Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	910 324 381
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ATLAS COPCO AS
Forretningsadresse:	Svarthagsveien 8 1543 VESTBY

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Peter Kinnart
Dato for fastsettelse av årsregnskapet:	30.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.08.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	2,3	10 005 905	8 478 700
Sum inntekter		**10 005 905**	**8 478 700**
Kostnader			
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	1 098 544	885 374
Annen driftskostnad		9 619 963	6 750 359
Sum kostnader		**10 718 507**	**7 635 733**
Driftsresultat		**-712 602**	**842 967**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		13 847	22 459
Annen renteinntekt		6 840	0
Innektsfört aksjebidrag fra datter		20 350 000	26 300 000
Valutagevinst/tap		2 232	1 277
Sum finansinntekter		**20 372 919**	**26 323 736**
Annen rentekostnad		37 761	504
Annen finanskostnad		12 314	6 710
Sum finanskostnader		**50 075**	**7 214**
Netto finans		**20 322 844**	**26 316 522**
Ordinært resultat før skattekostnad		**19 610 242**	**27 159 489**
Skattekostnad på ordinært resultat	5	4 312 748	6 433 911
Ordinært resultat etter skattekostnad		**15 297 494**	**20 725 578**
Årsresultat		**15 297 494**	**20 725 578**
Overføringer og disponeringer			
Ordinært utbytte	6	20 350 000	26 300 000
Overføringer til/fra annen egenkapital		-5 052 506	-5 574 422
Sum overføringer og disponeringer		**15 297 494**	**20 725 578**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Maskiner og anlegg	4	6 055 351	6 917 259
Sum varige driftsmidler		**6 055 351**	**6 917 259**
Finansielle anleggsmidler			
Investering i datterselskap	7	6 055 658	6 055 658
Sum finansielle anleggsmidler		**6 055 658**	**6 055 658**
Sum anleggsmidler		**12 111 009**	**12 972 917**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		327 275	289 989
Konsernfordringer	9	25 074 751	33 113 270
Sum fordringer		**25 402 026**	**33 403 259**
Sum omløpsmidler		**25 402 026**	**33 403 259**
SUM EIENDELER		**37 513 035**	**46 376 176**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6	10 000 000	10 000 000
Sum innskutt egenkapital		**10 000 000**	**10 000 000**
Opptjent egenkapital			
Annen egenkapital	6	-28 611	5 023 896

Balanse

Beløp i: NOK	Note	2022	2021
Sum opptjent egenkapital		**-28 611**	**5 023 896**
Sum egenkapital		**9 971 389**	**15 023 896**
Gjeld			
Langsiktig gjeld			
Utsatt skatt		128 771	132 082
Sum avsetninger for forpliktelser		**128 771**	**132 082**
Annen langsiktig gjeld			
Sum langsiktig gjeld		**128 771**	**132 082**
Kortsiktig gjeld			
Leverandørgjeld		770 732	33 423
Betalbar skatt	5	4 316 060	3 131 308
Utbytte	6	20 350 000	26 300 000
Annen kortsiktig gjeld		1 921 356	1 688 552
Gjeld til foretak i samme konsern	9	54 727	66 916
Sum kortsiktig gjeld		**27 412 875**	**31 220 199**
Sum gjeld		**27 541 646**	**31 352 281**
SUM EGENKAPITAL OG GJELD		**37 513 035**	**46 376 177**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 612573

Enheten

Organisasjonsnummer:	910 324 381
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ATLAS COPCO AS
Forretningsadresse:	Svarthagsveien 8 1543 VESTBY

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Brønnøysundregistrene, 27.07.2023

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 910 324 381
ATLAS COPCO AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
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Organisasjonsnr: 910 324 381
ATLAS COPCO AS

BALANSE

Beløp i: NOK	Note	2022	2021
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Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
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Annen langsiktig gjeld			

Sum langsiktig gjeld		**128 771**	**132 082**
Kortsiktig gjeld			
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SUM EGENKAPITAL OG GJELD		**37 513 035**	**46 376 177**

Organisasjonsnr: 910 324 381
ATLAS COPCO AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

Uavhengig revisors beretning

Til generalforsamlingen i Atlas Copco AS

Konklusjon

Vi har revidert årsregnskapet for Atlas Copco AS som består av balanse per 31. desember 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfyller årsregnskapet gjeldende lovkrav og gir et rettvisende bilde av selskapets finansielle stilling per 31. desember 2022 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår konklusjon om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere om årsberetningen inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav og hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon eller ikke inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav, er vi pålagt å rapportere det.

Vi har ingenting å rapportere i så henseende, og vi mener at årsberetningen er konsistent med årsregnskapet og inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller virksomheten, eller ikke har noe annet realistisk alternativ.

Building a better working world

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Oslo, 11. juli 2023
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Tommy Romskaug
statsautorisert revisor

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Tommy Romskaug
Statsautorisert revisor
Serienummer: 9578-5992-4-2914925
IP: 94.246.xxx.xxx
2023-07-11 12:18:28 UTC

bank ID

Penneo Dokumentnøkkel: 6F3E2-XDMCH-EEPOE-EL52Q-D13Q2-BGEDU

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Atlas Copco AS - Styrets årsberetning for regnskapsåret 2022

Virksomhet

Atlas Copco AS er morselskapet i Atlas Copco-gruppen i Norge. Den operative virksomheten med salg og service innenfor de forskjellige produktområdene drives gjennom salgsselskapene som er 100 % eid av Atlas Copco AS. Morselskapets operative virksomhet er i hovedsak knyttet til eiendom, finans og lignende virksomhet, og drives fra lokaler på Vestby.

Atlas Copco Kompressorteknikk AS	305 340 KNOK
Atlas Copco Tools AS	21 813 KNOK
Berema AS	271 191 KNOK
Datterselskapenes totalomsetning	598 344 KNOK

Fortsatt drift

I samsvar med regnskapsloven § 3-3 a bekreftes det at forutsetningene om fortsatt drift er til stede. Til grunn for antagelsene ligger selskapets egenkapital pr. 31.12.2022 samt resultatprognoser for 2023.

Arbeidsmiljø

Det har i løpet av 2022 ikke forekommet skader eller ulykker med tilknytning til virksomheten.

Ytre miljø

Styret mener at selskapet forurenser det ytre miljøet i ubetydelig grad. Det utføres kildesortering i henhold til de kommunale vedtekter.

Likestilling

Del er ingen ansatte i selskapet per 31.12.22. Styret består av tre personer, alle er menn. Styret er bevisst på de samfunnsmessige forventninger om tiltak for a fremme likestilling i styret. Det er for øyeblikket ikke iverksatt konkrete tiltak for å fremme dette arbeidet, men styrets målsetting er å innfri samfunnets forventninger på sikt.

Redegjørelse for årsregnskapet

Likviditetssituasjonen har vært god og all overskuddslikviditet har blitt plassert hos morselskapets internbank i Stockholm eller som lokalt bankinnskudd. Det er ingen vesentlig usikkerhet knyttet til årsregnskapet. Styret mener at årsregnskapet gir et rettvisende bilde av selskapets økonomiske utvikling og for dets stilling pr. 31.12.2022.

Resultatdisponering

Styret foreslår overfor generalforsamlingen at overskuddet disponeres som følger:

Overført fra annen egenkapital	-5 052 506 NOK
Avsatt utbytte	20 350 000 NOK
Sum overføringer	15 297 494 NOK

Markedsutsikt

Utviklingen av konflikten i Ukraina overvåkes og evalueres fortløpende. Selskapet følger alle sanksjoner og retningslinjer fra myndighetene. Stigende renter og forventede konkurser i 2023 overvåkes kontinuerlig, og Atlas Copco følger klare interne retningslinjer for å sikre minimal innvirkning.

Vestby 2023-06-30

Peter Kinnart
Peter Kinnart (Jun 30, 2023 16:16 GMT+2)

Styrets Leder
Peter Hugo Kinnart

Thomas Dahlgren (Jul 1, 2023 11:06 GMT+2)

Styrets Nestleder
Mats Thomas Dahlgren

Markku Keloneva (Jun 30, 2023 14:29 GMT+2)

Styremedlem
Markku Kullervo Keloneva

Atlas Copco AS

Årsregnskap 2022

Atlas Copco AS
Resultatregnskap

NOTE	DRIFTSINNTEKTER OG DRIFTSKOSTNADER	2022	2021
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	Renteinntekt fra foretak i samme konsern	13 847	22 459
	Renteutgifter til foretak i samme konsern	0	0
	Inntektsført aksjebidrag fra datter	20 350 000	26 300 000
	Annen rentekostnad	-37 761	-504
	Annen renteinntekt	6 840	0
	Annen finansinntekt	0	0
	Annen finanskostnad	-12 314	-6 710
	Netto finansresultat	**20 322 844**	**26 316 522**
	Årsresultat før skattekostnad	**19 610 242**	**27 159 489**
5	Skattekostnad	-4 312 748	-6 433 911
	ÅRSRESULTAT	**15 297 494**	**20 725 578**
	OVERFØRINGER		
6	Avsatt til annen egenkapital	-5 052 506	-5 574 422
6	Avsatt utbytte	20 350 000	26 300 000
	Sum overføringer	15 297 494	20 725 578

2

Atlas Copco AS
Balanse pr 31. desember

NOTE	EIENDELER	2022	2021
	Immaterielle eiendeler		
	Utsatt skatt fordel	0	0
	Sum immaterielle eiendeler	**0**	**0**
	Varige driftsmidler		
4	maskiner og anlegg	6 055 351	6 917 259
	Sum varige driftsmidler	6 055 351	6 917 259
	Finansielle anleggsmidler		
7	Investeringer i datterselskap	6 055 658	6 055 658
	Sum finansielle anleggsmidler	6 055 658	6 055 658
	Sum anleggsmidler	**12 111 009**	**12 972 917**
	Omløpsmidler		
	Fordringer		
9	Andre fordringer herunder fordr. på konsernselskap	25 074 751	33 113 270
	Andre fordringer	327 275	289 988
	Sum fordringer	25 402 026	33 403 259
10	Bankinnskudd, kontanter og lignende	0	0
	Sum omløpsmidler	**25 402 026**	**33 403 259**
	SUM EIENDELER	**37 513 035**	**46 376 176**

3

Atlas Copco AS
Balanse pr 31. desember

NOTE	EGENKAPITAL OG GJELD	2022	2021
	Egenkapital		
	Innskutt egenkapital		
6	Aksjekapital	10 000 000	10 000 000
	Sum innskutt egenkapital	10 000 000	10 000 000
	Opptjent egenkapital		
6	Annen egenkapital	-28 611	5 023 896
	Sum opptjent egenkapital	-28 611	5 023 896
	Sum egenkapital	**9 971 389**	**15 023 896**
	Gjeld		
	Avsetning for forpliktelser		
	Utsatt skatt	128 771	132 082
	Sum avsetninger for forpliktelser	128 771	132 082
	Kortsiktig gjeld		
	Leverandørgjeld	770 732	33 423
5	Betalbar skatt	4 316 060	3 131 308
6	Avsatt utbytte	20 350 000	26 300 000
	Skyldige offentlige avgifter	0	0
	Annen kortsiktig gjeld	1 921 356	1 688 552
9	Gjeld til foretak i samme konsern	54 726	66 916
	Sum kortsiktig gjeld	27 412 875	31 220 199
	Sum gjeld	**27 541 645**	**31 352 281**
	SUM EGENKAPITAL OG GJELD	**37 513 035**	**46 376 176**

Atlas Copco AS

Kontantstrømoppstilling

	2022	2021
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER:		
Årsresultat før skattekostnad	19 610 242	27 159 489
Periodens betalte skatt	-3 131 307	-6 364 775
Returnerad skatt fa tidligere år	1 098 544	885 374
Inntektsført aksjebidrag fra datter	-20 350 000	-26 300 000
Mottatt aksjebidrag fra datter	26 300 000	30 000 000
Forskjell kostnadsført pensjon og innbetaling til pensjonsordning	0	0
Endring i andre fordringer og leverandørgjeld	-32 630	-324 512
Andre endringer i kortsiktige fordringer og kortsiktig gjeld	232 804	-1 530 049
Netto kontantstrømmer fra operasjonelle aktiviteter	**23 727 653**	**23 525 527**
Utbetalinger ved kjøp av varige driftsmidler	-236 635	-5 718 499
Netto kontantstrøm fra investeringsaktiviteter	**-236 635**	**-5 718 499**
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER:		
Endring innestående konsernkontoordning	2 808 982	10 281 653
Utbetalinger av utbytte	-26 300 000	-30 000 000
Netto kontantstrøm fra finansieringsaktiviteter	**-23 491 018**	**-19 718 347**
Netto endring i bankinnskudd, kontanter og lignende	0	-1 911 320
Beholdning av bankinnskudd, kontanter og lignende pr 31.12.	**0**	**0**

Atlas Copco AS

Årsregnskap 2022

Note 1 Regnskapsprinsipper

Regnskapsprinsipper:

Grunnleggende prinsipper- vurdering og klassifisering- Andre forhold
Årsregnskapet består av resultatregnskap, balanse, kontantstrømoppstilling og noteopplysninger og er avlagt i samsvar med aksjelov, regnskapslov og god regnskapsskikk i Norge.

Årsregnskapet er basert på de grunnleggende prinsipper om historisk kost, sammenlignbarhet, fortsatt drift, kongruens og forsiktighet. Transaksjoner regnskapsføres til verdien av vederlaget på transaksjonstidspunktet. Inntekter resultatføres når de er opptjent og kostnader sammenstilles med opptjente inntekter. Regnskapsprinsippene utdypes nedenfor.

Eiendeler/ gjeld som knytter seg til varekretsløpet og poster som forfaller til betaling innen ett år etter balansedagen, er klassifisert som omløpsmidler/ kortsiktig gjeld. Vurdering av omløpsmidler og kortsiktig gjeld skjer til laveste/ høyeste verdi av anskaffelseskost og virkelig verdi. Virkelig verdi er definert som antatt fremtidig salgspris redusert med forventede salgskostnader. Andre eiendeler er klassifisert som anleggsmidler. Vurdering av anleggsmidler skjer til anskaffelseskost. Anleggsmidler som forringes avskrives. Dersom det finner sted en verdiendring som ikke er forbigående, foretas en nedskrivning av anleggsmidlet. Tilsvarende prinsipper legges normalt til grunn for gjeldsposter.
Det er i henhold til god regnskapsskikk noen unntak fra de generelle vurderingsreglene. Disse unntakene er kommentert i de respektive noter. Ved anvendelse av regnskapsprinsipper og presentasjon av transaksjoner og andre forhold, legges det vekt på økonomiske realiteter, ikke bare juridisk form. Betingede tap som er sannsynlige og kvantifiserbare, kostnadsføres.

Regnskapsprinsipper for vesentlige regnskapsposter

Inntektsførings tidspunkt
Inntekt resultatføres når den er opptjent. Inntektsføring skjer følgelig på leveringstidspunktet ved salg av varer og tjenester. Driftsinntektene er fratrukket merverdiavgift, rabatter, bonuser og fakturerte fraktkostnader.

Kostnadsføringstidspunkt / sammenstilling
Utgiftene sammenstilles med og kostnadsføres samtidig med de inntekter utgiftene kan henføres til. Utgifter som ikke kan henføres direkte til inntekter, kostnadsføres når de påløper.

Andre driftsinntekter (-kostnader)
Vesentlige inntekter og kostnader som ikke har sammenheng med den ordinære virksomheten, klassifiseres som andre driftsinntekter og -kostnader.

Fordringer
Fordringer er oppført til pålydende med fradrag for forventet tap.

Aksjer og andeler i tilknyttet selskap og datterselskap
Investeringer i datterselskaper vurderes etter kostmetoden. Investeringene blir nedskrevet til virkelig verdi dersom verdifallet ikke er forbigående og det må anses nødvendig etter god regnskapsskikk. Mottatt utbytte og konsernbidrag fra datterselskapene er inntektsført som annen finansinntekt. Tilsvarende gjelder for investeringer i tilknyttede selskaper.

Utsatt skatt og skattekostnad
Utsatt skatt beregnes på bakgrunn av de midlertidige forskjeller mellom regnskapsmessige og skattemessige verdier ved utgangen av regnskapsåret. Ved beregning benyttes nominell skattesats. Positive og negative forskjeller vurderes mot hverandre innenfor samme tidsintervall. Visse poster vurderes likevel særskilt, herunder merverdier ved oppkjøp og pensjonsforpliktelser. Utsatt skattefordel oppstår dersom en har midlertidige forskjeller som gir opphav til skattemessige fradrag i fremtiden. Årets skattekostnad består av endringer i utsatt skatt og utsatt skattefordel, sammen med betalbar skatt for inntektsåret korrigert for feil i tidligere års beregninger.

Kontantstrømoppstilling
Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Bankinnskudd, kontanter og lignende omfatter kontanter, bankinnskudd og andre kortsiktige likvide plasseringer som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med forfallsdato kortere enn tre måneder fra anskaffelsesdato.

Konsernregnskap
Det utarbeides ikke konsernregnskap for Atlas Copco AS ettersom selskapet indirekte er heleid av det svenske selskapet. Atlas Copco AB som utarbeider konsernregnskap hvor Atlas Copco med datterselskaper inngår. Konsernregnskap for Atlas Copco kan fås ved henvendelse til Atlas Copco AS, Svarthagsveien 8, 1543 Vestby.

Atlas Copco AS

Noter til regnskapet 2022

Note 2 Virksomhetsområder

Firmaet er morselskap i Atlas Copco-gruppen i Norge og har sin virksomhet knyttet til eiendom, finans og eierrelaterte saker vedrørende gruppens virksomhet i Norge.

Daglig leder er ansatt i et annet konsernselskap i utlandet, og er lønnet der.

