	-46,734
Earnings before tax		90,031	58,242
Taxes	9	-19,750	-14,707
EARNINGS FOR THE PERIOD		70,280	43,536
Earnings for the period attributable to:			
Parent Company's shareholders		70,280	43,536
Earnings per share before and after dilution (SEK)		140,561	87,071
No. of shares outstanding, opening balance		500	500
No. of shares outstanding, closing balance		500	500

Consolidated statement of comprehensive income

(TSEK)	Note	2024	2023
Earnings for the period		70,280	43,536
Total other comprehensive income for the period		–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		70,280	43,536
Comprehensive income for the period attributable to:			
Parent Company's shareholders		70,280	43,536

Consolidated statement of financial position

(TSEK)	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
Intangible assets	11		
Goodwill		551,299	551,299
Trademarks		152,100	152,100
Customer relations		52,514	64,404
		755,913	767,803
Property, plant and equipment (PPE)			
Right-of-use assets	10	12,771	10,446
		12,771	10,446
Financial fixed assets			
Other long-term securities holdings		150	150
Other long-term receivables		928	928
		1,078	1,078
Deferred tax assets	9	841	1,091
Total fixed assets		770,603	780,417
Current assets			
Current receivables			
Accounts receivable	12	261,961	334,400
Receivables due from customers under construction contracts	4	116,822	165,604
Deferred tax assets		2,767	2,929
Other receivables		6,567	3,195
Prepaid expenses and accrued income	13	1,327	368
		389,443	506,497
Cash and cash equivalents	14	224,759	223,748
Total current assets		614,203	730,245
TOTAL ASSETS		1,384,805	1,510,662

(TSEK)	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	15	500	500
Other capital contributions		443,595	443,595
Retained earnings, including earnings for the period		74,217	3,936
Total equity attributable to Parent Company's shareholders		518,311	448,031
Liabilities			
Long-term liabilities			
Bonds	16	393,264	–
Lease liabilities	2, 16	6,407	4,371
Other provisions		6,249	6,645
Deferred tax liabilities	9	42,151	44,600
Total long-term liabilities		448,071	55,616
Current liabilities			
Bonds	16	5,803	434,680
Lease liabilities	2, 16	5,758	5,163
Accounts payable		185,463	292,589
Current tax liabilities		11,368	3,849
Other current liabilities	17	46,071	76,780
Liabilities to customers under construction contracts	4	67,788	148,191
Accrued expenses and deferred income	18	96,173	45,762
Total current liabilities		418,423	1,007,015
TOTAL EQUITY AND LIABILITIES		1,384,805	1,510,662

Consolidated statement of changes in equity

(TSEK)	Share capital	Other capital contributions	Retained earnings, including earnings for the period	Total equity attributable to Parent Company's shareholders
Opening balance on 1 Jan 2023	500	443,595	-39,524	404,571
Earnings for the period			43,536	43,536
Total comprehensive income			43,536	43,536
Transactions with owners				
Group contributions issued			-75	-75
Total transactions with shareholders	–	–	-75	-75
Closing balance on 31 December 2023	500	443,595	3,936	448,031

(TSEK)	Share capital	Other capital contributions	Retained earnings, including earnings for the period	Total equity attributable to Parent Company's shareholders
Opening balance on 1 Jan 2024	500	443,595	3,936	448,031
Earnings for the period			70,280	70,280
Total comprehensive income			70,280	70,280
Closing balance on 31 December 2024	500	443,595	74,217	518,311

Consolidated statement of cash flows

(TSEK)	Note	2024	2023
Operating cash flow			
EBIT		138,531	104,976
Adjustments for non-cash items			
Reversal of depreciation and amortisation	5	18,787	17,857
Other non-cash items*		-396	3,556
Interest received		5,870	4,520
Interest paid		-64,968	-47,970
Tax paid		-17,228	-12,614
Operating cash flow before change in working capital		80,596	70,326
Change in working capital			
Increase/decrease from customers under construction contracts		48,783	29,076
Increase/decrease accounts receivable		72,439	-14,507
Increase/decrease other current receivables		-5,300	2,620
Increase/decrease accounts payable		-107,126	-16,719
Increase/decrease other current liabilities		-57,743	71,633
Operating cash flow		31,649	142,429
Cash flow from financing activities			
Bonds issued	16	400,000	–
Amortisation of bonds	16	-425,000	-50,000
Repayment of principal on lease liabilities	16	-5,699	-5,953
Cash flow from financing activities		-30,699	-55,953
Cash flow for the period		949	86,477
Opening cash and cash equivalents		223,748	137,317
Translation differences in cash and cash equivalents		62	-46
CLOSING CASH AND CASH EQUIVALENTS		224,759	223,748

* Other non-cash items pertained to provisions in a negative amount of TSEK 396 (3,556).

Parent Company income statement

(TSEK)	Note	2024	2023
Total operating revenue		16,500	14,370
Other external expenses		-1,014	-1,081
Personnel costs		-15,452	-13,106
EBIT		33	183
Interest income and similar profit and loss items		4,151	4,176
Interest expenses and similar profit and loss items		-52,181	-49,623
Result from financial items		-47,997	-45,263
Appropriations			
Group contribution received		148,100	114,600
Earnings before tax		100,103	69,337
Taxes	9	-21,385	-16,570
EARNINGS FOR THE PERIOD		78,718	52,767

Parent Company statement of comprehensive income

(TSEK)	Note	2024	2023
Earnings for the period		78,718	52,767
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE PERIOD		78,718	52,767

Parent Company balance sheet

(TSEK)	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
Financial fixed assets			
Participations in Group companies	23	971,974	621,974
Receivables from Group companies	24	171,769	174,532
		1,143,743	796,505
Total financial fixed assets		1,143,743	796,505
Total fixed assets		1,143,743	796,505
Current assets			
Current receivables			
Receivables from Group companies	24	149,975	115,850
Other receivables		4,103	815
Prepaid expenses and accrued income	13	9	87
		154,088	116,752
Cash and bank balances	14	135	133
Total current assets		154,223	116,885
TOTAL ASSETS		1,297,965	913,391

(TSEK)	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	15	500	500
Total restricted equity		500	500
Unrestricted equity			
Retained earnings		440,566	387,799
Earnings for the period		78,718	52,767
Total unrestricted equity		519,284	440,566
Total equity		519,784	441,066
Liabilities			
Long-term liabilities			
Bonds	16	393,264	–
Liabilities to Group companies		350,000	–
Total long-term liabilities		743,264	–
Current liabilities			
Bonds	16	5,803	434,680
Accounts payable		9	131
Liabilities to Group companies		9,050	27,153
Current tax liabilities		11,368	3,849
Other current liabilities		1,053	1,043
Accrued expenses and deferred income		7,636	5,467
Total current liabilities		34,918	472,325
TOTAL EQUITY AND LIABILITIES		1,297,965	913,391

Parent Company statement of changes in equity

(TSEK)	Restricted equity	Unrestricted equity		Total equity
	Share capital	Retained earnings	Earnings for the period	
Opening balance on 1 January 2023	500	351,258	46,567	398,325
Appropriation of preceding year's profits		46,567	-46,567	
Earnings for the period			52,767	52,767
Merger result	–	-10,026	–	-10,026
Total comprehensive income	–	-10,026	52,767	42,741
Closing balance on 31 December 2023	500	387,799	52,767	441,066

(TSEK)	Restricted equity	Unrestricted equity		Total equity
	Share capital	Retained earnings	Earnings for the period	
Opening balance on 1 January 2024	500	387,799	52,767	441,066
Appropriation of preceding year's profits		52,767	-52,767	
Earnings for the period		–	78,718	78,718
Other comprehensive income		–	–	–
Total comprehensive income	–	–	78,718	78,718
Closing balance on 31 December 2024	500	440,566	78,718	519,784

Parent Company statement of cash flows

(TSEK)	Note	2024	2023
Operating cash flow			
EBIT		33	183
Interest received		4,151	4,176
Interest paid		-62,718	-46,385
Income tax paid		-14,217	-14,187
Operating cash flow before change in working capital		-72,750	-56,212
Change in working capital			
Increase/decrease other current receivables		113,449	142,800
Increase/decrease accounts payable		-123	-105
Increase/decrease other current liabilities		-15,574	-37,181
Operating cash flow		25,002	49,302
Cash flow from investing activities			
Effect from merger		–	381
Cash flow from investing activities		–	381
Cash flow from financing activities			
Bonds issued	16	400,000	–
Amortisation of bonds	16	-425,000	-50,000
Cash flow from financing activities		-25,000	-50,000
Cash flow for the period		2	-317
Opening cash and cash equivalents		133	450
Closing cash and cash equivalents		135	133

Notes

GENERAL INFORMATION

Zengun Group AB (publ), with company registration number 559177-5282 is a company limited by shares, incorporated in Sweden and domiciled in Stockholm. The head office is located at Torsgatan 21, SE-113 21 Stockholm. The operations of the company and its Group companies (the Group) include construction and contracting activities in Stockholm. Operations are conducted through the Group company Zengun AB and Zengun Redo AB. The composition of the Group is set out in Note 24 Participations in Group companies.

Zengun Group AB (publ) is a wholly owned subsidiary of Zengun Group Parent AB with company registration number 559198-4629 and domiciled in Stockholm, which also prepares consolidated accounts.

The annual and consolidated accounts were approved by the Board of Directors and the CEO as of 25 April 2025.

Unless otherwise stated, all notes and disclosures pertain to the Group. Where a note disclosure pertains to the Parent Company, this is indicated specifically. Unless otherwise specified, all amounts are stated in thousand Swedish kronor (TSEK).