Revisor	**2022**	**2021**
Lovpålagt revisjon	33 765	33 497
Skatterådgivning	32 600	20 000
	66 365	**53 497**

Note 3 Nærstående Parter

Selskapet er en del av Atlas Copco konsernet. Alle transaksjoner med selskaper i konsernet skjer på vanlige forretningsmessige vilkår

Resultatmessige transaksjoner med nærstående parter:

Transaksjon/transaksjonsgruppe	Motpart	Forhold til motparten	2022	2021
Viderefakturering av felleskostnader	Berema AS	Datterselskap	3 005 435	3 142 422
Viderefakturering av felleskostnader	AC Kompressorteknikk AS	Datterselskap	3 654 084	4 457 827
Viderefakturering av felleskostnader	AC Tools AS	Datterselskap	544 686	678 755
Viderefakturering av felleskostnader	Atlas Copco Compressor AB	I konsernet	2 109 019	2 193 901
Sum			**9 313 224**	**10 472 905**

Note 4 Varige driftsmidler

	Verktøy	Driftsløsøre	Balansegruppe (kommersielle bygg)	Sum
Anskaffelseskost 01.01.2022	1 002 785	2 412 119	4 387 729	7 802 633
Tilgang kjøpte driftsmidler	75 045	161 590	0	236 635
Tilgang egentilv. driftsmidler	0	0	0	-
Avgang	-	0	0	-
Anskaffelseskost 31.12.2022	1 077 830	2 573 710	4 387 729	8 039 268
Akkumulert avskrivninger 01.01.2022	188 163	292 865	404 346	885 374
Avskrivning 2022	237 231	369 548	491 765	1 098 544
Akkumulert avskrivninger 31.12.2022	425 394	662 413	896 111	1 983 917
Bokført verdi pr. 31.12.2022	**652 436**	**1 911 297**	**3 491 618**	**6 055 351**
Årets avskrivninger	237 231	369 548	491 765	1 098 544
Økonomisk levetid		Inntil 5 år	Inntil 10 år	
Avskrivningsplan		Lineær	Lineær	

Note 5 Skatt

Årets skattekostnad fremkommer slik:	2022	2021
Betalbar skatt på årets resultat	4 316 060	3 131 308
Tidligere års skatter	-	2 592 510
Endring i utsatt skatt	-3 311	710 093
Skattekostnad	**4 312 748**	**6 433 911**

Betalbar skatt kostnad på årets resultat fremkommer slik:		
Resultat før skattekostnad	19 610 242	27 159 489
Permanente forskjeller	-6 840	-9 698 575
Endring midlertidige forskjeller ført over resultat	15 052	-3 227 696
Grunnlag betalbar skatt	19 618 454	14 233 218
Betalbar skatt på årets resultat (22 %)	**4 316 060**	**3 131 308**

Spesifikasjon av grunnlag for utsatt skatt/utsatt skattefordel:	31.12.2022	31.12.2021
Forskjeller som utlignes:		
Gevinst og tapskonto	238 513	298 142
Driftsmidler	346 808	302 231
Avsetning	-	-
Sum	585 322	600 373
Utsatt skatt / - utsatt skattefordel, 22% i 2022, 22 % i 2021	**128 771**	**132 082**
Endring utsatt skatt ført over resultat	-2 503 658	3 302 603
Endring utsatt skatt ført rett mot egenkapital	-3 311	

Utsatt skattefordel er oppført med utgangspunkt i fremtidig inntekt.

Note 6 Egenkapital og aksjonærer

	Aksjekapital	Annen egenkapital Annen egenkapital		Sum egenkapital
Egenkapital 31.12.2021	**10 000 000**	**5 023 896**		**15 023 896**
Årets resultat		15 297 494		15 297 494
Avsatt utbytte		-20 350 000		-20 350 000
Egenkapital 31.12.2022	**10 000 000**	**-28 611**	**0**	**9 971 389**

Aksjekapitalen i Atlas Copco AS pr. 31.12.2022 består av:

	Antall	NOK (hele kroner) Pålydende	Balanseført
A-aksjer	2 500	4 000	10 000 000
B-aksjer			0
Sum	**2 500**	**4 000**	**10 000 000**

Eierstruktur:

De største aksjonærene i Atlas Copco AS pr. 31.12.2022 var:

	A-aksjer	Sum	Eierandel	Stemmeandel
Atlas Copco AB	2 500	**2 500**	100,0 %	100%

9

Note 7

Finansielle anleggsmidler:	Eierandel og stemmeandel	Forretn.ktr	Årsresultat	EK 31.12.22	Balanseført verdi
Atlas Copco Kompressorteknikk AS	100 %	Vestby	9 033 761	32 979 281	5 000 000
Atlas Copco Tools AS	100 %	Vestby	1 213 335	6 819 582	901 509
Berema AS	100 %	Vestby	12 511 291	37 127 447	154 150
Sum					**6 055 659**

Morselskapet Atlas Copco AS har forretningskontor på Vestby.

Det utarbeides ikke konsernregnskap for Atlas Copco AS ettersom selskapet indirekte er heleid av det svenske selskapet Atlas Copco AB som utarbeider konsernregnskap hvor Atlas Copco med datterselskaper inngår.
Konsernregnskap for Atlas Copco AB kan fås ved henvendelse til Atlas Copco AS, Svarthagsveien 8, 1543 Vestby

Note 8 Pantstillelser og garantiansvar

Garantiforpliktelser som ikke er regnskapsført	2022	2021
Bankgaranti for skattetrekksmidler	400 000	400 000

Note 9 Mellomværende med selskap i samme konsern m.v.

	Gjeld til foretak i samme konsern		Fordringer på konsernselskap	
	2022	2021	2022	2021
konsernkontoordning	0	0	2 450 092	5 259 074
Annen konsernfordran/gjeld	54 726	66 916	2 274 659	1 554 196
Utbytte			20 350 000	26 300 000
Sum	**54 726**	**66 916**	**25 074 751**	**33 113 270**

Kassekreditt er ikke benyttet i 2022.
All overskuddslikviditet plasseres i pengemarkedet via konsernkontosystemet og i henhold til konsernets cash management policy.

Note 10 Kontanter med mer.

Bundne midler relatert til skattetrekk er inkludert i konsernkontoen, og garanti er stilt overfor bank.

Hendelser etter balansedagen.
Ingen vesentlige hendelser etter balansedagen.

Årsregnskap 2022

30 juni 2023

Peter Kinnart

Peter Kinnart (Jun 30, 2023 16:16 GMT+2)

Styrets Leder

Peter Kinnart

Thomas Dahlgren (Jul 1, 2023 11:06 GMT+2)

Styrets Nestleder

Thomas Dahlgren

Markku Keloneva (Jun 30, 2023 14:29 GMT+2)

Styremedlem

Markku Keloneva

Atlas Copco

Atlas Copco
Annual report 2022

Introduction	1	Summary of 2022	
	2	A decentralized group with four business areas	
	3	President and CEO	
This is Atlas Copco	5	This is Atlas Copco – Home of Industrial ideas	
	6	Our targets	
	7	This is how we do business	
	11	Creating lasting value for all stakeholders	
The year in review	13	The year in review (Administration report)	●
	21	Business area: Compressor Technique	●
	24	Business area: Vacuum Technique	●
	27	Business area: Industrial Technique	●
	30	Business area: Power Technique	●
	33	A sustainable approach to delivering value	●
	34	Products and service	●
	37	People	●
	39	Safety and wellbeing	●
	40	Ethics	
	42	Environment	
	44	Risks, risk management and opportunities	●
	49	The Atlas Copco share	
Governance	51	Corporate governance	●
Financials	61	Financial statements (Group)	●
	66	Notes (Group)	●
	108	Financial statements (Parent)	●
	110	Notes (Parent)	●
Other information	121	Signatures of the Board of Directors	●
	122	Audit report	
	125	Financial definitions	
	126	Sustainability notes	
	135	EU Taxonomy regulation disclosures	
	139	GRI content index	
	146	Auditor's Limited Assurance Report on Atlas Copco AB's sustainability report	
	147	Four years in summary	
	148	Contact information	

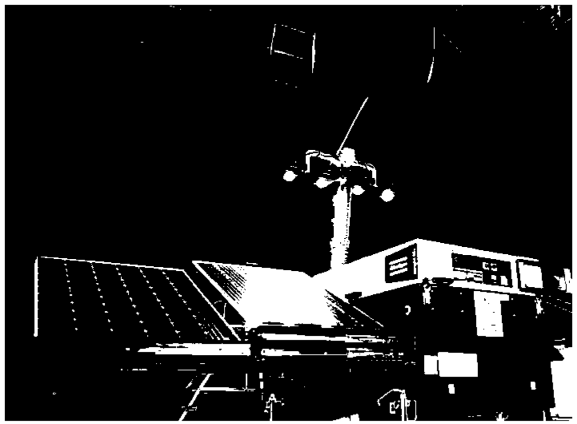
● The audited annual accounts and consolidated accounts can be found on pages 13–39, 44–48 and 61–121, excluding the quarterly data on page 80. The corporate governance report examined by the auditors can be found on pages 51–60.

Sustainability information that has been reviewed by the auditors can be found on pages 5–12, 33–43 and 126–145, excluding the taxonomy report on pages 135–137.

Atlas Copco is the home of industrial ideas. We develop smart, sustainable and highly efficient solutions that empower our customers to grow and drive society forward. We do it with people, profit and planet in mind, and with the highest business integrity.

Our innovative products, solutions, and services are demanded by every type of industry. They enable everything from industrial automation to reliable medical air solutions.

This annual report reflects Atlas Copco's mission of creating sustainable, profitable growth. It integrates financial, sustainability, and governance information to describe the Group in a comprehensive and cohesive manner.



A solar-powered LED light tower which enabl reduce CO_2 emissions. The light tower delivers performance giving workers good visibility wh sites to comply with emission and noise regula

Statutory sustainability report and external review

Atlas Copco reports on its sustainability w for 2022 in accordance with the GRI Stand which together with the EU Taxonomy re tion disclosures, on pages 135–137, also constitutes the Group's statutory sustain report. Ernst & Young have expressed the opinion that a statutory sustainability rep been prepared according to the Swedish Accounts Act, and they have performed a ited review of the sustainability report ac ing to GRI, see page 146. More informatio be found at: www.atlascopcogroup.com

Notice

The amounts in the report are presented MSEK unless otherwise indicated and nu in parentheses represent comparative fi for the preceding year. The figures prese in this report refer to continuing operati unless otherwise stated.

Forward-looking statements

Some statements in this report are forw looking, and the actual outcomes could materially different. In addition to the fa explicitly discussed, others could have a rial effect on the actual outcomes. Such include, but are not limited to, general b conditions, fluctuations in exchange rat interest rates, political developments, th impact and pricing of competing produ product development, commercializatio technological difficulties, supply-chain i ruptions, and major customer credit loss

Atlas Copco AB is a public company. Atla Copco AB and its subsidiaries are someti referred to as the Atlas Copco Group, th Group, the company, or Atlas Copco. Atl Copco AB is also sometimes referred to a Copco or the company. Any mentioning Board of Directors or the Board refers to Board of Directors of Atlas Copco AB.

Atlas Copco 2022
Record orders, revenues and operating profit

Revenues:
MSEK 141 325
+27 %

Operating margin: **21.4 %**
(21.2)

Return on capital employed:
29 % (27)

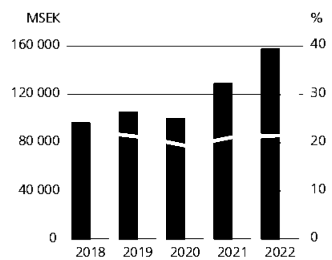
Operating cash flow:
MSEK 17 099
(19 378)

Key financial data

MSEK	2022	2021	2020
Orders received	158 092	129 545	100 554
Revenues	141 325	110 912	99 787
EBITDA	36 549	29 025	24 335
–in % of revenues	25.9	26.2	24.4
EBITA [1]	31 956	25 015	20 474
–in % of revenues	22.6	22.6	20.5
Operating profit	30 216	23 559	19 146
–in % of revenues	21.4	21.2	19.2
Adjusted operating profit	30 065	24 246	19 998
–in % of revenues	21.3	21.9	20.0
Profit before tax	30 044	23 410	18 825
–in % of revenues	21.3	21.1	18.9
Profit for the year	23 482	18 134	14 783
Basic earnings per share, SEK	4.82	3.72 [2]	3.04 [2]
Diluted earnings per share, SEK	4.81	3.71 [2]	3.04 [2]

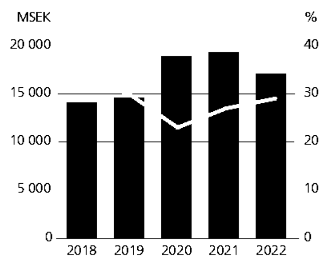
[1] Operating profit excluding amortization of intangibles related to acquisitions.
[2] Adjusted for share split.

Orders received, revenues and operating margin



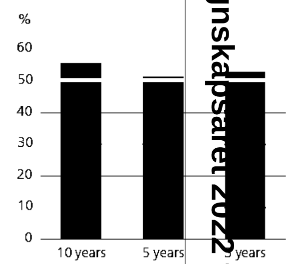
Orders received, MSEK
Revenues, MSEK
Operating margin, %

Operating cash flow and return on capital employed



Operating cash flow, MSEK
Return on capital employed, %

Dividend/earnings per share, avera
including discontinued operations



Dividend policy history
–2003 30–40% of earnings
2003–2011 40–50% of earnings
2011– about 50% of earnings

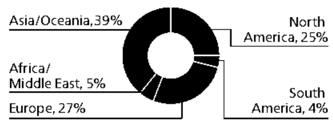
[3] Dividend fo
year 2022 i
proposal fr
of Directors

Atlas Copco

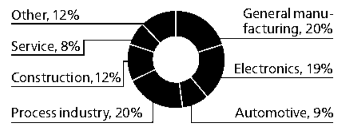
A decentralized group with four business areas

The Atlas Copco Group is a world-leading provider of sustainable productivity solutions, demanded by all types of industries, enabling everything from industrial automation to reliable medical air solutions. The Group offers innovative compressors, air treatment systems, vacuum solutions, industrial power tools and assembly systems, machine vision, and power and flow solutions. Atlas Copco develops products and services focused on productivity, energy efficiency, safety and ergonomics, supported by insights from connected products. The company was founded in 1873, is based in Nacka, Sweden, and has a global reach spanning more than 180 countries. In 2022, Atlas Copco had revenues of BSEK 141 and about 49 000 employees at year end.

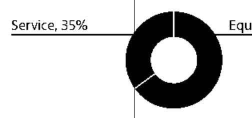
Revenues by region, Group



Orders received by customer category, Group



Share of revenues, Group



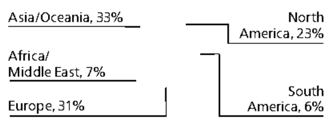
Compressor Technique

Page 21

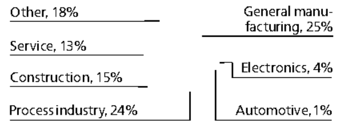
Orders received: MSEK 69 834
Revenues: MSEK 61 058
Operating margin: 23.6%

The Compressor Technique business area provides compressed air solutions; industrial compressors, gas and process compressors and expanders, air and gas treatment equipment, air management systems, and service through a global network.

Revenues by region



Orders received by customer category



Share of revenues

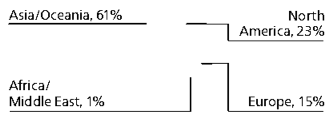
Vacuum Technique

Page 24

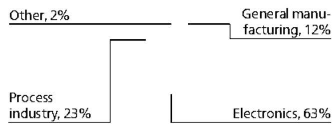
Orders received: MSEK 41 213
Revenues: MSEK 38 941
Operating margin: 21.6%

The Vacuum Technique business area provides vacuum products, exhaust management systems, valves and related products, and service through a global network.

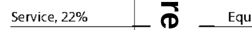
Revenues by region



Orders received by customer category



Share of revenues



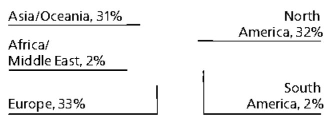
Industrial Technique

Page 27

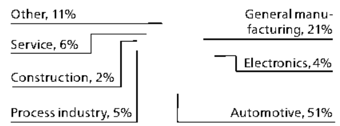
Orders received: MSEK 26 070
Revenues: MSEK 23 007
Operating margin: 20.0%

The Industrial Technique business area provides industrial power tools, assembly and machine vision solutions, quality assurance products, software, and service through a global network.

Revenues by region



Orders received by customer category



Share of revenues

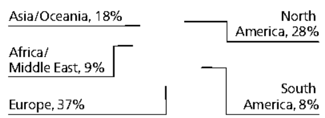
Power Technique

Page 30

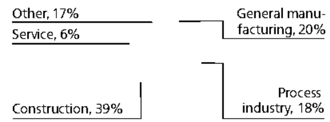
Orders received: MSEK 21 783
Revenues: MSEK 19 053
Operating margin: 18.5%

The Power Technique business area provides portable air and power, industrial and portable flow solutions through products such as mobile compressors, generators, light towers, industrial and portable pumps, along with a number of complementary products. It also offers specialty rental and provides service through a global network.

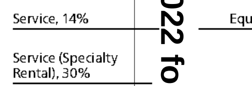
Revenues by region



Orders received by customer category



Share of revenues



Continuing to shape the future

We can look back at yet another year with record orders, revenues and operating profit. This is the result of our continuous focus on improving our customers' technologies and processes, and on driving development forward. Looking ahead, we will continue to work together with our customers to develop new products and solutions to their challenges, but also to the challenges society faces.

Mats Rahmström, President and CEO of the Atlas Copco Group, how would you summarize the year?
It was a year with record orders, revenues and operating profit. Orders received in 2022 increased 22 percent to MSEK 158 092 (129 545). Revenues also reached a new record with an increase of 27 percent to MSEK 141 325 (110 912). During the year we have faced an increased uncertainty in the world around us. We also continued to experience increased costs related to constraints in the supply chain and Covid-19, which affected the margin negatively. Still, our employees have made fantastic efforts and I believe that we have shown that we have the ability to handle change and quickly adapt on all levels in the company to support our customers.

Our results are the effect of our focus on delivering value to our customers and continuously investing in people and innovation. We also entered into new growth platforms and continued our investments in R&D, which amounted to 4 percent of total revenues, or MSEK 5 153.

Last year, the Group announced that it had set science-based targets to reduce emissions in line with the Paris Agreement. How has this affected the organization?
We believe that all parts of our organization have a role to play in this, and we have set two ambitious science-based targets to reduce emissions in all parts of the value chain. As a leading and global supplier, I'm proud of our efforts to make a positive impact by reducing emissions through our operations, transportation methods and product design. For Scope 1 and 2, direct emissions from owned or controlled sources and indirect emissions from the generation of purchased energy we are well in line with our targets. For Scope 3, the use phase of our products, we have not reached this year's target. The reason for this is in part due to increased sales but also to the fact that the availability of renewable energy is lower than we had expected. An increasing share of our products are designed to be powered by electricity and if our customers use renewable energy to power them, the climate impact drops dramatically.

The growing focus on battling climate change brings new expectations on us as a company. Customers, investors, and society expect us to build our business in a sustainable way, and to generate long-term value with people, planet and profit in mind. Environmental performance is also a key factor for job seekers and employees, who increasingly value working for a company that makes a positive difference. This development is a challenge, but it also gives rise to new needs, new markets, and new business opportunities. We have a long tradition of focusing on our customers' needs and today this includes helping them improve their climate performance. We innovate and develop efficient and low-carbon products, but we can also guide and support our customers on their climate journey.

There are also plenty of everyday actions that we can all carry out, regardless of our job role or place of work. Last year, to raise awareness, we arranged a global climate event for all employees.

In terms of technology and new products, what role can Atlas Copco play to enable the transformation to a low carbon society?
When we develop products and services, we always focus on customer value and how we can improve our customers' productivity and processes. More than 90 percent of the emissions from our value chain are generated when our products are used by our customers. Since our products are found all over the world and in all industries, we have a real opportunity to enable a reduction of greenhouse gas emissions on a global scale. For some applications there is not yet an alternative to fossil fuels, and there we focus on energy efficiency so that we can offer more sustainable products for every application.

The Group set a new record with 30 completed acquisitions during the year, why is that?
Acquisitions are an important part of our strategy for growth. The combination of organic growth and successful acquisitions has shaped us into the Group we are today, and we continue to look for new technologies and segments that complement our current offering. This year, in addition to the acquisitions within the industrial

pump segment, we have for example acquired the compa
Montana Instruments Corporation. They provide cryosta
for customers involved in physics research and low tempe
technology solutions. This will bring an additional chann
quantum technology related markets where commercial
tions are starting to grow. Another interesting area wher
made an acquisition is on-site gas generation that reduce
bon footprint by avoiding transportation of gases. We ha
strengthened our portfolio within smart manufacturing
the acquisition of a manufacturer of camera-based tracki

FOR THE FULL LIST OF ACQUISITIONS, PLEASE SEE PAGE 73

How do you evaluate potential acquisition
We always start by looking at global trends that will affec
customers' processes and needs. We also evaluate the co
stand-alone potential and if there are synergies that can l
We want to work with the very best, and this applies also
panies and people that we welcome to our Group. There

Atlas Copco

When we develop products and services, we always focus on customer value and how we can improve our customers' productivity and processes

division is responsible for looking for companies with leading, differentiated technologies and application knowledge, and with the same customer focus as we have. For an acquisition to be successful, we also need to acquire companies with a culture of interaction, innovation and commitment that matches our own.

Two of the acquisitions, LEWA and Wangen, were in a new segment. What is the reason for building a presence within industrial pumps?
Both companies have products that are used in industries where we already have a strong presence today, but with different technologies. Wangen is a German manufacturer of progressive cavity pumps used for transferring fluids mainly in the biogas and wastewater sectors. LEWA is a leading manufacturer of diaphragm metering pumps, process pumps and complete metering systems. Industrial pumps is a segment that we have identified as a strategic fit for the Group and both companies have leading differentiated technologies and strong aftermarket businesses. They will create a solid foundation for further growth in new industrial pump segments.

We are experiencing increased geopolitical tensions. As a global player, how does this affect the Group?
With customers in more than 180 countries we want to locate everything from product development to marketing and production as close to our customers as possible. With the challenges in the supply chain that started with the Covid-19 pandemic, and that more recently have been affected by increased geopolitical tensions and protectionism, we have experienced long lead times and problems with delivering to our customers on time. Dual sourcing and local suppliers are important ways to shorten lead times and we have worked very hard to increase our capabilities to deliver. For us, free trade is important, and as a global Group we also believe it is important to work for an inclusive culture where also people can move across borders and share ideas and develop their careers.

Since the beginning of the year, we have experienced a very severe and challenging situation due to the war in Ukraine. We have colleagues in both Ukraine and Russia, and our primary focus has been to ensure their safety. As of March 5th, 2022, and until further notice, we are taking no new orders for capital equipment for delivery to Russia. The only exemption is orders for humanitarian purposes, e.g. medical equipment. We have also increased our focus on trade compliance to ensure that we follow all applicable international trade and export controls, economic sanctions, and embargos.

Are there any other initiatives you would like to highlight?
I am proud to say that at Atlas Copco we have a strong culture of continuous learning. Two years ago, we launched our first global learning week across the Group and last year we repeated the initiative. There is a saying that you should hire for attitude and train for skills. As an employer we can provide the tools and opportunities to learn, but within Atlas Copco each employee is responsible for his or her career and development. Continuous learning is one way to accomplish this and it is also a key part of personal development.

Another important initiative is our new Code of Conduct and ethics training for all employees. The Code of Conduct replaces our former Business Code of Practice and covers additional topics including modern slavery; risk management; anti-money laundering; travel; data protection and privacy; and circularity. The document has also been redesigned to make it easier to find our stance on all topics covered.

We are also taking the next steps on our digitalization journey. One of the most interesting developments in industrial manufacturing is the introduction of so-called digital twins. A digital twin is a digital original of a product that helps predict and analyze behavior and performance, long before the physical twin exists as an actual product or solution. Digital drawings have been in place for a long time, but a digital twin can be used to test specific conditions or compare performance in different operating conditions. We believe this will revolutionize how we develop, manufacture and service our products going forward and bring great customer value in the shape of forecasts, quality control and efficiency gains.

Looking ahead, what do you see the coming year?
I would like to start with a few words on the past. 2023 marks the 150th anniversary for the Group! In 1873 the world was a very different place, and it is quite amazing that we have not only evolved into a global Group present in so many industries, but also how we continue to build for the future. Together with our customers, and by always focusing on what brings them value, we develo
products that meet the ever-increasing standards we set
selves: on how we use natural resources, on safety, ergon
and productivity. I would like to highlight our people who
look for better ways and continue to work together with
tomers to develop new products and find new solutions t
challenges, but also to the challenges society faces. Durin
will celebrate our past, but we will also focus on how we c
shape the future. We are fully committed to being part of
tion for a better tomorrow and continue to build on our l
innovation, doing business in an ethical way and always h
customer in focus.

Mats Rahmström, President and CEO
Nacka, Sweden, January 2023

This is Atlas Copco – Home of Industrial Ideas

Our industrial ideas empower our customers to grow and drive society forward. This is how we create a better tomorrov

Our vision is to become and remain First in Mind—First in Choice of our customers and other stakeholders. Our mission is to achieve sustainable, profitable growth. This means that we must create lasting results with responsible use of resources and with the highest business integrity.

Strategy and fundamentals for growth

Leading position in selected end markets

Products critical to the customers' operations

Leading differentiated technology

Leading service offer

We are convinced that leading products, together with a decentralized organization with full accountability for individuals and teams make our customers, and our company, future-proof.

PEOPLE
Rely on competent people who are passionate about their jobs, performance, and committed to deliver customer value. Attract resourceful people and empower them to grow.

INNOVATION
Invest in research and development to develop new solutions that improve our customers' performance. Connectivity and data-driven insights are key drivers in this.

PRESENCE
Increase market presence by expanding into selected markets, segments, and technologies. Whether we sell directly or indirectly, and under which brand, depends on the customer and market.

OPERATIONAL EXCELLENCE
Continuously strive for improved operational efficiency with responsible use of resources, including developing top-quality and highly efficient products and services.

SERVICE
Increase th
offer by gi
customers
insights an
mind, mor
based on c
data and r
insights.

To succeed in our mission, Atlas Copco strives for a leading position in selected markets and segments. This is
through innovations and by delivering leading differentiated technology. With products and services critica
customers' operations, Atlas Copco strives to support customers in their success. To support profitable growt
business cycle, the Group aims to have an agile balance sheet and focuses on markets with high service pote

DIVERSIFIED
- Diverse customer base
- Sales in Asia/Oceania, Americas, and EMEA
- Production in Europe, Asia and Americas

AGILE
- Outsourced production model, about 75% of production cost of equipment is purchased components
- Flexible workforce
- Continuous scenario planning
- Leadership model with clear accountability
- Transparent organization with strong follow up

RESILIENT
- 35% of sales from the se business
- Asset-light operations

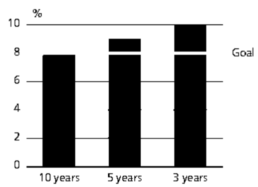
Our targets

Atlas Copco sets ambitious targets to deliver sustainable, profitable growth. The targets have different time horizons: annual, three-year, over a business cycle, and by 2030 for the more long-term ambitions. Sustainability plays a central role in Atlas Copco's vision and is an integral part of the Group's mission. An integrated sustainable strategy, backed by ambitious targets, helps the company deliver greater value to all stakeholders in a way that is economically, environmentally and socially responsible.

FINANCIAL

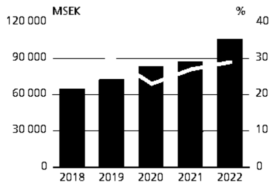
Revenue growth measured over a business cycle	**Target: 8% per annum**
Sustained high return on capital employed by constantly striving for operational excellence and generating growth	
Earnings as dividends to shareholders	**Target: about 50%**

Annual revenue growth rate, average [1]



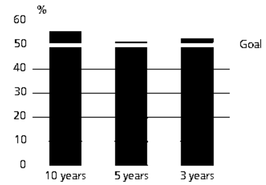
[1] Figures for the years between 2013 and 2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

Capital employed and return [1]



■ Capital employed, MSEK
Return on capital employed, %

Dividend/earnings per share, average [2]
including discontinued operations



Dividend policy history

–2003	30–40% of earnings
2003–2011	40–50% of earnings
2011–	about 50% of earnings

[2] Dividend for the fiscal year 2022 is based on the proposal from the Board of Directors.

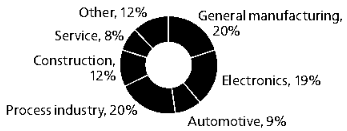
PEOPLE	2022	2021	2020	
Female employees, at year end	21.6%	20.9%	20.0%	3
Employees agree that they feel a sense of belonging at the company [1)2)]	–	–	–	
Employees agree we have a work culture of respect, fairness and openness [1)]	–	76	–	Abov benc continu
Employees agree there is opportunity to learn and grow in the company [1)]	–	73	–	
ETHICS				
Employees sign the Group's Code of Conduct [3)] compliance statement annually	99%	98%	99%	
New employees participate in the Group's ethics training within 12 months of joining the company, starting 2023 [2)]	–	–	–	
Employees participate in the Group's biennial ethics training, starting 2023 [2)]	–	–	–	
Significant suppliers confirm compliance with the Group's Code of Conduct [3)]	93%	93%	93%	
Significant distributors confirm compliance with the Group's Code of Conduct [3)]	92%	87%	84%	
SAFETY & WELLBEING				
Employees agree that the company takes a genuine interest in their wellbeing [1)]	–	73		Continu
Balanced safety pyramid = more reports of risk observations than near misses, more reports of near misses than minor injuries, and more or equal reports of minor injuries relative to recordable injuries [4)]	Yes	Yes	Yes	sa
CLIMATE & ENVIRONMENT				
Reduction in line with the 1.5 degree warming trajectory in CO_2e [5)] emissions (tonnes) from scopes 1 & 2, compared to the baseline 2019	–33%	–17%	–2[illegible]%	–4
Reduction in line with the well-below 2 degrees warming trajectory in CO_2e [5)] emissions (tonnes) from scope 3, compared to the baseline 2019	+29%	+5%	+1[illegible]%	–2
Significant direct suppliers with an approved environmental management system	31%	31%	30%	Continu
Water consumption (m^3) in relation to cost of sales [6)]	8.4	–		Continu
Reused, recycled or recovered waste from internal operations [6)]	92%	–		10
PRODUCTS & SERVICE				
Projects for new and redesigned products with targets for reduced carbon impact	97%	98%		
Group-common methodology for assessing the circularity of new or redesigned products	–	–		In p

[1)] Measured every two years through the employee survey.
[2)] First measurement will be done in 2023.
[3)] Previously referred to as the Business Code of Practice.
[4)] Risk observations are included in the safety pyramid as of 2021.
[5)] CO_2e stands for carbon dioxide equivalent.
[6)] New and extended scope from 2022, including all operations.

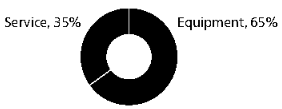
This is how we do business

Atlas Copco is characterized by focused businesses in selected market segments, high customer focus through a decentralized organization, global presence, a stable service business, professional people, and an asset-light and flexible manufacturing setup. By providing professional service, technical competence, application knowledge and digital capabilities the Group builds close customer relationships through direct and indirect channels.

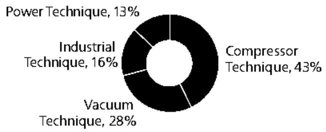
Orders received by customer category



Share of revenues



Share of revenues by business area



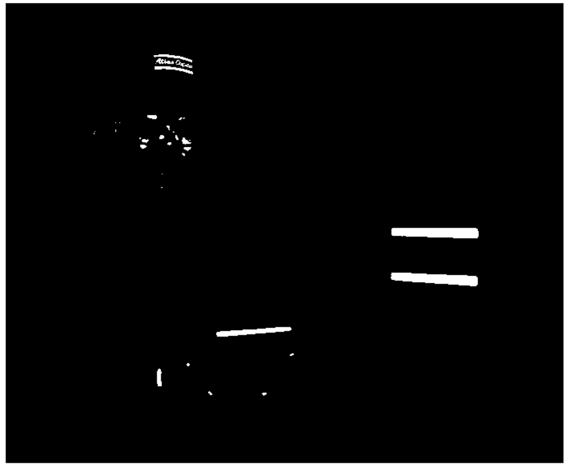
Sales and service

Atlas Copco's ambition is to build close relationships with customers and help them increase their productivity in a sustainable way. Customer engagement, sales, and service take place through direct and indirect channels (mainly distributors), online as well as offline, to maximize market presence. Digital capabilities and interaction are essential to supporting customers and creating business opportunities. Consequently, we continuously develop our teams to ensure they are equipped with the right competencies to make it easy to do business with us. Atlas Copco aims at always being available to our customers when they need us, wherever we can support them best. The Group has a global reach with sales in more than 180 countries.

Equipment sales are performed by engineers with strong application knowledge and the ambition to offer the best solution for specific applications. Service and maintenance performed by skilled technicians are an integral part of our offer. Service is the responsibility of dedicated divisions in each business area. This includes the development of service products, sales and marketing, technical support, and service delivery, all supported by data analysis from connected equipment.

Stable service business

35% of the Group's revenues come from service (spare parts, maintenance, repairs, consumables, accessories, and specialty rental), often generated from service contracts. An increased amount of connected equipment gives additional opportunities to support the service business in developing value for our customers. The service business provides a strong base as revenues from service are more stable than equipment sales.



Increase customer value

Customer focus is a guiding principle for Atlas Copco. Surveys are conducted regularly to learn from customers' experience and opinions about their interaction with Atlas Copco. Customers are often also engaged in feedback discussions to improve our products and services. A number of key performance indicators have been established, which are continuously followed up to ensure improved customer satisfaction.

Manufacturing and logistics

We strive to have manufacturing close to where our customers are located. As a result, our production facilities are located in Europe, Asia, and the Americas. Our philosophy is to manufacture those components critical to the equipment's performance inhouse. For other components, we leverage the capacity and competence of our business partners. Flexible purchasing and logis[...] great importance.

Approximately 75% of the productio[...] equipment represents purchased com[...] and about 25% are internal manufac[...] components, assembly costs, and over[...] Equipment represents about 65% of re[...] and manufacturing and logistics are or[...] be able to quickly adapt to changes in d[...] Manufacturing of equipment is based [...] customer orders, while only some stan[...] high-volume equipment is manufactur[...] on projected demand.

The assembly of equipment is gener[...] out in Atlas Copco's own facilities, and [...] responsibility for the products' functio[...] quality. In order to optimize production[...] assembly is typically lean, and the final [...] is generally shipped directly to the end[...]

Global re[...] with loca[...] presence

Atlas Copco has a g[...] reach with sales in [...] than 180 countries [...] and service are per[...] by employees with [...] application and pro[...] knowledge.

75%

About 75% of the p[...] cost of equipment [...] purchased compon[...]

This is how we do business, continued

The organization works continuously to efficiently use human, natural, and capital resources while ensuring the highest quality.

Innovation

Atlas Copco believes that there is always a better way of doing things. Innovation and product development are of greatest importance, and products are designed internally. Innovation will improve customer value and strengthen customer relationships, the brand, and financial performance. Research and development expenditures correspond to about 4% of total revenues.

The fundamental objective is to design, and efficiently produce, new or improved products that provide sustainable and tangible benefits for customers in terms of productivity, energy efficiency, and/or lower life-cycle cost. New hardware and software are developed by skilled engineers in the divisions. Atlas Copco protects its technical innovations with patents.

Innovation also includes improved processes to optimize the flow and utilization of assets and information. Overcapacities and inefficiencies must always be challenged.

Investments in fixed assets and working capital

Our manufacturing philosophy results in a moderate need for investments in property, plant and equipment, which can be adapted to short and medium-term changes in demand. Most investments relate to machining equipment for core manufacturing activities and to production facilities, primarily for core component manufacturing and assembly operations.

The working capital requirements are affected by the relatively high share of sales through own customer centers, which affects the amount of inventory and receivables. In an improving business climate with higher volumes, more working capital will be tied up. If the business climate deteriorates, working capital will be released.

Acquisitions

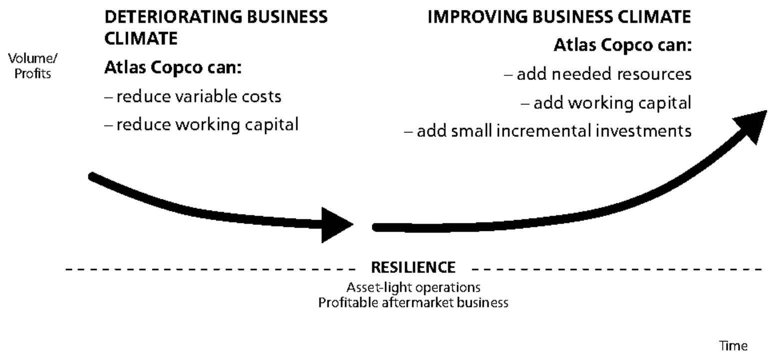
Acquisitions are primarily made in, or very close to, existing core businesses aiming to grow existing businesses or create new platforms for growth. All divisions are required to map and evaluate businesses that are adjacent, and may offer tangible synergies to existing businesses. All acquired businesses are expected to contribute positively to economic value added.