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION FOR THE REPORTS

The consolidated financial statements have been prepared pursuant to the International Financial Reporting Standards (IFRS) as endorsed by the EU, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Reporting Rules for Groups, the Annual Accounts Act and the interpretations issued by the IFRS Interpretations Committee (IC).

The preparation of financial statements in accordance with IFRS requires the use of critical accounting estimates. Moreover, management needs to exercise judgement in applying the Group's accounting policies. Areas involving a higher degree of judgement, which are complex or where assumptions and estimates are significant to the consolidated financial statements are disclosed in more detail in Note 3.

The Parent Company's annual accounts have been prepared in accordance with recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board and the Annual Accounts Act. Any differences in the accounting policies of the Parent Company to those of the Group are stated separately at the end of this accounting policies section.

Measurement bases applied in the preparation of these annual accounts

Assets and liabilities are recognised at historical cost.

Classification of current and non-current items

The Group allocates receivables and liabilities between short-term and long-term receivables and liabilities. Long-term

receivables essentially comprise amounts that are expected to be recovered more than one year after the end of the reporting period. Current receivables are expected to fall due for payment within one year of the end of the reporting period.

Judgements and estimates used in the financial statements

In preparing the financial statements pursuant to IFRS, the Board of Directors and the Group management make judgements and assumptions that affect the Parent Company's and the Group's earnings and financial positions, as well as published information in other respects. Actual outcomes can differ from these estimates and judgements. The estimates and assumptions are subject to regular review. Changes to estimates are reported in the period the change was made if the change affects this period only, or in the period the change is made and future periods if the change affects both the relevant period and future periods.

New accounting policies

New or amended EU-endorsed standards and interpretations from the IFRS Interpretations Committee effective from 1 January 2024 are not currently expected to have any material impact on the Group's financial performance or position.

The accounting policies and calculation methods are unchanged compared with last year's annual report.

Standards, amendments and interpretations of existing standards that enter force in 2025 or later.

On preparation of the consolidated accounts as of 31 December 2024, a number of standards and interpretations had been published that enter force in 2025 or later. IFRS 18 will replace IAS 1 and is to be applied for financial years beginning on or after 1 January 2027. The Group will apply the new standard from its mandatory effective date and management is currently evaluating the consequences of the application of the new standard on the consolidated accounts. No other published standards are expected to have any material impact on the consolidated accounts.

1.2 CONSOLIDATED ACCOUNTS AND BUSINESS COMBINATIONS

The consolidated financial statements include the Parent Company, Zengun Group AB (publ), and the companies over which the Parent Company exercises controlling influence. A "controlling influence" entails that the Group is exposed to, or is entitled to, variable returns from its investment in a company, and can also affect the returns from the subsidiary by means of its influence. Normally, controlling influence exists when the Parent Company, directly or indirectly, owns shares representing more than 50% of the vote.

Group companies are fully consolidated from the date at which control is transferred to the Group and until such time as the Parent Company no longer exercises a controlling influence over the Group company. Where needed, the accounting pol-

Note 1, Cont.

icies of Group companies have been adjusted to comply with the Group's accounting policies. All intra-Group transactions, balances and unrealised gains and losses attributable to intra-Group transactions have been eliminated upon preparation of the consolidated financial statements.

Business combinations

Business combinations are recognised in accordance with the acquisition method.

The purchase consideration for the business combination is measured at fair value at the acquisition date, which is calculated as the sum of the fair value at the acquisition date of acquired assets, accrued or assumed liabilities, and issued equity shares in exchange for control of the acquired business.

Acquisition-related costs are recognised in profit or loss when incurred.

The purchase consideration includes the fair value at the acquisition date of any asset or liability resulting from a contingent consideration arrangement. Changes in the fair value of a contingent consideration arising from further information received after the acquisition date and pertaining to facts and conditions that existed at the acquisition date qualify as adjustments during the measurement period and are adjusted retroactively, with a corresponding adjustment of goodwill. Contingent considerations classified as equity are not remeasured and subsequent settlements are recognised within equity. All other changes in the fair value of a contingent consideration are recognised in profit or loss.

Identifiable assets acquired and liabilities assumed are measured initially at their fair values at the acquisition date, with the following exceptions:

- Deferred tax assets or liabilities and liabilities or assets attributable to the acquired company's employee benefits agreement are recognised and valued in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits.
- Liabilities or equity instruments attributable to the acquired company's share-based payments or to the replacement of the acquired company's share-based payments against the acquirer's share-based payments are valued at the acquisition date in accordance with IFRS 2 Share-based Payment.
- Assets (or disposal groups) classified as held for sale under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with the standard.

In a business combination where the sum of the purchase consideration, any non-controlling interests and fair value at the acquisition date exceed the fair value at the acquisition date of the acquired identifiable net assets, the difference is recognised as goodwill in the balance sheet. If the difference is negative, the difference is recognised directly in profit or loss as a bargain purchase following revision of the difference.

1.3 SEGMENT REPORTING

An operating segment is a part of a company that generates income and costs through its operations, and its operating profit (EBITA) is regularly reviewed by the company's chief operating decision maker (CODM). Furthermore, an operating segment has separate financial information. The company has identified the operating segments Project Partnering and Construction, and Property Maintenance and Construction Services, which are followed up using the performance indicators Net turn-over and Operating profit (EBITA). The company's reporting of operating segments is consistent with internal reporting to the CODM. The CODM is the function that assesses the performance of the operating segments and decides on the allocation of resources. The CEO is the chief operating decision maker (CODM).

1.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). In the consolidated financial statements, Swedish kronor (SEK) is used as the presentation currency, which is the Parent Company's functional currency and presentation currency. Unless otherwise specified, all amounts are stated in thousand Swedish kronor (TSEK).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance-sheet date exchange rates are recognised in profit or loss. Exchange differences on lending and borrowing are recognised in net financial items, while other exchange differences are recognised in EBIT.

1.5 INTANGIBLE ASSETS

Goodwill

Goodwill arising on the preparation of consolidated accounts comprises the difference between the cost and the Group's share of the fair value of identifiable assets and liabilities of an acquired Group company at the acquisition date. At the acquisition date, goodwill is recognised at cost and after the first reporting date, it is measured at cost less any accumulated impairments. Goodwill is impairment tested on an annual basis and when indications exist that there is a need for impairment. When testing for impairment, goodwill is allocated to those cash-generating units expected to benefit from the acquisition. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Note 1, Cont.

Trademarks

Expenses for acquired trademarks are carried forward and reviewed annually to identify any need for impairment instead of being subject to regular amortisation. Trademarks are recognised at cost less any accumulated impairment. The current trademark has been judged and is expected to be useful for a long number of years and its life-span cannot therefore be reliably assessed.

Customer relations

Customer relations acquired in a business combination are recognised at fair value as of the acquisition date. Customer relations have a finite useful life and are subsequently carried at cost less accumulated amortisation and any impairment losses.

Amortisation periods

Goodwill and trademarks	Indefinite life – tested for impairment.
Customer relations	Ten years

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised at cost less accumulated depreciation and any impairment.

The cost consists of the purchase price, expenses directly attributable to the asset to put it in place and in order to be used as well as the estimated costs of dismantling and disposing of the asset and restoring its location. Subsequent costs are only included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses for repairs and maintenance and subsequent costs are recognised in profit or loss for the period in which they arise.

Depreciation of property, plant and equipment is expensed so that the asset's cost, possibly reduced by the estimated residual value at the end of its useful life, is depreciated on a straight-line basis over its estimated useful life. Depreciation starts from when the property, plant and equipment are ready for use. The useful life of equipment, tools, fixtures and fittings has been assessed as five years.

Estimated useful lives, residual values and depreciation methods are reviewed at least at the end of each accounting period. The effect of any changes in judgements are recognised prospectively.

Carrying amounts for property, plant and equipment are derecognised from the balance sheet upon disposal or sale, or when no future economic benefits are expected from the use or disposal/sale of the assets. Any gain or loss arising on the disposal or sale of an asset comprises the difference between any net income on disposal and the asset's carrying amount. This difference is recognised in profit or loss for the period when the asset is derecognised from the balance sheet.

1.7 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

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

Gains and losses on disposals are determined by a comparison between the sales proceeds and the carrying amount and are recognised in other operating income and other operating expenses in profit or loss.

Also see the following sections regarding the description of the impairment of non-financial fixed assets.

Impairment of non-financial fixed assets

Assets with an indefinite useful life are not depreciated or amortised; instead, such assets are tested annually for impairment.

At present, this applies only within the Group for goodwill and trademarks.

Property, plant and equipment and intangible assets subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is an indication that the need for the impairment no longer exists and there has been a change in the assumptions underlying the calculation of the recoverable amount. However, the impairment of goodwill is never reversed. A reversal is made only to the extent that the asset's carrying amount, after reversal, does not exceed the carrying amount that would have been recognised, less depreciation or amortisation, where applicable, if no impairment loss had been recognised.

1.8 FINANCIAL INSTRUMENTS

On the asset side, financial instruments recognised in the balance sheet include cash and cash equivalents, accounts receivable, receivables due from customers under construction contracts and financial fixed assets (other long-term securities holdings and other long-term receivables). The liabilities side of the balance sheet includes accounts payable and bonds.

Financial instruments are initially recognised at cost, which corresponds to the instruments' fair value with a supplement for transaction costs for all financial instruments. Accounts receivable with no significant financing component are recognised pursuant to IFRS 9 initially at the transaction price.

Note 1, Cont.