Research and devel ment expenditures correspond to abou

4%

of total revenues.

AGILE AND RESILIENT OPERATIONAL SETUP



This is how we do business, continued

STRUCTURE AND GOVERNANCE

Atlas Copco's organization is based on the principle of decentralized responsibilities and authorities (see organization chart to the right). The organization consists of both operating and legal units. Each operating unit has a business board reflecting the Group's operational structure. The duty of the business board is to serve in an advisory and decision-making capacity concerning strategic and operative issues. It also ensures the implementation of controls and assessments. Each legal company has a legal board focusing on compliance and reflecting the legal structure of the Group.

The Board of Directors is responsible for the organization and management of the Group, regularly assessing the Group's financial situation and financial, legal, social and environmental risks, and ensuring that the organization is designed for satisfactory control.

The President and CEO is responsible for the daily management of the Group following the Board's guidelines and instructions. The President and CEO is also responsible for ensuring that the organization works towards achieving the targets for sustainable, profitable growth. The President and CEO leads the Group Management, which also consists of the business area presidents and four functional heads.

The business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable growth.

The divisions are separate operational units, responsible for delivering results in line with the strategies and objectives set by the business area. Each division has global responsibility for a specific product or service offering. A division can include one or more product companies (units responsible for product development, manufacturing and product marketing), distribution centers, and several customer centers (units responsible for customer contacts, sales and service) dedicated or shared with other divisions.

Regional holding functions are established worldwide to support the divisional structure of the Group and to represent Group Management.

Atlas Copco's organization is based on the principle of decentralized responsibilities and authorities

As of Jan

BOARD OF DIRECTORS

PRESIDENT AND CEO

GROUP MANAGEMENT

COMPRESSOR TECHNIQUE	VACUUM TECHNIQUE	INDUSTRIAL TECHNIQUE	POWER TECHNIQ
Divisions	**Divisions**	**Divisions**	**Divisions**
Compressor Technique Service	Vacuum Technique Service	Industrial Technique Service	Power Technique Se
Industrial Air	Semiconductor Service	Motor Vehicle Industry Tools and Assembly Systems	Specialty Rental
Oil-free Air	Semiconductor	General Industry Tools and Assembly Systems	Portable Air
Professional Air	Semiconductor Chamber Solutions	Chicago Pneumatic Tools	Power and Flow
Gas and Process	Scientific Vacuum	Industrial Assembly Solutions	
Medical Gas Solutions	Industrial Vacuum	Machine Vision Solutions	
Airtec			

Divisions generally conduct business through product companies, distribution centers and customer centers.

The Atlas Copco Group is unified and strengthened through:

A shared purpose, vision and a common identity	Shared goals and strategic pillars for growth	The corporate culture and the core values: interaction, commitment, and innovation		Common processes and shared best practices gathered in the handbook o policies and guidelines *The Way We D*
The sharing of brand names and trademarks	The sharing of resources and infrastructure/service providers	An internal job market	A common leadership model	One Group Treasury The Group's Code of Conduct

Atlas Copco

This is how we do business, continued

LEADERSHIP AND PEOPLE
In Atlas Copco, leadership is defined as the ability to create lasting results through people. Atlas Copco believes that competent and committed leaders are crucial to achieving sustainable, profitable growth. Freedom to act and accountability are guiding principles.

All leaders are given a mission statement from their manager, outlining long-term expectations and goals in both quantitative and qualitative terms. The timeframe of the mission is typically three to five years. Based on the mission statement, the leader is expected to develop a vision, and clarify how the mission will be achieved, including the strategies, organization and people needed to make it happen.

Atlas Copco's performance is closely related to how the Group succeeds in being a good employer, attracting and developing resourceful and motivated people. With a global business conducted through numerous companies, we work with continuous competence development, knowledge sharing, while embedding our core values: interaction, commitment, and innovation, across all people processes.

ATLAS COPCO'S CODE OF CONDUCT
Internal policy documents related to business ethics and social and environmental performance are summarized in Atlas Copco's Code of Conduct. All employees in Group companies, as well as our business partners, are expected to adhere to these policies. All employees are also required to annually sign a compliance statement and participate in a biennial ethics training.

"In Atlas Copco, leadership is defined as the ability to create lasting results.

Atlas Copco has a strong culture of growing talent by encouraging employees to take accountability for their own career and competence development. The Group enables and encourages internal mobility and growth by offering continuous learning activities and an internal job market. With the ambition to develop individuals and teams to reach their full potential, Atlas Copco offers accessible tools and targeted learning content, both digital and classroom courses and programs, to all employees.

If Atlas Copco needs to adapt its capacity in a deteriorating business climate, the first action is to stop recruitment. Layoffs are the last resort.

PROCESSES
Group-wide strategies, processes, principles, guidelines, and shared best practices are gathered in the handbook of policies and guidelines *The Way We Do Things*, which is available to all employees. Although most of the processes are self-explanatory, managers are provided regular training in their implementation. Wherever Atlas Copco's employees are located, they are expected to work in accordance with the provided processes, principles and guidelines.

The handbook covers governance, safety, health, environment and quality, accounting and business control, treasury, tax, audit and internal control, information technology, people, culture, legal, communications and branding, risk, crisis management, administrative services, insurance, standardization, and acquisitions.

OUR CORE VALUE[S]
reflect how w[e] behave interna[lly] and in relation [to] external stakeholders

INTERACTION
We interact and develop ... tionships with customer[s] ... and external ... as well as ... stakeholders. This takes ... many ways: physically, o... directly through busines... We always look for what ... a specific target group.

INNOVATION
Our innovative spirit is re... everything we do. Our cu... expect the best from Atl... and our objective is to co... deliver high quality prod... service that increase cus... productivity and compe...

COMMITMENT
We operate worldwide w... term commitment to ou... in each country and mar... We keep our promises a... strive to exceed high exp...

Creating lasting value for all stakeholders

Atlas Copco's vision is to become and remain First in Mind—First in Choice of our customers and other principal stakeholders. The Group aims to continuously deliver sustainable, profitable growth with an increased positive impact on society and the environment. Below, we illustrate how we, with a responsible use of resources – human, natural and capital – create value for customers, employees, business partners, shareholders, as well as for society and the environment.

The resources we put in

NATURAL RESOURCES
- 518 GWh total energy use
- 58% renewable energy of total GWh energy used in operations
- 75% of production cost of equipment is purchased components

HUMAN RESOURCES
- 45 800 employees, on average
- Employees in 71 countries
- 4 500 R&D engineers generating industrial ideas and innovations

FINANCIAL RESOURCES
- Average capital employed MSEK 106 054
- MSEK 5 153 investments in innovation*

* Investments in product development, including capitalized expenditures.

Atlas Copco

Common vision, mission and strategy	Innovations for customers' success
Close customer relationships with application knowledge and professional service	
Sustainability priorities	Core values
Decentralized leadership model	Agile setup and asset-light operations

The value we create

CUSTOMERS	– Increased productivity – Increased safety and ergonomics in working environm – Energy savings – Decreased total cost of ownership
SOCIETY/ ENVIRONMENT	– 99% of employees have signed the Code of Conduct – 31% reduced CO_2 emissions from energy in operations – Employment for 49 000 employees in 71 countries at y
SHAREHOLDERS	– 29% return on capital employed – MSEK 17 099 operating cash flow – 17% annual total return A-share, 10 year
BUSINESS PARTNERS	– More than 6 000 significant suppliers – Leverage competence – Market access – Long-term reliable partner – Over 900 suppliers audited on safety, health, environm and ethics
EMPLOYEES	– Employees agree that there is opportunity to learn and grow in the company (73 on a scale 1–100, in 2021)* – Employees agree that Atlas Copco has a work culture o respect, fairness and openness (76 on a scale 1–100, in

* The employee survey is conducted every two years.

Contributing to the UN Sustainable Development Goals

The UN Sustainable Development Goals are a call for action to promote prosperity while protecting the planet. The goals recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs, while tackling climate change and protecting the environment. Atlas Copco endorses all 17 Sustainable Development Goals and contributes directly to the eight ones described below.

5 GENDER EQUALITY

Gender equality
Increasing diversity and ensuring inclusion
Atlas Copco promotes inclusion and diversity and strives to improve gender balance at all levels in the Group. The business area presidents and the CEO have established taskforces. See pages 37–38.

6 CLEAN WATER AND SANITATION

Clean water and sanitation
Working to reduce water consumption
Atlas Copco entities carry out local activities targeting water consumption. Since 1984, Atlas Copco has supported the employee-driven initiative "Water for All". Until 2022, more than two million people have gained access to clean water and improved sanitation. See page 43.

Affordable and clean energy
Reducing CO_2 emissions from our operations and value chain
Atlas Copco undertakes a range of activities to reduce CO_2 emissions from energy in operations and transport of goods, such as installing solar panels, buying renewable electricity and from improved logistics to avoid air freight. See pages 42–43.

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth
Focusing on ethics, safety and wellbeing – for employees and business partners
Atlas Copco requires all business partners to comply with the Code of Conduct. Child labor or modern slavery is not tolerated and compliance is assessed and audited. Atlas Copco ensures the right to collective bargaining and expects the same from our business partners. See pages 39–41.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Industry, innovation and infrastructure
Continuously increasing the energy efficiency of products and service
Energy efficiency in our products and service is a key selling point for Atlas Copco. The main environmental impact comes from our customers' use of our products. All projects for new and redesigned products must assess the environmental impact of the product. Products are developed with a life-cycle perspective. See pages 34–36.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production
Making production as efficient as possible and reducing waste
Atlas Copco seeks to decrease the total waste produced. Chemical handling follows strict protocols. Components that contain conflict minerals are not accepted and Atlas Copco monitors and screens its supply chain. See pages 41–42.

13 CLIMATE ACTION

Climate action
Cutting greenhouse gas emissions
We have set science-based targets to be a part of the solution to global warming and climate change. Our largest impact comes from the use of our products, and we provide solutions to reduce our customers' energy consumption and carbon emissions. We also work to lower our own energy consumption, switch to renewable energy and choosing transportation methods that minimize climate impact. See pages 34–36 and 42–43.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Peace, justice and stro
institutions
Zero tolerance for corr
Atlas Copco requires all
to sign their compliance
Code of Conduct and to take trainings
handle ethical dilemmas. Business part
expected to confirm their compliance
based on our Code of Conduct. See pag

SUSTAINABLE DEVELOPMENT GOALS

See pages 33–43 for more information
Atlas Copco contributes to the achieve
the UN Sustainable Development Goa

Atlas Copco

The year in review

Market review and demand

The overall demand for Atlas Copco's equipment and services increased in 2022. In comparable currencies, the Group's order intake for equipment increased by 9% and the service part, including the specialty rental business, grew by 15%, with positive development in all business areas and regions.

Order volumes for compressors increased significantly, supported by increased demand from customer segments contributing to the transition to a low-carbon society, such as the production of batteries for electric cars, solar panels, LNG, and hydrogen applications. Solid order growth was achieved for industrial compressors and for gas and process compressors in particular, especially in North America and Asia.

The demand for vacuum equipment was high even though the demand from the semiconductor and flat panel display industry decreased sharply during the latter half of the year. This resulted in overall reduced order volumes. However, the order volumes for equipment for industrial and scientific vacuum applications increased considerably.

Order volumes for industrial assembly and vision solutions increased significantly, primarily as an effect of the automotive industry's investments in the transition to electric vehicle production, most noticeably in North America and Asia. Order volumes to the general industry also grew.

The order intake for power equipment, such as portable compressors, generators and pumps, increased sharply, primarily driven by increased demand from equipment rental companies during the first half of the year. The demand was strong also during the second half of the year, both from equipment rental companies and end users.

In total, the Group's order intake increased by 22% to a record MSEK 158 092 (129 545), corresponding to an organic growth of 8%. Currency had a positive effect of 11% and acquisitions contributed with 3%. See further information in the business area sections on pages 20–32.

North America

The order intake in North America increased 16% in local currencies. Strong order growth was achieved for industrial compressors and for gas and process compressors in particular. The order intake also increased strongly for power equipment, such as portable compressors, generators, and pumps, supported by an increased demand primarily from equipment rental companies. Order volumes also increased for industrial assembly and vision solutions, mainly due to customers' increased investments in the production of electric vehicles. The order intake for vacuum equipment decreased due to lower demand from the semiconductor industry. Order volumes for service increased in all business areas. In total, North America accounted for 27% (24) of orders received.

South America

Orders received in South America increased 17% in local currencies. The increased order volumes were primarily driven by increased demand for industrial compressors and power equipment, such as portable compressors. Growth was also achieved for industrial assembly solutions, and order intake for service increased in most business areas. In total, South America accounted for 4% (4) of orders received.

Europe

The order intake in Europe increased 13% in local currencies. Solid order growth was achieved in all business areas, supported by increased demand for most product groups. The order growth was particularly noticeable for gas and process compressors, vacuum equipment, and industrial assembly solutions. The last was supported by increased customer investments in the production of electric vehicles. The order intake for the service business increased markedly with growth in all business areas. In total, Europe accounted for 27% (28) of orders received.

Africa/Middle East

Orders received increased 17% in Africa/Middle East in local currencies. This was driven by higher demand for industrial compressors, gas and process compressors, and power equipment, such as portable compressors, generators, and pumps. Order volumes for service also grew in most business areas. In total, Africa/Middle East accounted for 4% (4) of orders received.

Asia/Oceania

The order intake in local currencies in Asia/Oceania increased by 5%. Strong order growth was achieved for industrial compressors, gas and process compressors, and industrial assembly and vision solutions. However, order volumes for vacuum equipment decreased due to lower order intake from the semiconductor and flat panel display industry. The order intake for power equipment decreased as well. The service business achieved solid order growth in all business areas. Asia/Oceania accounted for 38% (40) of orders received.

Market presence

Atlas Copco had own customer centers in 70 (70) countries and production facilities in 24 (21) countries. Revenues were reported in 183 (183) countries.

Risks related to the war in Ukraine

Atlas Copco's financial exposure to Russia and Ukraine is limited. During 2022, revenues from Russia accounted for less than 1% of the Group's total revenues. Ukraine accounted for v
0.1% of the Group's total revenues. Fur
Copco has no production units in Russi
Ukraine. Hence, the ongoing war has v
direct financial effects on Atlas Copco.
uncertainties surrounding the ongoin
is very difficult to predict potential indi
on Atlas Copco. As of December 31, 20
no significant impact on any balance s

Important events

Acquisitions and divestments

The Group completed 30 acquisitions
year. In total, the acquisitions added ne
of approximately MSEK 3 430. See furt
mation in note 2 and in the business ar
on pages 20–32.

Changes in Group Management

Eva Klasén was appointed Senior Vice
Chief Legal Officer effective May 1, 202
Håkan Osvald who retired. Eva Klasén v
ously Deputy Chief Legal Officer at Atla

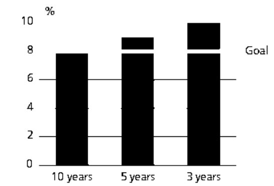
Sara Hägg Liljedal was appointed Ch
munications Officer effective February
She replaced Gisela Lindstrand, who le
Group in September 2021. Sara Hägg L
previously Media Relations Manager fo
Group.

ESG recognitions

In 2022, Atlas Copco received, among
rating of AA in the MSCI ESG Ratings as
was given Prime status by ISS ESG ratin
remains a constituent of the FTSE4Goo
Series. Atlas Copco scored a C by CDP i
the carbon related disclosure and a C fo
related disclosure.

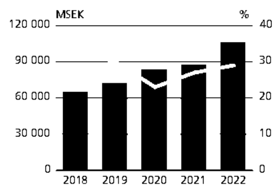
Financial targets – growth and return development

Annual revenue growth rate, average (FX adjusted) [1]



The Group's goal for annual revenue growth is 8%, measured over a business cycle. At the same time, the ambition is to grow faster than the most important competitors. Growth should primarily be organic, supported by selective acquisitions.

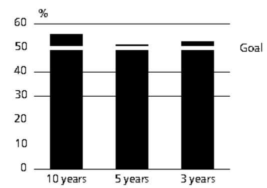
Capital employed and return



The Group's goal is to deliver sustained high return on capital employed, by constantly striving for operational excellence and generating growth.

■ Capital employed, MSEK
Return on capital employed, %

Dividend/earnings per share, average [2]
including discontinued operations



Atlas Copco aims to have a strong and cost-efficient financing of the business. The priority for the use of capital is to develop and grow the business. The strong profitability and cash generation allow the Group to do that while at the same time maintaining the ambition to distribute about 50% of earnings as dividends to shareholders.

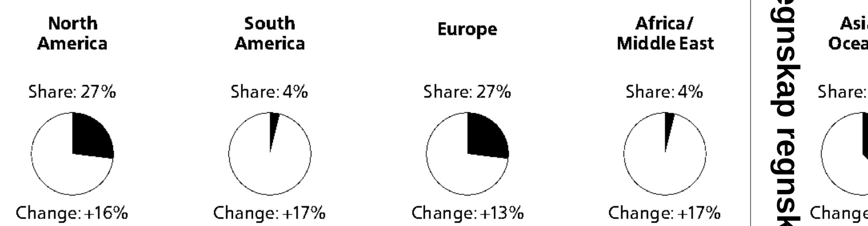
Dividend policy history

–2003	30–40% of earnings
2003–2011	40–50% of earnings
2011–	about 50% of earnings

[1] Figures for the years between 2013 and 2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

[2] Dividend for the fiscal year 2022 is based on the proposal from the Board of Directors.

Orders received by region and order development in local currency



Revenues and return

Revenues
The Group's revenues increased 27% to a record MSEK 141 325 (110 912), corresponding to a 12% organic increase. Currency had a positive effect of 12%, and acquisitions contributed with 3% during the year. The Group's goal is to achieve an annual revenue growth of 8% over a business cycle. For the period 2013–2022, the average annual revenue growth has been 8%*.