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the instrument's contractual terms. Accounts receivable are recognised in the balance sheet when the invoice is sent. A liability is recognised when the counterparty has discharged its undertaking and a contractual obligation to pay has arisen, even if the invoice has yet to be received. Accounts payable are recognised when the invoice has been received.

A financial asset is derecognised from the balance sheet when the contractual rights are realised or expire, or the company loses control of the asset. Financial liabilities are derecognised from the balance sheet when the contractual obligations have been fulfilled or in another manner extinguished. The same treatment is applied for components of a financial liability.

On each balance-sheet date, the company determines whether there are objective indications of any impairment requirement for a financial asset or group of financial assets due to events. An example of such events is a significant deterioration in the financial position of a counterparty or non-payment of overdue amounts.

Financial assets acquired with the intent to collect contractual cash flows are measured at amortised cost. Currently, all of the Group's financial assets and liabilities are measured at amortised cost.

Fair value of financial instruments

The fair values of financial assets and liabilities are determined as follows: The fair values of financial assets and liabilities traded in an active market are determined by reference to quoted market prices.

The fair values of other financial assets and liabilities are determined in accordance with generally accepted valuation models, such as discounting future cash flows and use of information derived from actual market transactions.

For all financial assets and liabilities, carrying amounts are assessed as good approximations of their fair values, unless otherwise indicated in subsequent notes.

Amortised cost

Amortised cost refers to the amount at which the asset or liability was initially recognised less any depreciation or amortisation, with the addition or subtraction of accumulated amortisation and depreciation using the effective interest method of the initial difference between the amount received/paid and the amount to be paid/received on the maturity date, and less any impairment.

The effective interest rate is the rate whereby the discounting of all future expected cash flows over the expected term results in the initial carrying amount of the financial asset or liability.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and recognised at a net amount in the balance sheet when there is a legally enforceable right to offset and when there is an intention to settle the items on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group's financial assets (accounts receivable, receivables due from customers under construction contracts and cash and cash equivalents) are included in the application of the model for expected credit losses. The need for impairment of cash and cash equivalents is deemed immaterial. The Group applies the simplified approach to measuring expected credit losses (ECLs). This approach entails that expected losses throughout the term of the receivable are used as the basis for receivables. To calculate ECLs, receivables are grouped together on the basis of number of days past due. The ECLs are based on customers' payment history and historic loss data for the last few years. Refer to Note 12 for more information.

1.9 ACCOUNTS RECEIVABLE

Accounts receivable pertain to amounts due from customers for goods sold or services performed as part of operating activities.

Accounts receivable fall due for payment within 30–60 days and all accounts receivable are accordingly classified as current assets. Accounts receivable with no significant financing component are recognised initially at the transaction price. The Group holds accounts receivable for the purpose of collecting contractual cash flows and therefore, measures them at the subsequent accounting dates at amortised cost using the effective interest method. However, given the short, expected maturity of accounts receivable, recognition is at the nominal amount without discounting. ECLs are used as the basis for provisions for receivables. Impairment of accounts receivable is recognised in operating expenses.

1.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances, and other short-term liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value. To be classified as cash and cash equivalents, the term to maturity must not exceed three months from the acquisition date. Cash and bank balances are classified as loan receivables and accounts receivable, which entails measurement at amortised cost. Due to the fact that bank funds are payable on demand, the amortised cost corresponds to the nominal value.

1.11 SHARE CAPITAL

Ordinary shares and preference shares are classified as equity. Transaction costs directly attributable to the issue of new shares are recognised in equity as a deduction, net of tax, from the issue proceeds.

1.12 ACCOUNTS PAYABLE

Accounts payable are classified as other financial liabilities, which entails measurement at amortised cost. However, given the short, expected maturity of accounts payable, recognition is at the nominal amount without discounting.

Note 1, Cont.

1.13 BORROWING

Borrowings (bond issues) are initially recognised at fair value, net of transaction costs incurred. Borrowing is subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the repayment amount is recognised in profit or loss over the loan period using the effective interest method. Accrued interest expense is recognised as part of the total amount.

Borrowing is classified as a current liability if the Group has an unconditional right to defer payment of the liability for up to 12 months after the balance-sheet date.

Borrowing costs (interest expenses and transaction costs) are recognised in profit or loss in the period to which they relate.

1.14 CURRENT AND DEFERRED TAX

Tax expense comprises current tax and deferred tax.

Current tax

Current tax is calculated on the taxable profit for the period. Taxable income differs from the profit recognised in the income statement since it is adjusted for non-taxable income and non-deductible expenses, as well as for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the applicable tax rates at the balance-sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used for calculating taxable profit. Deferred tax is recognised using the balance sheet method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences insofar that it is likely that the amounts can be utilised against future taxable surpluses. Deferred tax liabilities and tax assets are not recognised if the temporary difference is attributable to goodwill or if it arises as a result of a transaction that comprises initial recognition of an asset or liability (which is not a business combination) and which, at the time of the transaction, affects neither the reported nor the taxable profit.

Deferred tax liabilities are recognised for taxable temporary differences attributable to investments in Group companies, except in cases where the Group can control the timing of reversals of the temporary differences and it is likely that such reversal will not take place in the foreseeable future. The deferred tax assets attributable to deductible temporary differences relating to such investments should only be recognised to the extent that it is probable that the amounts can be utilised against future taxable surpluses, and it is likely that such utilisation will take place in the foreseeable future.

The carrying amounts for deferred tax assets are tested at each closing date and reduced to the extent that it is no longer probable that a sufficient surplus will be available to be utilised, in whole or in part, against the deferred tax asset.

Deferred tax is calculated according to the tax rates that are expected to apply for the period when the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been enacted or announced at the balance-sheet date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority and where the Group intends to settle the tax on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when the tax is attributable to transactions recognised in other comprehensive income or directly against equity. In such cases, tax is also recognised in other comprehensive income or directly against equity. For current and deferred taxes that arise in the recognition of business acquisitions, the tax effect is recognised in the acquisition calculation.

1.15 EMPLOYEE BENEFITS

Employee benefits in the form of salaries, bonuses, paid holiday, paid sick leave, etc. and pensions are recognised as vested. The Group has largely only defined-contribution pension plans. The Group has only a few pension plans with Alecta. These come under the classification of multi-employer plans.

Defined-contribution pension plans

For defined-contribution plans, the Group pays fixed contributions to a separate, independent legal entity and has no obligation to pay additional fees. The Group's earnings are charged for expenses as the benefits are vested, which usually coincides with the time when the premiums are paid.

Defined-benefit pension plans

Pension plans are either defined-contribution plans or defined-benefit plans, in the latter case, a defined-benefit level applies to the pension that the employer undertakes to pay. The defined-benefit plans within the Group consist of the ITP 2 plan for salaried employees in Sweden, which is secured via insurance with Alecta and constitutes a multi-employer plan. However, the plan is recognised as a defined-contribution plan since Alecta is unable to provide the necessary information that would enable each member company to report its proportional share of the plan's commitments, plan assets and costs. Otherwise, there are no defined-benefit pension plans.

Employee benefits expenses

Liabilities for salaries and benefits that are expected to be settled within 12 months of the end of the financial year, including

Note 1, Cont.

benefits and paid absence, are recognised as current liabilities at the undiscounted amounts expected to be disbursed on settling the liabilities. The cost is recognised in pace with services being performed by employees. The liability is recognised under employee benefit obligations in the balance sheet.

1.16 PROVISIONS

Provisions are recognised when the Group has an existing legal or informal obligation as a result of events that have occurred when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The amount allocated represents the best estimate of the amount required to settle the existing obligation at the balance-sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the amount expected to be required to settle the obligation, the carrying amount corresponds to the present value of these payments.

Where some or all of the amounts required to settle a provision are expected to be reimbursed by a third party, the reimbursement is recognised separately as an asset in the statement of financial position when it is virtually certain that it will be received if the company settles the obligation and the amount can be reliably estimated.

Warranty undertakings

The vast majority of construction contracts contain provisions for warranty undertakings from the contractor, with the obligation of the contractor to rectify faults and defects detected within a certain time frame after the project has been handed over to the customer. The main principle is that provisions for warranty undertakings must be calculated for each individual project.

Onerous contracts

A provision for onerous contracts is recognised when the unavoidable costs of meeting the contract exceed the expected economic benefits.

1.17 REVENUE RECOGNITION

Revenue is recognised at an amount reflecting the consideration expected to be received and the consideration to which the company is entitled for providing services to customers. Zengun recognises revenue when the Group transfers control of a product or service to a customer. This could be at a specific date or over time. Most of the Group's performance obligations are fulfilled over time.

A five-step model helps with the application of the revenue recognition principles in IFRS 15:

- 1. Identification of contract** – test of whether a contract has been reached pursuant to the criteria in IFRS 15, inter alia, it must be mutually agreed, have commercial substance and clearly identify the rights of each party as well as what is to be delivered.
- 2. Identify performance obligation** – revenue must be recognised when a performance obligation is met. Accordingly, the analysis needs to identify any distinct performance obligations.
- 3. Determine transaction price** – the transaction price is the consideration that the company expects to be entitled to in exchange for the transfer of the promised goods or services to a customer. The consideration could be fixed or variable as a result of discounts, credits, returns, etc.
- 4. Allocation of transaction price to performance obligations** – when a contract contains more than one performance obligation, the standalone transaction price for each transferred good or service is measured independently. The contracted price must then be allocated across the various performance obligations identified in the contract.
- 5. The performance obligation is met and revenue recognised** – revenue can be recognised over time or at a point in time. Revenue is recognised over time if the following criteria are met: the customer receives and consumes the benefits as the company performs; the company's performance creates or enhances an asset that the customer controls; or the company's performance does not create an asset with an alternative use for the customer and the company has an enforceable right to payment for performance completed to date. If none of these criteria are met, the revenue is recognised at a point in time. This point in time could be, for example, when control of the goods is transferred, when the customer has accepted the goods/service, when the material risks and benefits have transferred or when the customer has legal title.