Operating profit
The operating profit also reached a record of MSEK 30 216 (23 559) corresponding to a margin of 21.4% (21.2). Items affecting comparability were a change in provision for share-related long-term incentive programs, reported in Common Group Items, of MSEK 151 (–687). The adjusted operating profit increased 24% to MSEK 30 065 (24 246) corresponding to a margin of 21.3% (21.9). See the sales and profit bridge below.

The operating profit for the Compressor Technique business area increased by 21% to MSEK 14 425 (11 874), corresponding to a margin of 23.6% (23.9). The margin was positively affected by currency and higher organic revenue volumes. In contrast, increased costs related to Covid-19, primarily in the first half of the year, supply chain constraints and consequent inefficiencies in factories had a negative effect on the operating margin.

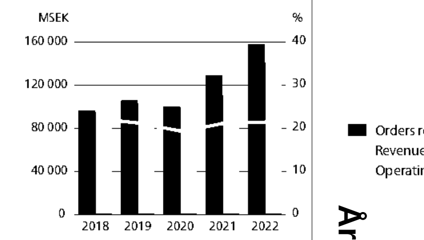
The operating profit for the Vacuum Technique business area increased 19% to MSEK 8 407 (7 066), corresponding to a margin of 21.6% (24.2). The main explanations for the lower margin were higher costs related to supply chain constraints, inefficiencies in factories, and costs associated with Covid-19. The last was primarily during the first half of the year.

The operating profit for the Industrial Technique business area increased 16% to MSEK 4 597 (3 976), and the operating margin reached 20.0% (20.5). Increased costs related to supply chain constraints, Covid-19 in the first half of the year, and stock adjustments and provisions, affected the margin negatively. Currency had a positive effect on the operating margin.

The operating profit for the Power Technique business area increased 66% to a record MSEK 3 525 (2 121), corresponding to a margin of 18.5% (16.0). The main explanation for the higher operating margin was increased organic revenue volumes. Costs related to supply chain constraints, and Covid-19 in the first half of the year, affected the margin negatively. Currency had a small posi
on the operating margin.

Net costs for common Group items and eliminations w
–738 (–1 478). The decrease was primarily due to lower co
to share-related long-term incentive programs, which we
151 (–687).

Orders received, revenues and operating margin



* Currency adjusted. Figures for the years 2013–2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

Sales bridge	Compressor Technique		Vacuum Technique		Industrial Technique		Power Technique	
	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
2021, MSEK	**55 012**	**49 657**	**39 529**	**29 219**	**20 545**	**19 421**	**15 155**	**13 234**
Structural change, %	+2	+2	+1	+2	–1	+0	+13	+15
Currency, %	+11	+11	+11	+15	+11	+10	+13	+13
Organic*, %	+14	+10	–8	+16	+17	+8	+18	+16
Total, %	+27	+23	+4	+33	+27	+18	+44	+44
2022, MSEK	**69 834**	**61 058**	**41 213**	**38 941**	**26 070**	**23 007**	**21 783**	**19 053**

* Volume, price and mix.

Sales bridge, Atlas Copco Group	Orders received
2021, MSEK	**12[illegible]545**
Structural change, %	+3
Currency, %	+11
Organic*, %	+8
Total, %	+22
2022, MSEK	**15[illegible]92**

* Volume, price and mix.

Bridge – revenues and operating profit, MSEK	2022	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based long-term incentive programs	2021
Revenues	141 325	13 558	13 425	3 430	–	–	110 912
Operating profit	30 216	1 109	4 495	215	0	838	23 559
Effect on margin, %	21.4						21.2

Atlas Copco

Revenues and return, continued

Depreciation and EBITDA

Depreciation, amortization and impairment costs were MSEK 6 347 (5 466) and earnings before depreciation and amortization, EBITDA, reached MSEK 36 549 (29 025), corresponding to a margin of 25.9% (26.2).

Net financial items

The Group's net financial items decreased to MSEK –172 (–149). The net interest expense was MSEK –166 (–234). Other financial items were MSEK –6 (85). See notes 8 and 27.

Profit before tax

Profit before tax increased 28% to MSEK 30 044 (23 410). Excluding items affecting comparability, profit before tax was MSEK 29 893 (24 097), corresponding to margin of 21.2% (21.7).

Taxes

Taxes for the year amounted to MSEK 6 562 (5 276), corresponding to an effective tax rate of 21.8% (22.5) in relation to profit before tax. The main reason for the lower tax rate is positive outcome of a tax litigation. In addition, a deduction of rolled forward interest costs from previous years has been made in Sweden. See note 9.

Profit and earnings per share

Profit for the year increased 29% to MSEK 23 482 (18 134). This corresponds to basic and diluted earnings per share of SEK 4.82 (3.72, adjusted for share split) and SEK 4.81 (3.71, adjusted for share split) respectively.

Depreciation, amortization and impairment, MSEK	2022	2021
Rental equipment	779	707
Other property, plant and equipment	1 561	1 361
Right-of-use assets	1 330	1 147
Intangible assets	2 677	2 251
Total	**6 347**	**5 466**

Key financial data, MSEK	2022	2021	Change, %
Orders received	158 092	129 545	22
Revenues	141 325	110 912	27
EBITDA	36 549	29 025	
– in % of revenues	25.9	26.2	
EBITA[1]	31 956	25 015	
– in % of revenues	22.6	22.6	
Operating profit	30 216	23 559	28
– in % of revenues	21.4	21.2	
Adjusted operating profit	30 065	24 246	24
– in % of revenues	21.3	21.9	
Profit before tax	30 044	23 410	28
– in % of revenues	21.3	21.1	
Profit for the year	23 482	18 134	29
Basic earnings per share, SEK	4.82	3.72[2]	
Diluted earnings per share, SEK	4.81	3.71[2]	

1) Operating profit excluding amortization of intangibles related to acquisitions.
2) Adjusted for share split.

Revenues and operating profit, MSEK	Revenues		Operating profit		Operating margin, %		Return on capital employed, %		Investment in tangible fi…
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Compressor Technique	61 058	49 657	14 425	11 874	23.6	23.9	82	93	…897
Vacuum Technique	38 941	29 219	8 407	7 066	21.6	24.2	24	25	…099
Industrial Technique	23 007	19 421	4 597	3 976	20.0	20.5	17	16	…518
Power Technique	19 053	13 234	3 525	2 121	18.5	16.0	25	27	…009
Common Group functions/eliminations	–734	–619	–738	–1 478					25
Total Group	**141 325**	**110 912**	**30 216**	**23 559**	**21.4**	**21.2**	**29**	**27**	**…548**

…xcluding rig…

Revenues and return, continued

Balance sheet
The Group's total assets increased 26% to MSEK 172 301 (136 683). Cash, cash equivalents and other current financial assets decreased to MSEK 12 143 (19 837), as a net effect of operational cash generation (see next page), dividend to shareholders MSEK –9 250, redemption of shares MSEK –9 732 and acquisitions MSEK –10 591.

Working capital ratios
The ratio of inventories to revenues at year end increased to 19.3% (16.0), and trade receivables to 21.2% (19.8). Trade payables were 13.5% (13.7).

Capital turnover
The capital turnover ratio was 0.91 (0.88) and the capital employed turnover ratio was 1.33 (1.27).

Equity
At year end, Group equity including non-controlling interests was MSEK 80 026 (67 634), corresponding to 46% (49) of total assets. Equity per share was SEK 16 (14). Atlas Copco's market capitalization at year end was BSEK 587 (733), a decrease of 20%. The information related to public takeover bids is the same as for the Parent Company and described on page 19.

Total comprehensive income for the year was MSEK 31 854 (23 025). See page 62 and note 10. Shareholders' transactions include dividends and redemption of shares totaling MSEK –18 982 (–8 889), sales and repurchases of own shares of net MSEK 483 (–1 034), and share-based payments of net MSEK –41 (–234). See page 64 and note 20.

Return on capital employed and return on equity
Return on capital employed reached 29% (27) and the return on equity was 32% (30). The Group uses a weighted average cost of capital (WACC) of 8% (8) after tax as an investment and overall performance benchmark.

Balance sheet in summary, MSEK	Dec 31, 2022
Intangible assets	67 067
Rental equipment	2 689
Other property, plant and equipment	12 720
Right-of-use assets	4 752
Other fixed assets	4 861
Inventories	27 219
Receivables	40 849
Current financial assets	889
Cash and cash equivalents	11 254
Assets classified as held for sale	1
Total assets	**172 301**
Total equity	80 026
Interest-bearing liabilities	38 713
Non-interest-bearing liabilities	53 562
Total equity and liabilities	**172 301**

Equity, MSEK	2022
Opening balance	67 634
Profit for the year	23 482
Other comprehensive income for the year	8 372
Shareholders' transactions	–18 982
Change of non-controlling interests	44
Acquisition and divestment of own shares	–483
Share-based payments, equity settled	–41
Closing balance	80 026
Equity attributable to	
– owners of the parent	79 976
– non-controlling interests	50

Revenues and return, continued

Interest-bearing debt and net indebtedness
Total interest-bearing debt was MSEK 38 713 (27 988), whereof MSEK 2 380 (3 114) in post-employment benefits. The Group has an average maturity of 4.0 years on interest-bearing liabilities. See notes 21 and 23 for additional information. The Group's net indebtedness, amounted to MSEK 26 570 (8 151) at year end. The net debt/EBITDA ratio was 0.7 (0.3) and the debt/equity ratio was 33% (12).

Credit rating
Atlas Copco's long-term and short-term debt is rated by Standard & Poor's and Fitch with the long-/short-term rating A+/A-1 and A+/F1+, respectively.

Operating cash flow and investments
Operating cash surplus was MSEK 36 978 (28 952). Cash flows from financial items were MSEK –714 (459). Net pension funding and payments were MSEK –419 (–330). The working capital increased by MSEK 7 415 (increase of 244), primarily due to increased inventories in response to supply chain constraints. Net investments in rental equipment were MSEK 808 (474).

Gross investments in property, plant and equipment increased to MSEK 3 660 (1 970). In 2022, Compressor Technique made notable investments in production, and research and development facilities in Belgium.

Vacuum Technique invested in a service technology center in China, new distribution centers in South Korea and Japan, a manufacturing facility in South Korea, a remanufacturing and assembly facility in the USA, and a cryopump manufacturing and R&D facility in the USA. Industrial technique invested in new machining equipment in its production facility in Sweden, a new innovation center for battery production and electronics in Germany, and a new production and R&D facility in China. Power Technique invested in a new logistic center in the USA. Cash received from sale of property, plant and equipment equaled to MSEK 99 (93).

Net investments in intangible assets, mainly related to capitalization of product development expenditures, were MSEK 1 371 (1 389). Net investments in other assets were MSEK 20 (–514).
In total, the operating cash flow reached MSEK 17 099 (19 378).

Cash flow from structural changes
The net cash flow from structural changes, i.e. acquisitions and divestments, amounted to MSEK –10 591 (–2 341). See also note 2.

Cash flow from financing
Dividends paid amounted to MSEK –9 250 (–8 889) and the mandatory redemption was MSEK –9 732. Sales and repurchases of own shares resulted in a net of MSEK –483 (1 034) , all related to hedging or deliveries of shares for the long-term incentive plans described on page 92. Change in interest-bearing liabilities was MSEK 4 814 (–1 645).

Employees
In 2022, the average number of employees in the Group increased by 4 509 to 45 781. At year end, the number of employees was 48 951 (42 862), and the number of consultants/external workforce was 3 834 (3 762). For comparable units, the total workforce increased by 3 394. See also note 5.

Calculation of operating cash flow, MSEK	2022
Operating cash surplus	36 978
Net financial items	–714
Taxes paid	–6 245
Pension funding	–419
Change in working capital	–7 415
Increase in rental equipment, net	–808
Cash flows from operating activities	**21 377**
Investments of property, plant and equipment, net	–3 561
Other investments, net	–1 351
Cash flow from investments	**–4 912**
Adjustment for currency hedges of loans	634
Operating cash flow	**17 099**

Average number of employees	2022
Atlas Copco Group	45 781
– Sweden	1 474
– Outside Sweden	44 307
Business areas	
– Compressor Technique	20 044
– Vacuum Technique	10 929
– Industrial Technique	9 162
– Power Technique	4 810
– Common Group functions	836

Atlas Copco

Parent Company

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group and is headquartered in Nacka, Sweden.

Earnings
Profit before tax amounted to MSEK 32 753 (5 515) and profit for the year amounted to MSEK 32 433 (5 176). The difference between the years is mainly due to increased dividends from Group Companies.

Financing
The total assets of the Parent Company were MSEK 184 774 (173 859). At year end 2022, cash and cash equivalents amounted to MSEK 0 (0) and interest-bearing liabilities amounted to MSEK 21 393 (23 121). Equity represented 88% (86) of total assets and non-restricted equity totaled MSEK 156 517 (143 591).

Employees
The average number of employees in the Parent Company was 110 (107).

Remuneration
Principles for remuneration, fees and other remuneration paid to the Board of Directors, the President and CEO, and other members of Group Management, other statistics and the guidelines regarding remuneration and benefits to Group Management as approved by the Annual General Meeting are specified in note 5.

Financial risks, risks and factors of uncertainty
Atlas Copco is subject to currency risks, interest rate risks and other financial risks. Atlas Copco has adopted a policy to control the financial risks to which Atlas Copco AB and other Group companies are exposed. A financial risk management committee meets regularly to make decisions about how to manage these risks. See also Risks, risk management and opportunities on pages 44–48.

Appropriation of profit
The Board of Directors proposes to the Annual General Meeting 2023 a dividend of SEK 2.30 (1.90, adjusted for share split) per share to be paid for the 2022 fiscal year. Excluding shares currently held by the Company, the proposed dividend corresponds to a total of MSEK 11 197 (9 258).

In order to facilitate a more efficient cash management, the dividend is proposed to be paid in two equal installments, the first with record date May 2, 2023, and the second with record date October 20, 2023.

SEK	
Retained earnings including reserve for fair value	124 083 709 433
Profit for the year	32 433 451 449

The Board of Directors proposes that these earnings be appropriated as follows:	
To the shareholders, a dividend of SEK 2.30 per share	11 197 221 020
To be retained in the business	145 319 939 862
Total	**156 517 160 882**

Shares and share capital
At year end, Atlas Copco's share capital totaled MSEK 786
a total number of 4 918 452 416 shares divided into 3 357
class A shares and 1 560 876 032 class B shares were issue
50 095 451 class A shares and 0 class B shares held by Atla
4 868 356 965 shares were outstanding. Class A shares en
owner to one vote while class B shares entitle the owner t
of a vote. Class A shares and class B shares carry equal righ
of the Company's assets and profit.

Investor AB is the single largest shareholder in Atlas Co
At year end 2022, Investor AB held a total of 836 131 135 s
representing 22.3% of the votes and 17.0% of the capital

There are no restrictions prohibiting the right to transf
the Company, nor is the Company aware of any such agre
In addition, the Company is not party to any material agre
enters into force or is changed or ceases to be valid if the c
the Company is changed as a result of a public takeover b
no limitation to the number of votes that can be cast at a
Meeting of shareholders.

As prescribed by the Articles of Association, the Genera
has sole authority for the election of Board members and
no other rules relating to the election or dismissal of Boar
or changes in the Articles of Association. Correspondingl
no agreements with Board members or employees regar
pensation in case of changes of current position reflectin
takeover bid.

Statutory sustainability report
Atlas Copco AB has prepared a sustainability report in acc
with the Global Reporting Initiative's guidelines (GRI Star
which, in combination with the EU Taxonomy regulation
on pages 135–137, also constitutes Atlas Copco AB's statu
tainability report and encompasses all its subsidiaries. Th
ability report has been prepared in accordance with the c
requirements set out in the Swedish Annual Accounts Ac
paragraph 11. The scope and content of the sustainability
defined on page 138.

Atlas Copco

Business areas

The Atlas Copco Group is a world-leading provider of sustainable productivity solutions. The Group offers customers innovative compressors, air treatment systems, vacuum solutions, industrial power tools and assembly systems, machine vision, and power and flow solutions. Atlas Copco's four business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable growth.

Compressor Technique, page 21

The Compressor Technique business area provides compressed air solutions: industrial compressors, gas and process compressors and expanders, air and gas treatment equipment, and air management systems. The business area has a global service network and innovates for sustainable productivity mainly for the manufacturing and process industries.

Key figures, MSEK	2022	2021	Change, %
Orders received	69 834	55 012	27%
Revenues	61 058	49 657	23%
EBITA*	14 882	12 205	
– as a percentage of revenue	24.4	24.6	
Operating profit	14 425	11 874	21%
Operating margin, %	23.6	23.9	
Return on capital employed, %	82	93	
Investments	897	620	
Average number of employees	20 044	18 785	

* Operating profit excluding amortization of intangibles related to acquisitions.

Vacuum Technique, page 24

The Vacuum Technique business area provides vacuum products, exhaust management systems, valves and related products. The main markets served are semiconductor and scientific, as well as a wide range of industrial segments including chemical process industries, food packaging and paper handling. The business area has a global service network and innovates for sustainable productivity in order to further improve its customers' performance.

Key figures, MSEK	2022	2021	Change, %
Orders received	41 213	39 529	4%
Revenues	38 941	29 219	33%
EBITA*	9 019	7 569	
– as a percentage of revenue	23.2	25.9	
Operating profit	8 407	7 066	19%
Operating margin, %	21.6	24.2	
Return on capital employed, %	24	25	
Investments	2 099	993	
Average number of employees	10 929	8 961	

* Operating profit excluding amortization of intangibles related to acquisitions.

Industrial Technique, page 27

The Industrial Technique business area provides industrial power tools, assembly techn machine vision solutions, quality assurance products, software and service through a g work. The business area innovates for sustainable productivity for customers in the aut and general industries.

Key figures, MSEK	2022	2021
Orders received	26 070	20 545
Revenues	23 007	19 421
EBITA*	5 127	4 538
– as a percentage of revenue	22.3	23.4
Operating profit	4 597	3 976
Operating margin, %	20.0	20.5
Return on capital employed, %	17	[illegible]
Investments	518	[illegible]
Average number of employees	9 162	[illegible]

* Operating profit excluding amortization of intangibles related to acquisitions.

Power Technique, page 30

The Power Technique business area provides portable air and power, industrial and por flow solutions through products such as mobile compressors, generators, light towers, and portable pumps, along with a number of complementary products. It also offers sp rental and provides service through a global network. Guided by a forward-thinking ap innovation, Power Technique provides sustainable productivity solutions across multip including construction, manufacturing, oil and gas, and exploration drilling.