The Group's revenue is generated mainly from the project development of commercial and residential properties, which are mainly carried out in the form of construction contracts with customers. Construction contracts are designed differently; as fixed-price projects and projects on a continuous basis. For fixed-price projects, compensation is paid at a fixed amount on completion of the project, while assignments on a continuous basis are based on actual expenses for the assignment. The majority of the Group's revenue is generated from construction contracts on a continuous basis.

Revenue from construction contracts is recognised using the percentage-of-completion method. This means that revenue and expenses are recognised relative to the project's stage of completion at the balance-sheet date. The stage of completion

Note 1, Cont.

is determined by calculating the ratio between the contract costs incurred for work performed as of the balance-sheet date and the estimated total contract costs. An expected loss on a construction contract is recognised immediately as an expense. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only for amounts corresponding to the costs incurred under the contract that are likely to be recovered from the customer. Contract costs are recognised as expenses in the period in which they arise. The difference between recognised income and invoiced tranches is recognised as an asset in the balance sheet (Receivables due from customers under construction contracts). Similarly, the difference between the amount invoiced and the unearned project revenue liability is recognised as a liability in the balance sheet (liabilities to customers under construction contracts).

1.18 LEASING

The Group leases premises and vehicles. The term of premises leases currently varies from one to three years, including likely extension periods. Vehicle leases normally extend for a period of three years. Leased assets cannot be used as collateral for borrowing. Extensions are possible in some cases, see below.

A contract pertaining to a right-of-use asset is recognised as an asset together with a corresponding liability from date on which the leased asset is available to the Group. A lease payment is allocated between repayment of the debt and the interest expense. The interest expenses for the respective periods are calculated using the annuity method. Right-of-use assets are depreciated according to plan over their useful lives. Assets and liabilities attributable to leases are measured initially at fair value. Lease liabilities include the present value of the following payments:

- regular fixed payments;
- variable fees based on an index or a price;
- amounts expected to be paid by the lessee pursuant to residual value guarantees; and
- purchase options deemed likely to be used at the end of the lease period.

The payments are discounted to present value using the interest rate implicit in the lease, or if this is not possible to determine, to the incremental borrowing rate. The incremental borrowing rate for the Group's leases is currently assessed as being between 2% and 4%.

Assets are measured at cost including the following:

- the present value of future payments on initial valuation of the lease liability; and
- payments made on or before the commencement date of the contract, e.g., a surcharge on the first payment.

Payments attributable to short-term contracts of leases of low-value assets are recognised as an expense on an ongoing

basis in profit or loss. Short-term contracts are defined as leases with a term of not more than 12 months. Management's assessment of leases of low-value assets is that these pertain to leases in the category of simpler equipment and office equipment.

The lease period is defined as non-terminable periods together with extension periods if reasonable certainty exists that the Group will exercise that alternative. In cases where the Group and the lessor have the right to terminate a lease that extends until further notice, at no separate cost, the lease period is determined as the notice period. Due to the possibility of termination that is beyond the Group's control, the lease period is determined in this manner even if it is reasonably certain that the lease will extend beyond this period.

1.19 DIVIDENDS

Dividends to the Parent Company's shareholders are recognised as liabilities in the consolidated financial statements in the period in which the dividends are approved by the Parent Company's shareholders.

1.20 EARNINGS PER SHARE

Earnings per share before and after dilution is calculated by dividing:

- profit attributable to the shareholders of the Parent Company by
- a weighted-average of the number of ordinary shares outstanding during the period.

1.21 PARENT COMPANY ACCOUNTING POLICIES

The Parent Company accounting policies are consistent in all material respects with the consolidated accounts. The Parent Company's annual accounts have been prepared in accordance with recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board and the Annual Accounts Act.

The Parent Company uses the presentation formats specified in the Annual Accounts Act, which, inter alia, implies that another presentation of equity is applied.

Shares in Group companies are recognised at amortised cost less any impairment losses. When there is an indication that shares and participations in Group companies have decreased in value, an estimate is made of the recoverable amount. If this is lower than the carrying amount, an impairment is carried out. Impairments are recognised in the item Earnings from participations in Group companies.

The cost of participations in Group companies is included in the transaction costs. In the consolidated accounts, transaction costs are expensed in the period in which they arise.

IFRS 9 is not applied in legal entities; instead, paragraphs 3–10 of RFR 2 are applied, which entail, inter alia, that financial instruments are measured on the basis of acquisition cost.

IFRS 16 is not applied in the Parent Company. Instead, lease payments are recognised as costs in a straight line over the lease period.

Group contributions are recognised as appropriations pursuant to the alternative rule in RFR 2.

NOTE
2

FINANCIAL RISK MANAGEMENT

The Zengun Group is exposed to financial risks, which are listed under the respective risk below.

The Board approves an annual Group-wide financial policy that regulates the allocation of responsibilities for financial matters between the Board, the CEO, CFO and other Group companies.

MARKET RISK*(i) Currency risk*

Zengun is a Swedish group of companies that operates in the Swedish market. The Group's exposure to foreign currency arises from the import of goods paid for in foreign currency. For purchases of more than TSEK 500 the Group's CFO takes into account any need for currency hedging. At the balance-sheet date, the company's sole exposure was to EUR in an immaterial amount.

The presentation currency is the Swedish krona.

Transaction exposure

Transaction exposure is typically both exposure resulting from commercial flows, i.e., cross-border sales and purchases, and partly exposure from financial flows.

(ii) Interest rate risk pertaining to cash flow and fair value

The Group's interest-bearing financial assets and liabilities whose receivables are linked to market interest rates affect earnings and operating cash flow. The interest rate risk refers to the risk that changes in general interest rate conditions negatively affect the Group's earnings. The Group's interest rate risk arises from long-term borrowing. Borrowing at floating interest rates exposes the Group to a cash flow interest rate risk, which is partially offset by the cash funds with variable interest. A 2-percentage point increase in the interest rate on borrowing would result in a decrease in the Group's earnings and cash flow of TSEK 8,000.

For further information, refer to Note 16 Long- and short-term financial liabilities for a description of significant terms and conditions for borrowing.

CREDIT RISK

Credit risk or counterparty risk is the risk that the counterparty in a financial transaction does not fulfil its obligations on the due date. The Group's credit risk includes bank balances, financial investments, contractual assets and accounts receivable. Credit risk is reduced by only investing in approved liquid instruments and by selecting counterparties with high credit ratings and using instruments with high liquidity.

The Group's overriding financial risks comprise credit risks in terms of contractual assets and accounts receivable outstanding. The Group conducts credit checks prior to extending credit. For existing customers, the current payment situation and historic data are also analysed.

Historically, the Group has had a few small credit losses. Since invoices are issued regularly during production and due to the low credit risk posed by the Group's customers, the Group believes the risk of future credit losses to be very low. See Note 4 and Note 12, and the next paragraph, for a more detailed description of the Group's exposure in contractual assets and accounts receivable.

LIQUIDITY RISK/FINANCE RISK

The Group's external bond financing is located in Zengun Group AB (publ) and other Group companies are financed by the central Group account system. Projections are used to manage liquidity risk and are updated on a quarterly basis.

The Zengun Group only collaborates with counterparties deemed able to fulfil their commitments to the Group. The banks that the Group works with must have a high credit rating to be able to support the Group in the long term.

On 31 December 2024, the Group had available liquidity of TSEK 224,759. Liquidity consists of bank balances. In addition to recognised cash and cash equivalents, the Group has an unutilised bank overdraft facility of TSEK 75,000.

The following table lists the contractual undiscounted cash flows of the Group's liabilities in the form of financial instruments, based on the earliest remaining maturities contracted as per the balance-sheet date.

Amounts payable that are based on a floating interest rate have been estimated using the interest rates applicable at the balance-sheet date.

	0–12 months	1–2 years	3–5 years	More than 5 years	Total
31 Dec 2024					
Bonds	35,560	35,560	439,067	–	510,187
Lease liabilities	5,708	3,660	3,325	–	12,693
Accounts payable	185,463			–	185,463
Other current liabilities	46,071			–	46,071
Total	272,802	39,220	442,392	–	754,414

Note 2, Cont.

	0–12 months	1–2 years	3–5 years	More than 5 years	Total
31 Dec 2023					
Bonds	460,222	–	–	–	460,222
Lease liabilities	5,977	3,929	1,229	–	11,135
Accounts payable	292,589	–	–	–	292,589
Other current liabilities	76,780	–	–	–	76,780
Total	835,568	3,929	1,229	–	840,726

FAIR VALUE HIERARCHY

The Group classifies fair value measurements using a fair value hierarchy that reflects the reliability of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data. The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of bonds issued as of 31 December 2024 amounts to TSEK 407,000 (nominal value 400,000). The bond is listed (fair value hierarchy level 1) and the fair value is based on the price of the most recent transaction.

Currently, all of the Group's financial assets and liabilities are measured at amortised cost.

CAPITAL RISK MANAGEMENT

The objective of the capital structure is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep capital costs down.

Consistent with others in the industry, the Group assesses capital on the basis of the debt/equity ratio. This ratio is calculated as borrowing divided by equity. Net debt is calculated as total borrowings (including the items short-term borrowings and long-term borrowings in the consolidated balance sheet) less cash and cash equivalents and interest-bearing assets.