Key figures, MSEK	2022	2021
Orders received	21 783	[illegible]
Revenues	19 053	[illegible]
EBITA*	3 666	[illegible]
– as a percentage of revenue	19.2	[illegible]
Operating profit	3 525	[illegible]
Operating margin, %	18.5	[illegible]
Return on capital employed, %	25	[illegible]
Investments	1 009	[illegible]
Average number of employees	4 810	[illegible]

* Operating profit excluding amortization of intangibles related to acquisitions.

Compressor Technique

The demand for the business area's equipment and service was strong, and order volumes increased significantly. The increased order intake was supported by solid demand in all regions. 18 acquisitions were completed during the year, and continued investments were made in product development, online and offline market presence, and service. The business area also intensified its focus on developing solutions for customer segments contributing to a low-carbon society.

Market development
The demand for equipment and service was strong, and order volumes increased markedly throughout the year. In total, the order intake increased 14% organically.

Order volumes for the service business increased noticeably, with solid order growth in all regions. The increased order intake was generated by a higher demand for spare parts, repair, maintenance, and service contracts, the latter supported by an increased number of connected products in the market.

The order intake for equipment increased significantly, supported by increased demand in all regions, especially in North America and Asia. Customer segments contributing to the transition to a low-carbon society, such as the production of batteries for electric cars, solar panels, LNG, and hydrogen applications, particularly supported the growth in order intake. The order intake for large industrial compressors grew more than orders for small and medium-sized compressors, particularly during the second half of the year. Order volumes for gas and process compressors increased significantly, with strong growth in all regions, particularly in North America.

Market presence and organizational development
The business area strengthened its market position with the launch of several new innovative products during the year. The product portfolio was expanded in particular for applications related to the energy transition, such as compression and liquification of hydrogen and LNG. The service offer was also further developed through continued focus on connectivity and data analytics. Resources were added in research and development and market presence, primarily through the development of digital channels.

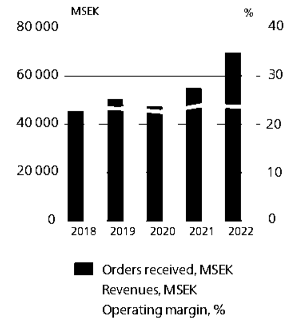
While the business grew significantly, the business area managed to lower its environmental footprint from operations, as a result of a further increased use of renewable energy. The business area also supported its customers' sustainability efforts through an increased installed base of energy efficient products.

The business area continued to develop its main European site in Antwerp, Belgium, through investments in its production and research and development facilities.

The business area also increased its presence in targeted markets and customer segments through several acquisitions, see below.

The business area made in total 18 acquisitions in 2022:
- Oxymat A/S, a Danish manufacturer of on-site gas generation equipment with 146 employees and revenues of about MSEK 411.
- SCB S.r.l., an Italian condensate management manufacturer with 16 employees and revenues of MSEK 51.
- Aircel, LLC., a US-based provider of air treatment and air purification solutions with 19 employees and revenues of about MSEK 55.
- The assets in Suzhou Since Gas System Co., Ltd., a Chinese manufacturer of on-site gas generation with 80 employees and revenues of about MSEK 93.
- Shandong Meditech Medical Technology Co., Ltd., a Chinese manufacturer of medical oxygen solutions with 70 employees and revenues of about MSEK 114.

Orders received, revenues and operating margin



The following acquisitions were also made:
- CAS Products Ltd, a British distributor.
- Associated Compressor Engineers Ltd (ACE), a UK-based distributor.
- Bireme Group, a Singapore-based distributor
- FITEC S.A.S., a French distributor.
- Glaston Compressor Services Ltd., a UK-based distributor.
- The operating assets of Compressed Air Products, Inc., a US-based distributor.
- DF-Druckluft-Fachhandel GmbH, a German company specialized in online sales.
- Mesa, a US-based distributor.
- Vector Sp. z o.o., a Polish-based distributor.
- Precision Pneumatics Ltd, UK-based distributor.
- Wearside Pneumatics Ltd, UK-based distributor.
- Entreprises Larry Inc., a Canadian distributor.
- The operating assets of Northeast Compressor, a US-based distributor.

For more information see page 73.

Revenues, MSEK 61 (
2021: 49 657

Operating profit margin 23.
2021: 23.9%

Return on capital employed 8
2021: 93%

Sales bridge	Orders received
2021, MSEK	**55 012**
Structural change, %	+2
Currency, %	+11
Organic*, %	+14
Total, %	**+27**
2022, MSEK	**69 834**

* Volume, price and mix

Revenues, profits and returns
Revenues reached MSEK 61 058 (49 65
organic increase of 10%. The operating
increased by 21% to MSEK 14 425 (11 8
corresponding to a margin of 23.6% (2
margin was positively affected by curre
higher organic revenue volumes. In co
increased costs related to Covid-19, pri
first half of the year, supply chain const
consequent inefficiencies in factories h
ative effect on the operating margin. R
capital employed was 82% (93).

Atlas Copco

Orders received by customer category

Other, 18%
Service, 13%
Construction, 15%
Process industry, 24%
General manu-facturing, 25%
Electronics, 4%
Automotive, 1%

Revenues by region

Asia/Oceania, 33%
Africa/ Middle East, 7%
Europe, 31%
North America, 23%
South America, 6%

Share of revenues

Service, 43%
Equipment, 57%

The market
The global market for compressed air equipment, air and gas treatment equipment, and related services is characterized by a diversified customer base. The customers request solutions that are reliable, productive, efficient, and suited to specific applications. Customers are also increasingly looking for partners to support their sustainability ambitions.

Compressors are used in a broad spectrum of applications. Clean, dry, and oil-free air is needed in industrial processes, e.g. the food, pharmaceutical, electronics, and textile industries. Compressors are used in wastewater treatment, and increasingly in applications contributing to the transition to a low-carbon society, such as green hydrogen, LNG, and batteries for electric vehicles. Compressed air is also used in automation and in sectors as diversified as hospitals, and in high-speed trains. Blowers are used in applications where there is a need for a consistent flow of low-pressure air, for example in wastewater treatment, and conveying.

Gas and process compressors and expanders are supplied to various process industries, such as air separation plants, power utilities, chemical and petrochemical plants, and liquefied natural gas applications.

Stationary industrial air compressors and associated air-treatment products, spare parts and service represent about 90% of sales. Large gas and process compressors, including related service, represent about 10%.

Market trends
- Increased focus on energy efficiency, energy recovery, and the reduction of CO_2 emissions
- Accelerated investments in market segments contributing to a low carbon society
- Focus on total solution and total life-cycle cost
- The combination of cloud technology, big data and machine learning increases the demand for data-driven service solutions
- New applications for compressed air

Demand drivers
- Industrial production
- Transition to a low-carbon society
- Energy costs
- The need for decreased CO_2 emissions drives demand for more energy-efficient machinery

Vision and strategy
The vision is to be First in Mind—First in Choice as a supplier of compressed air and gas solutions by being interactive, committed and innovative, and by offering the best value to customers. The strategy is to further develop Atlas Copco's leading position in selected niches and growing the business in a way that is economically, environmentally and socially responsible. This should be done by capitalizing on the strong global market presence, improving market penetration in mature and developing markets, and continuously developing improved products and solutions to satisfy customer demands. The presence is enhanced by utilizing several commercial brands. Key strategies include growing the service business as well as developing businesses within focused areas such as air-treatment equipment, blowers, and compressor solutions for trains, ships, and hospitals. By offering the most energy-efficient products, the business aims to contribute to a better tomorrow and to support customers in meeting their sustainability ambitions.

The business area is actively looking at acquiring complementary businesses.

Strategic activities
- Intensify focus on research and development
- Increase focus on digitalization and connected products
- Increase market coverage, through digital and physical presence, and improve presence in targeted markets/segments
- Develop new sustainable products and solutions offering better value and improved energy efficiency to customers
- Activities supporting customers to meet their sustainability ambitions
- Extend the product and service offering at current customers and adjacent segments and applications
- Perform more service on a higher share of the installed base of equipment
- Increase operational efficiency
- Invest in people and competence development
- Acquire complementary businesses

Competition
Compressor Technique's principal com
in the market for industrial compresso
treatment equipment are Ingersoll Ra
Hitachi, and Parker Hannifin. There are
numerous regional and local competit
example, in China. In the market for ga
process compressors and expanders, t
competitors are Siemens and MAN Tur

Market position
A leading market position globally in m
operations.

![Atlas Copco]

Compressor Technique: Products and applications

Atlas Copco offers all major air compression technologies as well as air and gas treatment equipment, and air management systems and is able to offer customers the best solution for every application.

Piston compressors
Piston compressors are available as oil-injected and oil-free. They are used in general industrial applications as well as specialized applications.

Oil-free tooth and scroll compressors
Oil-free tooth and scroll compressors are used in industrial and medical applications with a demand for high-quality oil-free air. Some models are available as WorkPlace AirSystem with integrated dryers, as well as with energy-efficient variable speed drive (VSD).

Rotary screw compressors
Rotary screw compressors are available as oil-injected and oil-free. They are used in numerous industrial applications and can feature the WorkPlace AirSystem with integrated dryers, as well as the energy-efficient variable speed drive (VSD) technology and energy recovery kits.

Oil-free blowers
Oil-free blowers are available with different technologies: rotary lobe blowers, rotary screw blowers and centrifugal blowers. Blowers are used in process industry applications with a demand for a consistent flow of low-pressure air, for example in wastewater treatment and conveying.

Oil-free centrifugal compressors
Oil-free centrifugal compressors are used in industrial applications that require constant, large volumes of oil-free air. They are also called turbo compressors.

Gas and process compressors, expanders and pumps
Gas and process compressors, expanders and pumps are primarily supplied to the energy industries (including oil and gas, conventional and renewable power generation, hydrogen etc.), as well as industrial gases. The main equipment solutions are single- and multi-stage centrifugal compressors, expanders and pumps, complemented by oil-free gas screw compressors used by the Marine and LNG carrier industry.

Air and gas treatment equipment and medical air solutions
Dryers, coolers, gas purifiers and filters are supplied to produce the right quality of compressed air or gas. In addition, the offering includes solutions for medical air, oxygen and nitrogen generation as well as systems for biogas upgrading.

Principal product development and manufacturing units are located in:
Belgium, the United States, China, India, Germany and Italy.

INNOVATIONS DURING 2022

Several new products were introduced during the year, including:

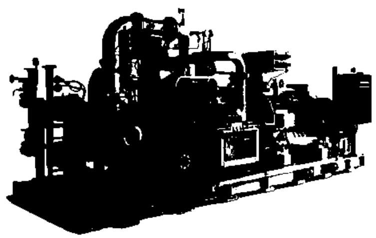
Atlas Copco inPASS, a new range of compressed air filters that help customers to optimize the air quality and protect equipment in production.

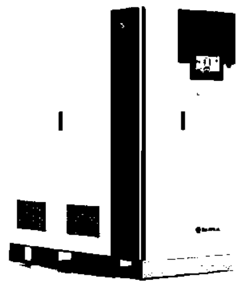
BD 360⁺–1260⁺ (ZP), a new range of desiccant dryers offering increased flow, higher energy efficiency and hence lower CO_2 emissions.

ZT30–50VSD⁺, a new range of oil-free tooth compressors offering compact design, low noise, and 15% more energy efficiency compared to the previous generation.

H2P reciprocating hydrogen compressor developed mainly for pipeline injection and storage applications offering high energy efficiency and flexibility due to modular design.


Oil-injected screw compressor with variable speed


Oil-free gas screw compressors are essential equipment aboard Liquefied Natural Gas vessels


All-in-one Oxygen Concentrator System providing medical oxygen

MANAGEMENT
Compressor Technique, January 1, 202


Business Area President Vagner Rego


Industrial Air, President Joeri Ooms


Professional Air, President Alain Lefranc


Gas and Process, President Robert Radimeczky


Compre Technic Preside


Oil-free Philippe


Medica Solutio Ben Var


Airtec, Wouter

Vacuum Technique

The market for vacuum equipment and related service was strong, although the demand from the semiconductor industry decreased during the latter half of the year, resulting in an overall decrease in order intake. The business area made several acquisitions, intensified its focus on innovation, and made further investments in operations to better support customers' need for equipment and services.

Market development
The overall demand for vacuum equipment and services remained high even if the demand from the semiconductor and flat panel display industry decreased sharply during the latter half of the year, resulting in an overall order decrease of 8% organically.

The service business achieved solid order growth, supported by increased demand from the semiconductor industry and industrial customers. The order intake increased in all major regions.

Order volumes for equipment, however, decreased as a result of a markedly weakened demand from the semiconductor and flat panel display industry during the third and fourth quarters. This was primarily driven by lower investment levels by memory manufacturers. The order intake decreased significantly in all regions except Europe, where order volumes increased. Order volumes for equipment to industrial and scientific vacuum applications increased considerably with solid growth in all regions.

Market presence and organizational development
The business area continued to focus on innovation with further investments in research and development. Several new innovative products were introduced, targeting both the semiconductor and flat panel display market, and the industrial and scientific vacuum market. The market presence was strengthened, and the product offering was expanded as a result of several acquisitions during the year. Resources were also added in sales and marketing, particularly aimed at the industrial and scientific vacuum market.

The business area supported customers in reducing their environmental footprint through increased delivery of energy-efficient products. To reduce the environmental footprint of its own operations, the business area increased the share of renewable energy contracts, particularly in China and South Korea.

Continued efforts were made to strengthen the business area's digital capabilities, and to service and support customers through connectivity. One example was the further development and rollout of the remote monitoring systems for vacuum pumps Edcentra and GENIUS Instant Insights™.

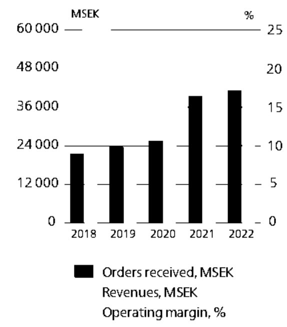
Several investments were made in operations in order to increase the presence and closeness to customers. For example, the business area invested in a service technology center in Langfang, China, in new distribution centers in South Korea and Japan, a manufacturing facility in Asan City, South Korea, a remanufacturing and assembly facility in Chandler, USA, and in a cryopump manufacturing and R&D facility in Haverhill, USA.

The business area made in total eight acquisitions in 2022:
- HHV Pumps Pvt. Ltd., an Indian vacuum pump provider with 151 employees and revenues of approximately MSEK 53.
- National Vacuum Equipment Inc., a US manufacturer of mobile vacuum pumps and packages with 100 employees and revenues of approximately MSEK 223.
- Ceres Technologies, Inc., a US-based manufacturer and designer of gas and vapor delivery equipment for the semiconductor industry, with 185 employees and yearly revenues of approximately MSEK 351.
- Shandong Jinggong Pump Co., Ltd, a Chinese manufacturer of industrial vacuum pumps and systems with 100 employees and yearly revenues of approximately MSEK 102.
- Montana Instruments Corporation, a US-based cryostat manufacturer with 38 employees and yearly revenues of approximately MSEK 106.

The following acquisitions were also made:
- Tekser Endüstriyel Cihazlar Sanayi ve Ticaret A.Ş, a Turkish distributor service provider.
- Qolibri Inc., a US-based provider of semiconductor subfab solutions.
- Les pompes à vide TECHNI-V-AC inc., a Canadian vacuum distributor and service provider.

For more information see page 73.

Orders received, revenues and operating margin



Revenues, MSEK 38 ...
2021: 29 219

Operating profit margin 21. ...
2021: 24.2%

Return on capital employed 2 ...
2021: 25%

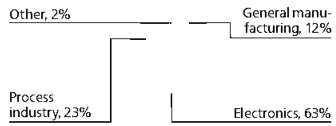
Sales bridge	Orders received
2021, MSEK	**39 529**
Structural change, %	+1
Currency, %	+11
Organic*, %	–8
Total, %	**+4**
2022, MSEK	**41 213**

* Volume, price and mix

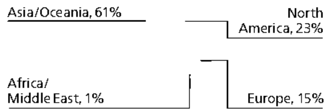
Revenues, profits and returns
Revenues increased 33% to MSEK 38 9... (29 219), corresponding to 16% orga... The operating profit increased 19% to 8 407 (7 066), corresponding to a marg... (24.2). The main explanation for the lo... gin were higher costs related to supply constraints, inefficiencies in factories, a... associated with Covid-19. The last was ... during the first half of the year. Return ... employed was 24% (25).

Atlas Copco

Orders received by customer category



Revenues by region



Share of revenues

The market

Vacuum and abatement solutions are required in a number of applications where the pressure needs to be below atmospheric pressure and/or the environment needs to be clean.

The Vacuum Technique business area sells products, systems and services across several targeted market sectors.

The market can be categorized into semiconductor, industrial vacuum and scientific vacuum. However, each of these sectors contains several sub-sectors and specific applications.

Vacuum products include a broad range of dry pumps, turbomolecular pumps and other vacuum pumps. These are used to create highly controlled, low-pressure, particle-free environments in a diverse set of manufacturing processes. Such processes include semiconductor, flat panel display, LED and solar, glass and optical coating, scientific instruments used in life sciences, research institutes focused on renewable energy, high-energy lasers and nanotechnology, pharmaceuticals, heat treatment, lithium-ion batteries, and food processing and packaging.

Abatement systems include stand-alone and customized solutions which integrate vacuum and exhaust management technologies. Abatement is required both to prevent adverse chemical reactions within production processes and to comply with strict regulatory emission controls. The business area also provides value-added services including equipment monitoring, field and on-site servicing, remanufacturing, service upgrades and provision of spare parts and oils.

Market trends

- Increased use of demanding materials and extreme working temperatures in processes for semiconductor and industrial production
- Focus on energy-efficiency
- Stricter regulatory emission standards
- Increased demand for digitally supported service offers
- Focus on total solutions and total life-cycle cost
- Focus on circularity as a sustainability solution

Demand drivers

- Industrial production
- Manufacturing of semiconductors, research and development equipment, lithium-ion batteries, flat panel display and solar energy products
- Demand for energy-efficient vacuum pumps
- Increase in vacuum requirements to support new production processes

Vision and strategy

The vision is to be First in Mind—First in Choice for vacuum and abatement solutions. The strategy focuses on technology leadership, market leadership and agility, to support growth. This is done by focusing on product research and development programs together with deployment of highly innovative products and services. Continued execution of market leadership will be done by an organization focused on agility, growing market share in our traditional heartlands and further expansion of the geographical footprint.