The debt/equity ratio on 31 December was as follows:

	31 Dec 2024	31 Dec 2023
Borrowings	411,232	445,135
Less cash and cash equivalents	-224,759	-223,748
Net debt	186,473	221,387
Total equity	518,311	448,031
Debt/equity ratio	36%	49%

NOTE
3**CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING PURPOSES

The Group makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that entail a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Impairment testing of goodwill and trademarks

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1.7 Impairment of non-financial fixed assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

These calculations require the use of estimates as detailed in Note 11 Intangible assets. Carrying amounts at the balance-sheet date for goodwill broken down by cash-generating unit are shown in Note 11. The basis for testing is the business plan for the coming years, which includes budgets and forecasts for the next three years.

Percentage-of-completion

The Group companies Zengun AB and Zengun Redo AB use the percentage-of-completion method, i.e., based on a final status forecast for project results, results are recognised gradually over project durations, based on the projects' stage of completion. This requires that the size of project revenue and project expenses can be reliably determined. The prerequisite for this is that efficient and coordinated systems for calculation, reconciliation work, forecasts and results reporting for the projects are available. The system requires a consistent assessment/forecast of final project outcomes, including analysis of any divergences in relation to previous assessment dates. This assessment is conducted on an ongoing basis, but actual outcomes for projects may diverge from previous assessments.

Note 3, Cont.

NOTE 4 SEGMENT REPORTING AND REVENUE

The Group conducts construction and renovation projects in accordance with construction contracts and smaller contracts and construction services in the Stockholm and Mälardalen region. Project follow-up is always conducted at project level by the CEO and Group management.

NET TURNOVER

Group	2024	2023
Project Partnering and Construction	2,252,418	2,461,602
Property Maintenance and Construction Services	332,113	309,630
	2,584,531	2,771,232

Of the total segment revenue for Project Partnering and Construction, TSEK 1,662,997 (2,016,415) pertained to revenue from Commercial properties, TSEK 462,909 (438,914) revenue from Special projects and TSEK 126,512 (6,273) revenue from Residential properties. Internal sales amounted to TSEK 8,541 (8,619) in the Project Partnering and Construction segment and to TSEK 3,052 (14,544) in the Property Maintenance and Construction Services segment. Internal sales are excluded from the above table.

EBITA

Group	2024	2023
Project Partnering and Construction	131,150	109,218
Property Maintenance and Construction Services	19,271	7,648
	150,421	116,866

The definition and calculation of EBITA can be found under Description and calculation of key figures on page 90. Group depreciation of property, plant and equipment amounted to TSEK 6,897 (5,967), of which TSEK 4,069 (3,445) pertained to Project Partnering and Construction and TSEK 2,828 (2,522) pertained to Property Maintenance and Construction Services.

REVENUE ALLOCATION BY CATEGORY

Group	2024		
	New production	ROT*	Total
Project Partnering and Construction	1,213,739	1,038,679	2,252,418
Property Maintenance and Construction Services	–	332,113	332,113
	1,213,739	1,370,792	2,584,531

Group	2023		
	New production	ROT*	Total
Project Partnering and Construction	1,497,946	963,656	2,461,602
Property Maintenance and Construction Services	–	309,630	309,630
	1,497,946	1,273,286	2,771,232

The Group's entire turnover derives from sales in Sweden. The Group has four customers that each accounted for more than 10% of turnover in 2024.

The Group recognises the following revenue-related contractual assets and liabilities.

Group	31 Dec 2024	31 Dec 2023
Contractual assets attributable to construction contracts – accrued but un invoiced revenue	118,002	167,277
Impairment reserve	-1,180	-1,673
Total current contractual assets	116,822	165,604
Contractual liabilities – invoiced, unearned revenue	67,788	148,191
Total current contractual liabilities	67,788	148,191

Group	31 Dec 2024	31 Dec 2023
Impairment reserve at the start of the year	-1,673	-1,966
Impairment provision for the year	-1,180	-1,673
Reversal of unused impairment provisions	1,673	1,966
Total	-1,180	-1,673

The following table shows the change in contractual assets during the year, the proportion of previously met performance obligations that were settled during the year and additional amounts where the Group's performance obligations were deemed met but which remain un invoiced. Large projects entail considerable fluctuations in contractual assets and the phase in which the project is in can significantly impact timing. The year-on-year lower production rate at the end of 2024 also contributed to the reduction in contractual assets.

Note 4, Cont.

Group	2024	2023
Opening balance	167,277	196,647
Added during the period	118,002	167,277
Settled receivables	-167,277	-196,647
Closing balance	118,002	167,277

The following table shows unfulfilled performance obligations pertaining to construction contracts:

	31 Dec 2024	31 Dec 2023
Aggregate amount of the transaction price allocated to construction contracts that are partially or fully unsatisfied as of 31 December.	3,098,881	2,791,719

The management expects 61% of the transaction price allocated to unfulfilled performance obligations as of 31 December 2024 to be recognised as revenue in the next financial year, and for the remaining 39% to be recognised in the 2026–2027 period (only projects already started, not the order book).

REVENUE INCLUDED IN THE DEBT BALANCE OF THE CONTRACT

The following table shows how much of the revenue recognised in the financial year relates to contractual liabilities (Invoiced but unearned revenue).

	31 Dec 2024	31 Dec 2023
Revenue recognised that was included in contractual liabilities at the beginning of the year.	148,191	95,345

NOTE
5

EXPENSES ALLOCATED BY CATEGORY

Operating expenses are presented in the income statement using a classification based on the functions “Production costs” and “Sales and administrative expenses.” The total of the functionally allocated costs was broken down into the following cost items.

Group	2024	2023
Raw materials and goods for resale	-2,223,448	-2,446,572
Personnel costs	-169,163	-165,139
Other external expenses	-35,107	-37,683
Depreciation/amortisation and impairment	-18,787	-17,857
Other operating expenses	–	-123
Total	-2,446,505	-2,667,373

NOTE
6

AUDITORS' FEES

Audit engagement refers to fees for the statutory audit, i.e. work necessary to issue the auditor's report, as well as so-called audit advisory services provided in connection with the audit engagement. Audit services beyond the audit engagement refer to fees for opinions and other assignments that are legally required to be performed by the external auditor or that are closely related to the audit and are normally carried out by the external auditor, including consultations regarding advisory and reporting requirements. Other services refer to costs that are not classified as audit engagements, audit services beyond the audit engagement.

Group	2024	2023
Öhrlings PricewaterhouseCoopers AB		
Audit engagement	1,244	1,200
Audit services beyond the audit engagement	50	-
Tax advice	-	29
Other services	319	-
Total	1,613	1,229
Parent Company	2024	2023
Öhrlings PricewaterhouseCoopers AB		
Audit engagement	225	225
Total	225	225

NOTE
7

NUMBER OF EMPLOYEES, PERSONNEL COSTS AND SENIOR EXECUTIVES

AVERAGE NUMBER OF EMPLOYEES 2024

	Women	Men	Total
Parent Company			
Sweden	1	2	3
Total in the Parent Company	1	2	3
Subsidiaries			
Sweden	45	102	147
Total in subsidiaries	45	102	147
Total in the Group	46	104	150

Note 7, Cont.

AVERAGE NUMBER OF EMPLOYEES 2023

	Women	Men	Total
Parent Company			
Sweden	1	2	3
Total in the Parent Company	1	2	3
Subsidiaries			
Sweden	49	100	149
Total in subsidiaries	49	100	149
Total in the Group	50	102	152

BOARD MEMBERS AND OTHER SENIOR EXECUTIVES

	2024	2023
Parent Company		
Women:		
Board of Directors	1	1
Other senior executives incl. the CEO	1	1
Men:		
Board of Directors	3	3
Other senior executives incl. the CEO	2	2
Total in the Parent Company	7	7
Group		
Women:		
Board of Directors	1	1
Other senior executives incl. the CEO	6	6
Men:		
Board of Directors	3	3
Other senior executives incl. the CEO	4	4
Total in the Group	14	14

SALARIES AND BENEFITS

Employee benefits expenses

	2024	2023
Parent Company		
Salaries and other remuneration	11,514	8,718
Social security contributions	1,958	2,863
Pension costs	1,875	1,783
Total in the Parent Company	15,348	13,364
Subsidiaries		
Salaries and other remuneration	99,316	99,600
Social security contributions	34,244	34,357
Pension costs	13,154	11,519
Total in the Group	162,062	158,840
of which bonuses and similar benefits to senior executives	4,322	3,783

PENSIONS

Defined-benefit plans

ITP 2 defined benefit plan obligations for old age pension and family pension obligations for salaried employees in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Corporate Reporting Board, UFR 10 Recognition of ITP 2 Pension Plan financed through insurance in Alecta, this constitutes a multi-employer defined-benefit plan. For the 2024 financial year, the company did not have access to information to enable it to recognise its proportional share of the plan's commitments, plan assets and costs. As a result, the company was unable to recognise it as a defined-benefit plan. Therefore the ITP 2 pension plan secured through insurance with Alecta is recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously vested pension entitlement and estimated remaining period of employment. Anticipated premiums for the next report period for ITP 2 insurance that are covered by Alecta amount to TSEK 600 (583). The Group's share of total premiums for the plan and the Group's share of the total number of active members of the plan are 100% (100) respective 100% (100).

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations calculated pursuant to Alecta's actuarial methods and obligations, which do not accord with IAS 19. Normally, the collective consolidation level is permitted to vary between 125% and 175%. Actions must be taken aimed at returning the consolidation level to the normal interval in the event

Note 7, Cont.

that Alecia's collective consolidation level is less than 125% or exceeds 150%. In the event of a low consolidation level, one measure may be raising the agreed price for new subscriptions and expanding existing benefits. In the event of a high consolidation level, one measure may be implementing premium reductions. At the end of 2024, Alecia's surplus in the form of the collective consolidation level amounted to 162% (158).

Defined-contribution plans

The Group has defined-contribution pension plans which are entirely defrayed by the Group. Payments to these plans are made on an ongoing basis pursuant to the applicable rules for each plan. During the period, the Group's expense for defined-contribution plans amounted to TSEK 15,029 (13,302), of which TSEK 583 (430) pertained to ITP 2 plans financed with Alecia.

SALARIES AND BENEFITS FOR THE BOARD AND SENIOR EXECUTIVES

Remuneration to senior executives 2024

	Basic salary	Variable remuneration	Directors' fees	Other benefits	Pension costs	Total
Chairman of the Board (Ulf Jonsson)			350			350
Board member (Tobias Örnevik)			160			160
Board member (Cecilia Safaee)			160			160
Board member (Henrik Lif)			160			160
CEO (Mick Salonen)	2,580	3,870		135	924	7,509
Other senior executives (9 people)*	9,480	1,964		550	2,210	14,204
Total remuneration to senior executives	12,060	5,834	830	685	3,134	22,543

* Pertains to Oskar Björklund, Mattias Bystedt, Lovisa Dyrefors Gebert, Julia Kågström, Erika Wiberg, Kajsa Flack, Caroline Hill, David Thunberg and Helena Swahn Lepre.

Remuneration to senior executives 2023

	Basic salary	Variable remuneration	Directors' fees	Other benefits	Pension costs	Total
Chairman of the Board from 12 May (Ulf Jonsson)			230			230
Chairman of the Board until 12 May (Jan Örnevik)			100			100
Board member (Tobias Örnevik)			160			160
Board member (Cecilia Safaee)			160			160
Board member (Henrik Lif)			160			160
CEO (Mick Salonen)	2,340	2,220		95	935	5,590
Other senior executives (9 people)*	9,510	1,153		164	1,624	12,451
Total remuneration to senior executives	11,850	3,373	810	259	2,559	18,851

Ulf Jonsson was elected as the new Chairman of the Board at the Annual General Meeting on 12 May 2023, succeeding Jan Örnevik who stepped down from the Board.

* Pertains to Oskar Björklund, Mattias Bystedt, Lovisa Dyrefors Gebert, Julia Kågström, Erika Wiberg, Kajsa Flack, Caroline Hill, David Thunberg and Helena Swahn Lepre.

TERMS OF EMPLOYMENT AND REMUNERATION OF SENIOR EXECUTIVES

Fees to the Chairman of the Board and Board members elected at the AGM are payable pursuant to the AGM's resolution on Board and committee work. No pension benefits accrue to the Board.

Remuneration of the CEO is proposed by the Chairman and decided by the Board. Remuneration of other executives included in company management is proposed by the CEO and approved by the Board.

Remuneration of senior executives comprises fixed remuneration, other benefits and pension. Senior executives with responsibility for performance also receive variable remuneration capped at three months' salary based on the outcomes for set targets. The term "other senior executives" refers to the individuals who, in addition to the CEO, constitute company management.

salary of SEK 215,000 per month. Variable remuneration of the CEO is capped at not more than 18 months' salary and is based on outcomes in relation to set targets, which are primarily financial. No pension benefits accrue on variable remuneration.

TERMS FOR TERMINATION OF EMPLOYMENT

A notice period of 12 months applies if notice of termination is given by Zengun and six months if notice is given by the CEO. For a period of 12 months following termination of employment, the CEO has to observe a non-competition clause, in those cases where Zengun has applied it. During such a period, the CEO receives remuneration capped at not more than 60% of fixed monthly salary. For other senior executives, a notice period of six to 12 months applies if notice of termination is given by Zengun and six months if notice is given by the executive. During the notice period, senior executives may not take up employment with a competitor or conduct their own competing operations without written permission from Zengun.

FIXED AND VARIABLE REMUNERATION OF THE CEO

The CEO during the financial year, Mick Salonen, received a fixed

NOTE
8FINANCIAL INCOME AND
FINANCIAL COSTS

Group	2024	2023
Interest income	5,870	4,520
Total	5,870	4,520
Costs		
Interest expenses	42,748	47,099
Interest expenses for lease liabilities	394	357
Other financial costs	11,228	3,797
Total	54,370	51,254

Other financial costs mainly relate to transaction costs allocated over a period for bonds issued from 2020 and 2024. The period also includes expensed transaction costs and effects arising in conjunction with early redemption of the 2020 bond issue and the new bond issue in 2024, which totalled TSEK 7,828.

NOTE
9

TAX ON EARNINGS FOR THE PERIOD

Group	31 Dec 2024	31 Dec 2023
Current tax on profits for the year	-21,950	-17,154
Deferred tax attributable to temporary differences	2,200	2,447
Total	-19,750	-14,707

RECONCILIATION OF TAX EXPENSES FOR THE YEAR

Group	2024	2023
Earnings before tax	90,031	58,242
Tax calculated according to Swedish tax rate (20.6%)	-18,546	-11,998
Tax effect of non-deductible expenses	-1,243	-2,770
Tax effect of non-taxable income	39	61
Total	-19,750	-14,707
Reported tax expense for the year	-19,750	-14,707

TAX ON EARNINGS FOR THE PERIOD

Parent Company	2024	2023
Current tax on profits for the year	-21,385	-16,570
Total	-21,385	-16,570

RECONCILIATION OF TAX EXPENSES FOR THE YEAR

Parent Company	2024	2023
Earnings before tax	100,103	69,337
Tax calculated according to Swedish tax rate (20.6%)	-20,621	-14,283
Tax effect of non-deductible expenses	-778	-2,291
Tax effect of non-taxable income	14	4
Total	-21,385	-16,570
Reported tax expense for the year	-21,385	-16,570

Non-deductible expenses relate mainly to non-deductible interest expenses.

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

The changes in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The tax effect of loss carry-forwards is recognised to the extent that there are compelling factors to suggest that these can be utilised in the near future. The loss history is one factor that dispels valuing the loss carry-forwards. Moreover, loss carry-forwards have been valued to the extent that there are also deferred tax liabilities that can be offset against deficits. Total deficits in the Group amounted to TSEK 0 (0).

Under the general interest deduction limits, non-deductible negative amounts for net interest exist that can be used to offset against any positive scope for deduction over the next six years. As of 31 December 2024, the non-deductible net interest expense amounted to TSEK 93,860 (112,046).

Of the Group's total deferred tax liabilities, TSEK 2,449 pertains to recoveries in the next 12 months and TSEK 39,702 after 12 months. Of the Group's total deferred tax assets, TSEK 841 pertains to recoveries within 12 months.

The deferred tax liability component of lease liabilities and right-of-use assets has been recognised net in the item Deferred tax assets in the balance sheet.

Group	31 Dec 2024	31 Dec 2023
Credit allocation on accounts receivable	788	1,040
Lease liabilities	2,684	2,202
Deferred tax assets	3,472	3,242
Right-of-use assets	2,631	2,152
Customer relations	10,818	13,267
Trademarks	31,333	31,333
Deferred tax liabilities	44,781	46,752
Net recognised Deferred tax liabilities	41,309	43,509

NOTE
10

RIGHT-OF-USE ASSETS

	2024	2023
Opening cost	26,813	17,870
Right-of-use assets acquired	9,280	11,497
Sales/disposals	-9,119	-2,554
Closing accumulated cost	26,973	26,813
Opening depreciation	-16,367	-11,138
Sales/disposals	9,062	739
Depreciation for the period	-6,897	-5,967
Closing accumulated depreciation	-14,203	-16,367
Carrying amount	12,771	10,446

Over the financial year, interest expenses linked to leases amounted to TSEK 394 (357) and are included in Financial costs. No short-term leases arose in the current period or in the comparative period. Right-of-use assets acquired in the financial year amounted to TSEK 9,280 (11,497) and largely pertained to extensions of existing leases for premises. The cash flow impact from lease liabilities was an outflow of TSEK 5,699 (outflow: 5,953) in the financial year.

A maturity analysis of lease liabilities is disclosed in Note 2.

RIGHT-OF-USE ASSETS

Group	31 Dec 2024	31 Dec 2023
Buildings	7,117	4,774
Vehicles	5,653	5,672
Carrying amount	12,771	10,446

DEPRECIATION OF RIGHT-OF-USE ASSETS

Group	2024	2023
Buildings	3,797	3,520
Vehicles	3,100	2,447
Carrying amount	6,897	5,967

NOTE
11

INTANGIBLE ASSETS

	Goodwill	Customer relations	Trademarks	Total
Opening cost on 1 January 2023	551,299	118,900	152,100	822,299
Closing accumulated cost on 31 December 2023	551,299	118,900	152,100	822,299
Opening amortisation on 1 January 2023	–	-42,606	–	-42,606
Amortisation for the year	–	-11,890	–	-11,890
Closing accumulated amortisation on 31 December 2023	–	-54,496	–	-54,496
Carrying amount on 31 December 2023	551,299	64,404	152,100	767,803
Opening cost on 1 January 2024	551,299	118,900	152,100	822,299
Closing accumulated cost on 31 December 2024	551,299	118,900	152,100	822,299
Opening amortisation on 1 January 2024	–	-54,496	–	-54,496
Amortisation for the year	–	-11,890	–	-11,890
Closing accumulated amortisation on 31 December 2024	–	-66,386	–	-66,386
Carrying amount on 31 December 2024	551,299	52,514	152,100	755,913

Note 11, Cont.