Additionally, the business area has a strong focus on developing the service business and an efficient and flexible global operations footprint.

Strategic activities

- Increase market coverage and improve presence in targeted markets and segments
- Fast introduction of highly innovative products and services offering better value and improved energy efficiency
- Increased market penetration and coverage through brand portfolio management
- Perform more service on a higher share of the installed base of equipment
- Invest in service presence close to customers
- Increase organizations' agility and operational efficiency
- Invest in people and competence development
- Grow through strategically attractive acquisitions

Competition

Vacuum Technique's principal competi

Semiconductor market:
DAS Environmental Expert, Ebara, Kash
Pfeiffer Vacuum, Shimadzu Corporatio

Industrial and scientific market:
Ingersoll Rand, Pfeiffer Vacuum, and Bu

Market position

A global market leader for vacuum and abatement solutions.

Atlas Copco

Vacuum Technique: Products and applications

The Vacuum Technique business area offers an extensive range of vacuum and abatement solutions to the market.

Oil-sealed rotary vane vacuum pumps
The latest generation of oil-sealed rotary vane pumps has been refined to produce a better quality of vacuum while extending the pressure range over which the pump can operate. They are used in a wide variety of industrial, and research and development applications.

Dry vacuum pumps
Dry pumps are oil-free pumping mechanisms to create vacuum environments. They use no lubricants within the pumping mechanism and have a series of available monitoring and control options. Dry pumps are used extensively in many semiconductor applications, as well as in industrial processes such as metallurgy, coating, drying, mobile applications and solar. They are also used in scientific instruments such as scanning electron microscopes.

Turbomolecular pumps
In turbomolecular pumps, or turbo pumps, a turbine rotor spins rapidly to create vacuum. The defining feature of a turbo pump is the high rotational speed. These pumps are typically used in conjunction with primary wet or dry pumps. They are commonly used in semiconductor applications, research and development, industrial applications and high energy physics.

Liquid ring vacuum pumps
Liquid ring pumps are equipped with a fixed blade impeller. As the impeller rotates, the liquid forms a ring around the circumference of the casing. Standard liquid ring vacuum solutions are perfect for use in humid, dusty and dirty environments commonly found in industrial processes, including food and beverage, mining, chemicals, oil, steel, cement, plastics and textiles.

Abatement and integrated systems
Abatement systems are used to manage gases and other process by products from dry pump exhaust. Abatement is required to prevent adverse chemical reactions with production processes and to comply with strict regulatory emission controls. Abatement and integrated systems are primarily used in semiconductor, flat panel display, solar and LED applications.

Cryogenic pumps
Cryogenic pumps create vacuum by condensing (freezing) gas onto special arrays of cryogenically cooled surfaces within the pump envelope. The temperature of the surfaces can be below 20K/–250°C to enable the capture of most gas species. Cryogenic pumps are used in a spectrum of high-technology research applications as well as in manufacturing of semiconductor, flat panel and optical devices.

Principal product development and manufacturing units are located in:
The United States, Mexico, the United Kingdom, Czech Republic, Germany, South Korea, China and Japan.

INNOVATIONS DURING 2022

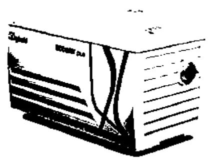
Several new products were introduced during the year, including:

A new generation variable speed drive oil-injected vacuum pumps, **GHS 1402 2002VSD+,** targeting industrial vacuum applications and offering optimal oil separation and a small footprint.

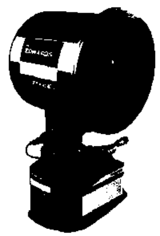
A new cryogenic pump, the **Edwards CTI On-Board® IS 320F XVS,** offering high performance and solid vacuum consistency while providing real-time system information for optimum temperature control.

A new module for integrated vacuum and abatement systems, the **Hydrogen Dilution (H2D),** providing significantly lower energy consumption and lower carbon footprint compared to other solutions in semiconductor processes.

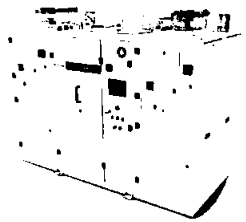
A new innovation for improved abatement product performance, the **Porous Head Technology,** available for both new equipment and service upgrades, offering increased efficiency and abatement uptime for customers.



Dry vacuum pump for analysis applications and research laboratories



Cryogenic pump



Integrated abatement system used in the semiconductor industry

MANAGEMENT
Vacuum Technique, January 1, 2023

Business Area President
Geert Follens

Semiconductor Service, President
Troy Metcalf

Semiconductor Chamber Solutions, President
Martin Tollner

Industrial Vacuum, President
Koen Lauwers

Vacuum Service, Eckart F

Semico Preside Kate W

Scientif Preside Carl Bro

Industrial Technique

The demand for equipment and service was strong, and order volumes to automotive and general industry customers increased in all regions. Several new products were introduced to the market, investments were made in research and development and in digital presence. The focus on how to support customers in reducing their environmental footprint was also intensified.

Market development
The overall demand for equipment and services increased markedly, supported by increased investment activity in both the automotive and general industry. In total, the order intake increased 17% organically.

Order volumes for the service business increased with solid growth in all regions.

The demand for industrial assembly and vision solutions to the automotive industry increased significantly, and the order intake increased in all regions. The strong order growth was primarily driven by customers' increased investments in electric vehicle production.

Order volumes for industrial assembly and vision solutions to the general industry increased, supported by an increased demand from most customer segments, and growth in all regions.

Market presence and organizational development
The business area continued to invest in innovation and further strengthened its product portfolio by introducing several new products to the market during the year.

The service offering was strengthened through the rollout of a cloud-based data analytics offer, enabling customers to optimize their processes and equipment maintenance. The business area also intensified its focus on reducing the environmental footprint by, for example, an increased use of recycled material in new products and through the launch of a new activity concept helping customers in their sustainability ambitions and to reduce their CO_2 emissions.

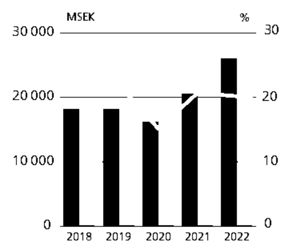
Investments were made in new machining equipment in the production facility in Tierp, Sweden, in a new innovation center for battery production and electronics in Neustadt, Germany, and a new production and R&D facility in Shanghai, China.

The business area made one acquisition in 2022:
Soft2tec GmbH, a German company specialized in camera-based tracking systems used for operator guidance, with 38 employees and revenues of approximately MSEK 20.

For more information see page 73.

Revenues, profits and returns
Revenues increased 18% to 23 007 (19 421), corresponding to an 8% organic increase. The operating profit increased 16% to MSEK 4 597 (3 976), and the operating margin reached 20.0% (20.5). Increased costs related to supply chain constraints, Covid-19 in the first half of the year, and stock adjustments and provisions, affected the margin negatively. Currency had a positive effect on the operating margin. Return on capital employed was 17% (16).

Orders received, revenues and operating margin



Revenues, MSEK
23 0
2021: 19 421

Operating profit margin
20.
2021: 20.5%

Return on capital employed
1
2021: 16%

Sales bridge	Orders received
2021, MSEK	**20 545**
Structural change, %	–1
Currency, %	+11
Organic*, %	+17
Total, %	**+27**
2022, MSEK	**26 070**

* Volume, price and mix

Orders received by customer category

Other, 11%
Service, 6%
Construction, 2%
Process industry, 5%
General manufacturing, 21%
Electronics, 4%
Automotive, 51%

Revenues by region

Asia/Oceania, 31%
Africa/Middle East, 2%
Europe, 33%
North America, 32%
South America, 2%

Share of revenues

Service, 27%
Equipment, 73%

The market
The global market for industrial power tools and assembly systems with related services has a large number of participants with a wide range of products in different applications such as assembly of parts, drilling and material removal. Customers are found in industries such as the automotive industry, off-highway vehicles, the electronics industry, aerospace, appliances, the energy sector, and general industrial manufacturing. In particular, the business area has been successful in developing advanced electric industrial tools and systems that assist customers in achieving fastening according to their specifications and minimizing errors and interruptions in production.

With an increasing demand for electric cars, battery production, and a growing use of lighter materials, the automotive industry looks to innovative assembly solutions. The market demands new assembly technologies such as dispensing of adhesives and sealants and self-pierce riveting.

The market for machine vision becomes increasingly important, driven by a growing demand for automation, quality and productivity in industrial production. Machine vision solutions are used in discrete production, such as the automotive industry, and in continuous processes production, such as metal and paper production, advanced material manufacturing, and solar panels.

Market trends
- Automation in customers' production
- Digitalization and demand for connectivity in production
- Increased customer focus on reducing CO_2 emissions
- Increased demand for electric vehicles
- Higher requirements for productivity, flexibility and ergonomics, and increased demand for in-line quality control
- Increased focus on renewable energy and storage
- Use of light-weight material in transportation-related industries

Demand drivers
- Capital expenditure for automotive and general industrial production
- Increased production capacity
- Customer investments in new production lines for new products
- Customer investments in more efficient production
- Operational expenditure in automotive and general industry, e.g. quality assurance and flexible automation
- Investments in customer segments' contribution to transformation to a low-carbon society

Vision and strategy
The vision is to be First in Mind—First in Choice as a supplier of industrial power tools, joining and dispensing solutions, machine vision, and related services. The strategy is to continue to grow the business profitably by building on technological leadership and continuously offering products and services that improve customers' productivity, flexibility, quality, energy efficiency, safety, and ergonomics. Key strategic initiatives include adjusting the product offer to meet increased automation in customers' production processes, and providing additional service, know-how and training.

The business area is also increasing its presence in targeted geographical markets. The presence is enhanced by a brand portfolio strategy. The business area is actively looking at acquiring complementary businesses. Growth should be achieved in a way that is economically, environmentally and socially responsible.

Strategic activities
- Increase market coverage and improve presence in targeted markets/segments
- Develop new innovative products and solutions, offering increased quality and productivity, and improved ergonomics
- Develop products helping customers to reduce their environmental impact
- Further increased focus on automation and digitalization, through connected products and solutions, to support customers' productivity and flexibility
- Increase the share of proactive services and the share of service on the installed base
- Increase operational efficiency
- Invest in people and competence development
- Acquire complementary businesses and integrate them successfully

Competition
Industrial Technique's principal compe

Industrial tools business:
Apex Tool Group, Ingersoll Rand, ESTIC
Bosch, as well as several local and regio
competitors.

Adhesive and sealant equipment:
Nordson, Graco, Viscotec, BD Tronic, an

Self-pierce riveting:
Stanley Black & Decker, and Böllhoff.

Machine vision:
Zeiss, ISV, Coherix, Ametek and Dr. Sch

Market position
A leading market position globally in m
operations.

Atlas Copco

Industrial Technique: Products and applications

The Industrial Technique business area offers the most extensive range of industrial power tools, assembly systems, and machine vision solutions on the market.

Industrial assembly tools and solutions
Advanced assembly tools and systems are used in the automotive industry and general industrial production such as aerospace, off-highway, and electronics. The business area provides a broad range of pneumatic, hydraulic and electric assembly tools, control systems, and associated software for safety-critical tightening. These systems generally allow customers to collect, record, and process assembly data in their production.

Self-pierce riveting solutions, adhesive dispensing and flow drill fastening equipment
Self-pierce rivets, adhesive, and flow-drill fasteners are primarily used in the automotive industry driven by increased use of light materials in car manufacturing. The business area offers self-pierce riveting tools and rivets, dispensing equipment for adhesives and sealants, as well as flow-drill fastening equipment.

Material removal tools, drills and other pneumatic products
Pneumatic and electric industrial grinders, drills and percussive tools are used in several industrial applications, for example in metal fabrication and aerospace production. The business area also offers airline infrastructure for optimization of pneumatic tools, and air motors that are used as drive units in various industries and applications.

Machine vision solutions
Machine vision is a key technology for industrial automation and digital manufacturing. The offer is focused on quality control of surface inspection and 3D vision systems for in-line metrology, quality control, and robot guidance. The combination of high-performance cameras, illumination, and vision and analytics software, allows customers in a broad range of industries to improve quality and automate production.

INNOVATIONS DURING 2022

Several new products were introduced during the year, including:

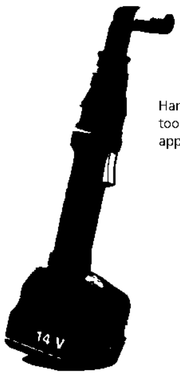
A new **screw feeding system,** based on standardized modules for tailor-made design, that will support customers to improve quality, uptime, and productivity in production.

The **ILS 2.0,** a new positioning system for Atlas Copco's battery assembly tools using machine vision technology to track tool position generating increased production quality and remained flexibility.

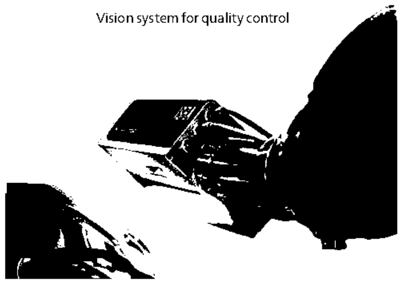
The **STRwrench,** a new handheld torque wrench with connectivity features, supporting customers to increase flexibility and reduce errors in their production.

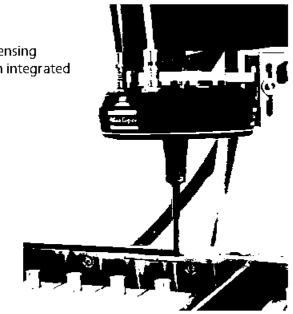
A new high-performance dispenser, the **DosP DP2001,** supporting customers in reducing process times when applying sealants, adhesives, or potting materials in customers' production.

Principal product development and manufacturing units are located in:
Sweden, Germany, Hungary, the United Kingdom, France, China, Japan, and the United States.



Handheld battery tool for assembly applications


Vision system for quality control


Adhesive dispensing system with an integrated vision system

MANAGEMENT
Industrial Technique, January 1, 2023


Business Area President Henrik Elmin


Industri Service, Håkan A


Motor Vehicle Industry Tools and Assembly Systems, President Lars Eklöf


Genera Tools ar System Carl vor


Chicago Pneumatic Tools, President Ivo Maltir


Industri Solutio Berthol


Machine Vision Solutions, President Tomas Lundin

Power Technique

The demand for equipment, service, and specialty rental solutions was strong, and significant order growth was achieved in most regions. The business area continued to invest in research and development, digital capabilities, and solutions that can reduce customers' environmental footprint. In addition, through the acquisition of Lewa GmbH, the product offer for the industrial pump market was strengthened significantly.

Market development
The overall demand for equipment, service and specialty rental solutions increased significantly. Order volumes increased strongly in all regions, except Asia, where they were essentially unchanged. In total, the order intake increased 18% organically.

Order volumes for the specialty rental business increased noticeably throughout the year, supported by increased demand in all regions, particularly in North America. The demand for service also increased, and solid order growth was achieved in all regions.

Equipment orders increased sharply, driven primarily by an increased demand from equipment rental companies in the first half of the year. Demand was also strong during the second half of the year, both from equipment rental companies and end users. Order volumes increased for portable compressors and power and flow equipment, such as generators and pumps.

Market presence and organizational development
During the year, the business area continued to invest in innovation and market presence in targeted markets and segments. One example of increased geographical presence was the opening of three new rental depots for the Specialty Rental business.

Several new innovative products were introduced during the year. Through the acquisition of Lewa GmbH, the product offer for the industrial pump market was significantly strengthened.

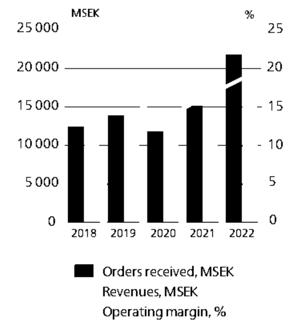
Thanks to an increased number of connected products offered to the market, the ability to support and provide service to customers increased further during the year. To support the Specialty Rental business, investments were also made in a new ERP and CRM system.

The continued investment in eco fuel (HVO) for equipment testing is one example of how the business area further reduced the environmental footprint in its own operations. The further redesign of products to be electrically powered is an example of how the business area works to support customers in their sustainability ambitions.

The business area made three acquisitions in 2022:
- Pumpenfabrik Wangen GmbH, a German manufacturer of progressive cavity pumps used for transferring fluids mainly in the biogas and wastewater sectors. The company had 265 employees and annual revenues of about MSEK 466.
- LEWA GmbH and subsidiaries, a German manufacturer of diaphragm metering pumps, process pumps and complete metering systems, with around 1 200 employees and annual revenues of about MSEK 2 400.
- Geveke B.V. and subsidiaries, a company that distributes compressors and engineers advanced and complex process pump installations, with 173 employees and annual revenues of about MSEK 648.

For more information see page 73.

Orders received, revenues and operating margin



Revenues, profits and returns
Revenues increased 44% to MSEK 19 053 (13 234), corresponding to a 16% organic increase. The operating profit increased 66% to a record MSEK 3 525 (2 121), corresponding to a margin of 18.5% (16.0). The main explanation for the higher operating margin was increased organic revenue volumes. Costs related to supply chain constraints, and Covid-19 in the first half of the year, affected the margin negatively. Currency had a small positive effect on the operating margin. Return on capital employed was 25% (27).

Revenues, MSEK 19
2021: 13 234

Operating profit margin 18.
2021: 16.0%

Return on capital employed 2
2021: 27%

Sales bridge	Orders received
2021, MSEK	**15 155**
Structural change, %	+13
Currency, %	+13
Organic*, %	+18
Total, %	**+44**
2022, MSEK	**21 783**

* Volume, price and mix

Orders received by customer category

Other, 17%
Service, 6%
Construction, 39%
General manufacturing, 20%
Process industry, 18%

Revenues by region

Asia/Oceania, 18%
Africa/Middle East, 9%
Europe, 37%
North America, 28%
South America, 8%

Share of revenues

Service, 14%
Service (Specialty Rental), 30%
Equipment, 56%

The market

The market for portable air, power and flow, and industrial flow solutions includes a large number of participants offering a comprehensive product range for different applications. The Power Technique business area focuses on a selected number of applications.