The Group is currently followed up as two units: Zengun AB and Zengun Redo AB. Zengun AB corresponds to the Project Partnering and Construction segment and Zengun Redo AB corresponds to the Property Maintenance and Construction Services segment. This forms the basis for the allocation of goodwill and trademarks per cash-generating unit (CGU) when assessing any need for impairment.

The discount rates used are pre-tax and reflect specific risks relating to the different companies. The recoverable amounts of CGUs have been determined based on value-in-use calculations, which are based on discounted future cash flows. These calculations require the use of estimates. The discounted cash flows are based on the budget for 2025 and projections for the 2026–2029 period. Beyond the projection period, the basis point used was an annual growth rate of 2%. No reasonable change in any of the material assumptions would lead to any need for impairment in any of the CGUs. A two percentage point increase in the discount rate would still not result in any indication of a need for impairment. The material assumptions used for value-in-use calculations are as follows:

Group	Construction contracts (Zengun AB)	Property Maintenance and Construction Services (Zengun Redo AB)	Total
Goodwill per CGU	465,582	85,717	551,299
Trademark per CGU	152,100	–	152,100
Discount rate before tax	13.8%	13.9%	
Growth beyond the projection period (5 years)	2%	2%	

NOTE 12

ACCOUNTS RECEIVABLE

Group	31 Dec 2024	31 Dec 2023
Accounts receivable, gross	264,607	337,778
Provision for expected credit losses	-2,646	-3,378
Accounts receivable, net after provision for expected credit losses	261,961	334,400

The company management's assessment is that the carrying amount for accounts receivable, net after the provision for expected credit losses, corresponds to fair value.

	31 Dec 2024	31 Dec 2023
ECL provision at the start of the year	-3,378	-4,014
ECL provision for the year	-2,646	-3,378
Reversal of unused amounts	3,378	4,014
Total	-2,646	-3,378

AGE ANALYSIS OF ACCOUNTS RECEIVABLE

Age analysis of accounts receivable	31 Dec 2024	31 Dec 2023
Not past due	258,816	324,041
30 days past due	3,132	5,054
31–60 days past due	13	200
61–90 days past due	–	–
>90 days past due	–	5,105
Total	261,961	334,400

The company's assessment is that payment will be received for unimpaired past-due accounts receivable since the customers have a good payment history.

As of 31 December 2024, past due receivables, after taking into account the provision for expected credit losses, amounted to TSEK 20,379 (10,359). The past due receivables relate to a number of customers who had not previously had any payment difficulties.

The creation and release of provisions for impaired accounts receivable have been included in Sales and administrative expenses in the income statement. The maximum exposure to credit risk at the balance-sheet date is the carrying amount for accounts receivable as stated above as well as carrying amounts for contractual assets. There are no collateral or other guarantees for any receivables still outstanding on the balance-sheet date. The Group applies the simplified approach to measuring expected credit losses (ECLs). This approach entails that expected losses throughout the term of the receivable are used as the basis for accounts receivable and contractual assets.

NOTE 13

PREPAID EXPENSES AND ACCRUED INCOME

	31 Dec 2024	31 Dec 2023
Prepaid insurance	351	–
Other items	976	368
Carrying amount	1,327	368

NOTE 14

CASH AND CASH EQUIVALENTS

The company's cash and cash equivalents exclusively comprise bank balances.

NOTE
15

SHARE CAPITAL AND OTHER CAPITAL CONTRIBUTIONS

Parent Company	Number of shares	Share capital	Total
Opening balance on 1 Jan 2023, quotient value SEK 1,000	500	500	500
Closing balance on 31 Dec 2023	500	500	500
Opening balance on 1 Jan 2024, quotient value SEK 1,000	500	500	500
Closing balance on 31 Dec 2024	500	500	500

All 500 shares are of the same class and with equal voting rights.

NOTE
16

LONG- AND SHORT-TERM FINANCIAL LIABILITIES

	31 Dec 2024	31 Dec 2023
Long-term financial liabilities		
Bonds	400,000	–
Prepaid financing expenses	-6,736	–
Lease liabilities	6,407	4,371
Carrying amount	399,671	4,371
Short-term financial liabilities		
Bonds	–	425,000
Accrued interest on issued bonds	5,803	9,680
Lease liabilities	5,758	5,163
Carrying amount	11,561	439,844

Shares in the Group companies within Group Zengun AB have been pledged as collateral for issued bonds.

The Group's lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial state-

ments revert to the lessor in the event of default. For additional information about collateral, see Note 19 Pledged assets.

During the financial year, the Group issued senior secured sustainability-linked bonds in an amount of TSEK 400,000. The bonds issued in 2020 were redeemed early in conjunction with subscription for the new bond issue in February 2024. The earnings impact of the early redemption of the previous bond issue and the new bond issue amounted to TSEK 7,828.

The Group's current borrowing is interest-only and not subject to capital repayments and matures in February 2028. The bond pays a coupon rate of 6.35% over STIBOR subject to a floor of 6.35%. No cash flow hedging has taken place. See also Note 2 for a description of the contractual undiscounted cash flows.

The bond issue has been admitted for trading and the fair value of bonds issued as of 31 December 2024 amounts to TSEK 407,000 (nominal value 400,000). The fair value is based on the price of the most recent transaction.

Unutilised overdraft facilities amounted to TSEK 75,000 (75,000) in the Group at the balance-sheet date.

RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	Bonds	Lease liabilities	Total
Opening balance on 1 January 2023	481,579	6,136	487,714
Cash flow from financing activities	-50,000	-5,953	-55,953
Other changes	3,102	9,351	12,453
Closing balance on 31 December 2023	434,680	9,534	444,215
Opening balance on 1 January 2024	434,680	9,534	444,215
Cash flow from financing activities	-25,000	-5,699	-30,699
Other changes	-10,614	8,331	-2,284
Closing balance on 31 December 2024	399,066	12,166	411,232

Note 16, Cont.

PARENT COMPANY

	Bonds	Total
Opening balance on 1 January 2023	481,579	481,579
Cash flow from financing activities	-50,000	-50,000
Other changes	3,102	3,102
Closing balance on 31 December 2023	434,680	434,680
Opening balance on 1 January 2024	434,680	434,680
Cash flow from financing activities	-25,000	-25,000
Other changes	-10,614	-10,614
Closing balance on 31 December 2024	399,066	399,066

NOTE
17

OTHER CURRENT LIABILITIES

	31 Dec 2024	31 Dec 2023
VAT debt	37,483	68,767
Employee-related liabilities	8,587	8,013
Carrying amount	46,071	76,780

NOTE
18

ACCRUED EXPENSES AND DEFERRED INCOME

	31 Dec 2024	31 Dec 2023
Accrued salaries	10,555	7,774
Accrued holiday pay	18,546	17,427
Accrued social security contributions	5,827	5,476
Accrued project costs	57,459	9,232
Other items	3,786	5,852
Carrying amount	96,173	45,762

NOTE
19

PLEDGED ASSETS

Group	31 Dec 2024	31 Dec 2023
Floating charges	600	600
Leased assets with retention of title	12,771	10,446
Participations in subsidiary (Zengun AB) for bonds issued	973,744	628,939
Total	987,115	639,985

Parent Company	31 Dec 2024	31 Dec 2023
Receivables from Group companies	171,769	119,233
Participations in subsidiary (Zengun AB) for bonds issued	971,974	621,974
Total	1,143,743	741,207

NOTE
20

CONTINGENT LIABILITIES

Group	31 Dec 2024	31 Dec 2023
Warranty undertakings	458,864	326,650
Third party guarantee for unutilised bank overdraft	75,000	75,000
Total	533,864	401,650
Parent Company	31 Dec 2024	31 Dec 2023
Warranty undertakings for Zengun AB	438,563	311,266
Third party guarantee for unutilised bank overdraft	75,000	75,000
Total	513,563	386,266

Warranty undertakings pertain to performance guarantees for construction work and apply during the production period and during the warranty period after completion. The warranty undertaking amounts to 10% of the contract value for ongoing projects and 5% of the contract value during the warranty period for completed projects. The warranty undertaking is recognised as a liability in the statement of financial position to the extent that it is deemed likely that Zengun will be held liable.

NOTE
21

TRANSACTIONS WITH RELATED PARTIES

For a description of salaries and other remuneration for senior executives – see Note 7 Employee benefits. Shares in Group companies and transactions between companies included in the Group are eliminated in the consolidated accounts, and no further explanation is given for these amounts. Otherwise, there have been no transactions with related parties outside the Group. For transactions between the Parent Company and Group companies, refer to Note 24 Receivables from Group companies.

NOTE
22EVENTS AFTER THE
BALANCE-SHEET DATE

Zengun and Förvaltaren signed a partnering agreement for the project planning of a new mobility facility in Rissne. The existing garage on the property will be demolished, and a new mobility house will be built that contains parking, mobility services, bicycle and car sharing, and a bicycle repair shop.

Zengun signed a phase-2 agreement with Bonnier Fastigheter for the Portalen project in Stockholm's harbour district. Vårthamnen is now being developed from a working port into a lively city district that will house 20,000 workplaces and provide homes for 5,000 residents. The agreement includes the new construction of an office building with a total GFA of 17,500 sqm. The building concept centres around sustainability, efficiency and adaptability.

NOTE
23

PARTICIPATIONS IN SUBSIDIARIES

Parent Company, Zengun Group AB (publ)	31 Dec 2024	31 Dec 2023
Opening cost	621,974	765,918
Shareholders' contributions	350,000	–
Merger	–	-143,944
Closing accumulated cost	971,974	621,974
Carrying amount	971,974	621,974

The Parent Company holds shares in the following Group companies.

Company name	Share of capital/ Voting rights	No. of shares	Carrying amount	
			31 Dec 2024	31 Dec 2023
Zengun Holding AB*	100%	50,000	–	621,974
Zengun AB	100%	10,362	971,974	

* In October 2024, the wholly-owned subsidiary Zengun Holding AB was merged with Zengun AB as the company taking over.

The Group company Zengun AB is in its turn wholly owned by Zengun Redo AB.

Company name	Corp. Reg. No.	Domiciled
Zengun Redo AB	556284-9090	Solna

NOTE
24RECEIVABLES FROM GROUP
COMPANIES

Parent Company	31 Dec 2024	31 Dec 2023
Opening cost	290,382	214,783
Additional receivables	329,568	243,754
Settled receivables	-298,206	-168,155
Closing accumulated cost	321,744	290,382
Carrying amount	321,744	290,382

NOTE
25

APPROPRIATION OF EARNINGS

The Board proposes that the retained earnings of SEK 519,283,601 be carried forward.

Signatures

The consolidated income statement and balance sheet will be submitted to the Annual General Meeting on 15 May 2025 for adoption.

Stockholm, 25 April 2025

Ulf Jonsson
Chairman of the Board

Henrik Lif
Board member

Cecilia Safaee
Board member

Tobias Örnevik
Board member

Mick Salonen
President and CEO

Our Auditor's Report was submitted on 25 April 2025
Öhrlings PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Auditor's report

[Unofficial translation] To the general meeting of the shareholders of Zengun Group AB (publ), corporate identity number 559177-5282

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Zengun Group AB (publ) for the year 2024 except for the corporate governance statement on pages 48–53. The annual accounts and consolidated accounts of the company are included on pages 44–85 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 48–53. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OUR AUDIT APPROACH

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the Chief Executive Officer and Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors' and Chief Executive Officer's override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality figures are also used, where applicable, to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Key audit matters

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

KEY AUDIT MATTER	HOW OUR AUDIT TOOK INTO ACCOUNT THE KEY AUDIT MATTER
Revenue recognition and revaluation of ongoing projects The Group's contracts with customers entail delivery commitments that are fulfilled over time. This means that estimated revenues and production costs attributable to ongoing projects are reported using the percentage-of-completion method. Revenues and results are reported in relation to the stage of completion based on production costs incurred as of the balance-sheet date in relation to estimated total production costs at the completion of the project. If forecasted total revenues and production costs show a total loss at the completion of a project, the full loss is recognised immediately. The accounting principle means that reported revenue and results from ongoing projects are dependent on assumptions and assessments of the total production cost and revenue at the completion. A strong control environment with ongoing monitoring of each project's development is of significant importance for a fair presentation of results and position for the Group. The size of the projects in combination with a significant element of subjectivity concerning the final project outcome makes this a key audit matter for our audit.	Our audit has included a combination of measures that together provide us with sufficient audit evidence. The steps we performed include: • Evaluating that Zengun's accounting principles are consistent with the current accounting standard for revenue recognition. • Evaluating certain key controls in Zengun's process for reporting and monitoring projects. This includes, among other things, that we have formed a view of the end-to-end process, from contract signing and invoicing the customer, to how a project office administers supplier invoices, how forecasts of revenues and costs are prepared and approved for accounting purposes through inspection at a site visit. • Analysis of reported revenues and margins in ongoing projects as well as actual outcomes in completed projects in relation to previously prepared forecasts in order to be able to assess Zengun's ability to prepare precise forecasts. • Matching actual revenues and production costs, on a sample basis, which form the basis for determining the stage of completion against actual contracts and invoices. • Testing the mathematical accuracy of the calculation of the percentage-of-completion method. • Carrying out in-depth substantive testing in select areas of importance, including reading extracts of contract and legal opinions. • Evaluating a sample of final position forecasts and interviewed relevant project managers and project controllers for a sample of projects regarding assessments and assumptions made. • Asking questions to management regarding projects where particularly complex areas have been identified based on forecasted revenues and assessed final costs, as well as obtaining positions from unit managers and management on the reasonableness of forecasts made.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and the consolidated accounts and is found on pages 1–43 and 90–92. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and the consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and con-

solidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar.revisornsansvar. This description forms part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Zengun Group AB (publ) for the 2024 financial year and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

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

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or in any other way, has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the preparation of the corporate governance statement on pages 48–53 in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement has been conducted in accordance with FAR's auditing standard RevR 16 The Auditor's Examination of the Corporate Governance Statement. This means that our examination of the

corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Zengun Group AB (publ) by the general meeting of the shareholders on the 15 May 2024 and has been the company's auditor since the 25 April 2019.

Stockholm, 25 April 2025

Öhrlings PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Auditor's opinion

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

[Unofficial translation] To the general meeting of the shareholders of Zengun Group AB (publ), corporate identity number 559177-5282

ASSIGNMENTS AND RESPONSIBILITIES

The Board of Directors is responsible for the statutory sustainability report for 2024 on pages 14 and 22–43 and that it is prepared in accordance with the Annual Accounts Act and its previous version that applied prior to 1 July 2024.

FOCUS AND SCOPE OF THE EXAMINATION

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substan-

tially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Stockholm, 25 April 2025

Öhrlings PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

Description and calculation of key figures

Zengun presents certain financial metrics in the annual report that are not defined in accordance with IFRS. These are known as alternative performance measures. Zengun's considered opinion is that these metrics provide useful supplemental information to shareholders and the Group management, since they enable the evaluation of trends and the Group's performance. Since not all companies calculate financial metrics in the same manner, these metrics are not always comparable. For definitions and calculations, see below.

PERFORMANCE METRICS

Group	2024	2023
Organic growth¹⁾		
Net turnover	2,584,531	2,771,232
Organic growth, %	-7	12
Earnings before interest, taxes and amortisation (EBITA)²⁾		
Earnings before interest and taxes (EBIT)	138,531	104,976
Amortisation of intangible assets	11,890	11,890
EBITA	150,421	116,866
EBITA margin³⁾		
Net turnover	2,584,531	2,771,232
EBITA	150,421	116,866
EBITA margin, %	5.8	4.2
EBITDA⁴⁾		
EBIT	138,531	104,976
Depreciation and amortisation	18,787	17,857
EBITDA	157,318	122,833
EBITDA margin⁵⁾		
Net turnover	2,584,531	2,771,232
EBITDA	157,318	122,833
EBITDA margin, %	6.1	4.4

1) **Definition:** Calculated as net turnover, adjusted for total acquired and divested net turnover, during the period compared with net turnover for the same period last year.

Explanation: The metric is of great importance to the management in tracking underlying sales growth for different periods.

2) **Definition:** Calculated as earnings before interest, tax and amortisation of intangible assets.

Explanation: The metric is relevant in order to create an understanding of the Group's operating activities, regardless of financing and amortisation of intangible assets. EBITA is the main performance measure of the business.

3) **Definition:** EBITA as a percentage of net turnover.

Explanation: The metric is relevant in order to create an understanding of operational profitability and, as the metric excludes amortisation of intangible assets, this margin gives a clearer picture of the Group's core profitability.

4) **Definition:** Calculated as earnings before interest, tax, amortisation and depreciation.

Explanation: The metric is relevant in order to create an understanding of the Group's operating activities, regardless of financing, and amortisation and depreciation.

5) **Definition:** EBITDA as a percentage of net turnover.

Explanation: The metric is relevant in order to create an understanding of operational profitability and, as the metric excludes amortisation and depreciation, this margin gives a clearer picture of the Group's core profitability.

FINANCIAL METRICS

Group	2024	2023
Equity ratio¹⁾		
Equity	518,311	448,031
Total assets	1,384,805	1,510,662
Equity ratio (%)	37.4	29.7
Net debt²⁾		
Interest-bearing liabilities	411,232	445,135
Cash and cash equivalents	-224,759	-223,748
Net debt	186,473	221,387
Debt/equity ratio³⁾		
Net debt	186,473	221,387
Equity	518,311	448,031
Debt/equity ratio (%)	36.0	49.4
Total assets⁴⁾	1,384,805	1,510,662

RETURN METRICS

Group	2024	2023
Return on equity⁵⁾		
Earnings for the period	70,280	43,536
Average equity	483,171	426,301
Return on equity (%)	14.5	10.2
Return on total capital⁶⁾		
Earnings before tax	90,031	58,242
Financial costs	54,370	51,254
Total	144,400	109,496
Average total assets	1,447,734	1,481,739
Return on total capital (%)	10.0	7.4

EMPLOYEES

Group	2024	2023
Average number of employees ⁷⁾	150	152

1) **Definition:** Equity in relation to total assets.

Explanation: Shows the financial risk in terms of the proportion of total assets financed by the owners.

2) **Definition:** Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Explanation: Measures external financing.

3) **Definition:** Net debt in relation to equity.

Explanation: A measure of the company's financial position.

4) **Definition:** The sum of the asset or liability side of the balance sheet.

Explanation: Used as a sub-component in the calculation of key figures.

5) **Definition:** Earnings in relation to average equity.

Explanation: Reflects the returns offered, from a shareholder perspective, in regard to the owners' invested capital.

6) **Definition:** Earnings before tax plus financial costs in relation to average total assets.

Explanation: Reflects operational efficiency regardless of how capital is financed.

7) **Definition:** Total hours worked during the period in relation to the annual working hours of 1,920 hours.

Explanation: Annual working hours in accordance with the Accounting Standards Board's definition to provide comparability with other businesses/groups.

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