Multiple segments are served by the business area's offering. General and civil engineering contractors, often involved in infrastructure projects, demand light construction tools. Mobile compressors, generators, energy storage systems, light towers, and pumps provide reliable power for tools and applications in the construction sector. In addition, the business area focuses on a number of industrial flow applications through its metering and dosing pump product offer, and temporary air, power, steam, and nitrogen are offered to the specialty rental market.

Market trends

- Higher requirements regarding productivity, flexibility and ergonomics
- Increased customer focus on reducing CO_2 emissions
- Increased customer focus on safety
- Equipment connectivity
- Increased demand for service support / contracts

Demand drivers

- Infrastructure growth
- Investment in products that contribute to the transformation to a low-carbon society
- Industrial production
- Emergency relief efforts
- Engine regulations

Vision and strategy

The vision is to be the First in Mind—First in Choice provider of power and flow solutions for sustainable productivity.

The strategy is to grow by developing Atlas Copco's market position and presence as a global supplier within portable compressors, pumps, generators, and industrial pumps, as well as light towers, along with a range of complementary, market specific, niche products, such as high-pressure boosters. The strategy also includes further development of specialty-rental services and of the service business; increasing revenues by offering more services to more customers. Growth should be achieved in a way that is economically, environmentally and socially responsible.

Strategic activities

- Increase market coverage and improve presence in targeted markets/segments
- Capture sales and service synergies
- Develop new sustainable products and solutions offering enhanced productivity, safety and reduced environmental impact
- Invest in design, development and production capacity in growth markets
- Develop more competitive offerings with different value propositions
- Perform more service on a higher share of the installed base of machines
- Develop the service business
- Increase operational efficiency
- Invest in employees and competence development
- Acquire complementary businesses and integrate them successfully

Competition

Power Technique's principal competitc

The portable power market:
Doosan, Generac, Kaeser, and Sullair. Ir there are a large number of local and re competitors.

The industrial pump market:
Milton Roy, and Bran+Luebbe.

Market position

A leading or strong market position glo in most of its operations.

Power Technique: Products and applications

The Power Technique business area offers a range of products across multiple industries including, industrial manufacturing, civil engineering, demolition, and exploration drilling.

Industrial flow
Positive displacement electric pumps are used in a broad range of different industries.

Portable power
Portable generators fulfill a temporary need for electricity, primarily in construction applications. Other common applications are power supply for events, emergency power and power in remote locations. Lighting towers provide light for safe operations 24/7.

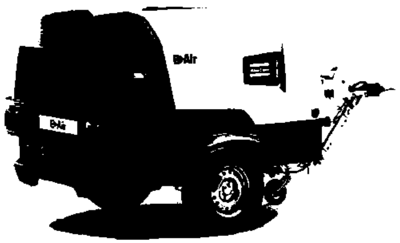
Portable flow
Portable electric and diesel-driven pumps as well as submersible electric pumps, primarily for water.

Portable air
Portable oil-injected compressors are primarily used in construction applications where compressed air is used as a power source for equipment, such as pneumatic breakers and rock drills. Portable oil-free compressors are rented by customers to meet a temporary need for oil-free air, primarily in industrial applications. Electric portable air compressors generate less noise than compressors with combustion engines and are ideal for low-noise and emission zones or indoor applications.

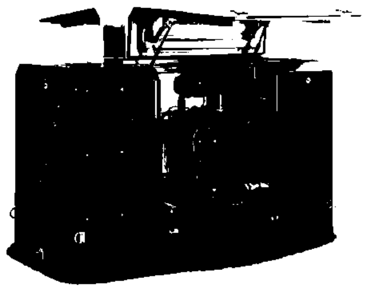
Construction and demolition tools
Hydraulic, pneumatic and gasoline-powered breakers and drills used in construction, demolition and mining businesses.

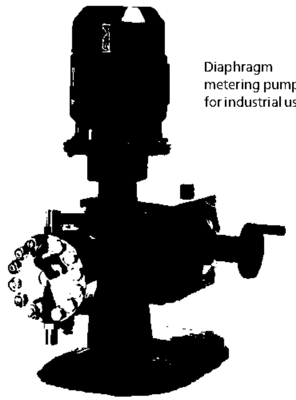
Principal product development and manufacturing units are located in:
Belgium, Germany, Spain, the United States, China and India.

Portable electric compressor



Portable pump





Diaphragm metering pump for industrial use

INNOVATIONS DURING 2022

Several new products were introduced during the year, including:

A new pump range for dewatering and industrial applications, **PAC F/H,** offering high pumping performance and low environmental footprint thanks to an electrical motor.

A new drainage pump, the **WEDA D95,** suitable for harsh conditions targeting applications such as general dewatering, mining, and tunneling.

A new portable oil-free compressor for the specialty rental business, the **PTE900 VSD** offering efficient airflow in a compact design and is developed to perform in demanding environments.

A new range of portable compressors, the **X-AIR+ GIV,** which offers reduced fuel consumption by up to 15% compared to previous models.

MANAGEMENT

Power Technique, January 1, 2023

Business Area President Andrew Walker

Power T... Service, Stefaan...

Specialty Rental, President Tim Last

Portabl... Preside...

Power and Flow, President Mikael Anderss...

A sustainable approach to delivering lasting value

At Atlas Copco, we are committed to being part of the solution for a better tomorrow. By integrating sustainability into everything we do and by acting in an ethical way in all our operations and markets, we bring value to both our customers and society as a whole.

Since 1873, our industrial ideas have empowered our customers to grow and drive society forward. We provide safe, reliable and energy efficient solutions to customers in a wide range of industries including manufacturing, construction, pharmaceutical, automotive and electronics.

Climate change is high on both our own and many of our customers' agendas. Our drive to innovate with a lifecycle perspective supports the development of highly energy-efficient products with reduced climate impact. Many of our technologies and solutions are also used in industries and applications that are at the center of the transformation to a low-carbon society. They are critical in existing low-carbon technologies like electric vehicles and solar power, and are also part of emerging technologies for energy production, energy storage, carbon capture, smart manufacturing, and more.

Sustainability focus areas
Sustainability is embedded in everything we do, and we are committed to contribute to a sustainable development. This means that we take responsibility for managing the environmental, economic and social impacts of our operations and from our value chain.

We focus our efforts in the areas where we have identified our largest impact and where we deliver value for our key stakeholders. These are: products and service, people, safety and wellbeing, ethics, and climate and the environment.

Working systematically in these areas helps us reach our mission of achieving sustainable, profitable growth while at the same time mitigating risks to our company and realizing business opportunities.

New targets from 2022 onwards
Through the materiality analysis we conducted in 2021, we concluded that the climate, and related sustainability issues such as carbon impact and a lifecycle approach to product development, is gaining increased attention. Diversity and inclusion as well as talent development are also areas where we see an opportunity for further progress, and where our stakeholders would like to see us focus our resources and efforts.

Based on this input we revised the sustainability targets against which we measure our progress starting in 2022. These include science-based targets to reduce our greenhouse gas emissions, throughout the value-chain, in line with the Paris Agreement. Read more about our sustainability work and the progress we make in the following sections, and in the sustainability notes on pages 126–145.

" Sustainability is embe
in everything we do

PRODUCTS AND SERVICE page 34

PEOPLE page 37

SAFETY AND WELLBEING page 39

ETHICS page 40

CLIMATE AND ENVIRONMENT page 42

Innovating for a better tomorrow

At Atlas Copco, we always innovate with a clear purpose and in response to real challenges that our customers are facing. Developing highly efficient and sustainable products that meet the needs of our customers, the society and the planet is the biggest contribution we can make to a sustainable future.

Atlas Copco is a leader in developing innovative technologies and we continuously launch products, solutions and services that set new industry standards. We always innovate with a clear purpose in mind, in areas where we believe we can make a difference to our customers, the environment and to society as a whole.

Atlas Copco's products and services are developed to contribute to our customers' sustainability ambitions by optimizing their productivity, energy efficiency, ergonomics and safety. Our technologies and products are also found in several industries that are key in the transformation to a low-carbon society. We develop leading technologies to customers in segments such as battery manufacturing, hydrogen, wind power and solar energy, and are well positioned to be a part in enabling this transformation.

Products in use generate most emissions

More than 90% of the CO_2 emissions from Atlas Copco's value chain are generated when the customers use our products. This is where we have our biggest impact and we therefore focus on developing products and solutions that are more energy efficient than their predecessors and with a lower carbon footprint over their entire lifecycle.

In 2021, we raised our ambitions in this area by committing to reducing our greenhouse gas emissions in line with the Paris Agreement. As part of this commitment we will reduce our indirect emissions (scope 3), including the emissions when our products are in use, in line with keeping the average global temperature rise well below 2-degrees. We measure our progress against the new targets starting 2022.

Designing with a lifecycle perspective

Atlas Copco takes a lifecycle approach to innovation. In 2020, we adopted a Group-standard for how to, during the design phase, measure a product's carbon footprint throughout its lifecycle. The Product Carbon footprint tool assesses the carbon impact of different aspects, from choice of materials, to product use, as well as from the product's recycling and disposal.

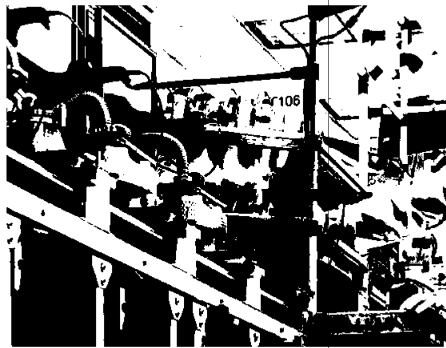
All projects for new or redesigned products must have targets for reduced carbon impact. In 2022, 97 percent of projects had such reduction targets.

Reducing our customers' footprint

Our customers request equipment, solutions and services that increase productivity and lower their carbon footprint. Energy efficiency is at the core of the innovations in many of Atlas Copco's products and even higher gains are possible through the support we provide on how to use our products and through our service offer. As the majority of our products run on electricity, the impact from the use-phase of our products, and consequently their value-chain footprint, is affected by the availability of renewable energy which differ between countries and regions.

One of Atlas Copco's most well-known and groundbreaking innovations is the VSD (variable speed drive) technology used in compressors. This is an example of an innovative technology that helps customers optimize their energy efficiency, while reducing both CO_2 emissions and costs. The VSD-technology is available in generators and pumps, as well as in stationary and portable compressors.

Atlas Copco's abatement systems that remove highly potent and



harming greenhouse gases in industrial processes is anot
nology with positive environmental effect. The Halogena
Recovery (HDR), for example, is a solution for hospitals, th
halogenated (anesthetic) drugs via a centralized system i
where they are safely stored for final conversion into a su
with minimum environmental impact. In 2022 Atlas Cop
installed base of abatement products removed around 2
tonnes of CO_2e emissions at customers' facilities. Our par
recycling technologies for customers' process gases can f
reduce their carbon footprint.

Increasing uptime and productivity

Increased connectivity and big data help transform the e
of many industrial processes. We support our customers i
ing their production performance by monitoring and coll
time data from the equipment to minimize downtime, pr
tenance needs and suggest energy-saving measures. One
is the SmartLink data-monitoring system for compressors
ing number of compressors are connected globally, enab
uous status monitoring and predictive maintenance.

Enabling the transition to renewable energy

Increasing the access to renewable energy will be key in r
a low-carbon society. Many of the technologies in this sec
closely related to Atlas Copco's products and solutions in
technology, compressor technology, energy storage and
well as in industrial production and inspection.

PRODUCTS AND SERVICE

Key performance indicators	Target	2022	2021
Projects for new or redesigned products with goals for reduced carbon impact	100%	97%	98%
A Group common methodology for assessing the circularity of new or redesigned products	In place by 2024		

Atlas Copco

Innovating for a better tomorrow, continued

Vacuum, machine vision and abatement solutions, for example, are essential in solar panel manufacturing. Vacuum pumps are needed in the production of the silicon wafers and photovoltaic cells that capture the sunlight and convert it into energy. The panel surface must be flawless in order to efficiently capture the energy. Atlas Copco develops optical inspection systems for complete control of the panels, which helps improve their efficiency and throughput.

In wind energy, Atlas Copco's industrial tools, such as grinders, wrenches and tensioners, are used in building the turbines, and our generators are used to start them up.

Recovering and storing energy generated by renewable sources presents a substantial challenge. This is an area where Atlas Copco has the technology and expertise to take a leading position. One example is the ZenergiZe battery-powered energy storage system that can be combined with renewable sources of energy for immediate or later use. It captures the energy and stores it for delivery at any given time. Its intelligent control system then manages the energy offer and demand to increase the efficiency of hybrid power solutions.

Our service supports circularity and optimizes customers' investments

Through a strong service offering we ensure that our customers get the most out of each investment. Our service divisions ensure the repair and reuse of products, extending their useful life and minimizing waste. They also provide support on how to optimally use the products, which enables energy-efficiency gains. The iXM Hybrid upgrade service product is an example of an offering where customers can return their current pump to their local Atlas Copco service technology center, where it is converted to use a low power mechanism, thus reducing the pump's CO_2 emissions.

Many of Atlas Copco's products are also designed so they can be returned, refurbished and resold. This contributes to increased circularity and such used equipment meet the same high standards as when they were new in terms of quality, performance and energy efficiency. Furthermore, some Atlas Copco units accept contaminated products, which otherwise would be disposed of as hazardous waste, and return them to full operation.

Battery-based energy storage systems

Energy storage systems are mobile units that use long-life lithium-ion batteries to store and deliver energy at any given point. As a standalone solution when using renewable energy sources, they offer a silent, low-carbon solution with no fuel consumption. They are also ideal for low emissions and noise-restrictive applications, such as metropolitan construction sites, events, telecom, mining, large power plants and offshore.

When operated in hybrid mode, connected with a power generator or any other power source, energy storage systems bring high levels of efficiency while minimizing costs and reducing the environmental impact. Instead of a rather large standalone power generator, having an energy storage system involved in the solution enables operators to choose a smaller-sized generator. This hybrid solution optimizes the performance level, especially when dealing with unpredictable loads, extending the unit's working life.

An energy storage system working together with a last-generation power generator can save up to 80% in fuel costs compared with an oversized traditional generator. Consequently, during the solution's lifetime, CO_2 emissions are reduced by 30 metric tons. Rental fleets will be increasingly incorporating energy storage systems, with an expected reduction of 120 000 metric tons of CO_2 over a lifecycle – the equivalent of the emissions produced by some 23 500 gasoline-powered passenger cars driven for a year in the US.

Up to 80% in fuel cost savings

compared with an oversized traditional generator

New battery tool drives smart assembly

The global assembly industry is continuing its transformat[...] coming more efficient, integrated, and focusing on sustain[...] Tensor ITB-P will offer the opportunity to cover more appli[...] thanks to the pistol grip shape and increased ergonomics. Tensor ITB-P is a cordless tool, which shares an integrated [...] ler platform that manages the tool and real time integratio[...] production system.

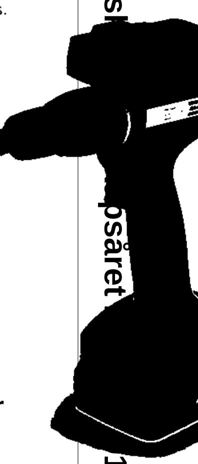
Substituting the traditional setup of one battery tool ar[...] physical controller box with the Tensor ITB-P, can reduce th[...] cycle carbon impact by 87 percent per year. Firstly, the setu[...] an integrated controller eliminates the environmental imp[...] the supply chain from producing and transporting physica[...] trollers. Secondly, Tensor ITB-P consumes less power while [...] reducing both carbon footprint and costs for customers. T[...] reduction of ITB-P benefits the operators with lighter tool [...] also reducing by 50 percent, the number of battery cells us[...] tool compared to previous generation of tools.

By replacing traditional systems, a tool and a separate c[...] ler, with the Tensor ITB-P, savings can amount to around 1[...] metric tons of CO_2 emissions per year. This is based on an estimation of replacement of traditional systems the coming two years. The savings correspond to the equivalent of around 270 gasoline-powered passenger cars driven for one year in the US.

Savings can amount to around

1 250

metric tons of CO_2 emissions per year



Innovating for a better tomorrow, continued

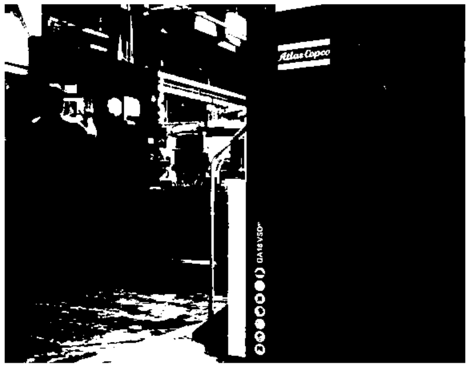
A new smart compressor …

The third generation of Variable Speed Drive (VSD) compressors, GA VSD[S], is designed for sustainable innovation thanks to its unrivaled energy efficiency compared to the previous generation. This makes the GA VSD[S] a significantly more energy efficient compressor with lower carbon inpact.

Since Atlas Copco introduced the VSD technology more than two decades ago, we have continued to innovate in this technology. The result, the GA VSD[S], is the most efficient rotary screw compressor Atlas Copco ever built. With energy savings up to 60 percent compared to fixed-speed compressors, it has a significant impact on lowering the energy consumption and the environmental footprint of our customers.

The GA VSD[S] is our first compressor with smart features, such as the Smart Temperature Control (STC) system, which optimizes performance for any application. The GA VSD[S] also comes with the new Boost Flow Mode, which allows for exceeding the compressor's maximum capacity to ensure continuity in our customers' production.

One GA VSD[S] compressor unit saves 305 metric tons of CO_2 over its lifetime compared to our current fixed speed compressor. If all 22 to 37 kW fixed-speed compressors worldwide upgraded to this technology, an estimated 125 million metric tons of CO_2 could be saved over the lifetime of the compressors. This is the equivalent of 27 million gasoline-powered passenger cars driven for a year in the US.



… with energy savings up to

60%

Reducing environmental impact in semiconductor manufacturing

Our semiconductor customers use EUV (extreme ultraviolet) lithography technology to develop increasingly intricate chips that are used for a wide range of applications from cars and phones to flat panel display and LED lights. This technology requires highly controlled, low-pressure, particle-free environments.

Our semiconductor division is currently deploying a third generation EUV system which combines the latest pumps and new H2D (hydrogen dilution) abatement solution. This system is more energy efficient compared with first generation and helps our semiconductor customer to avoid releasing toxic gases into the atmosphere.

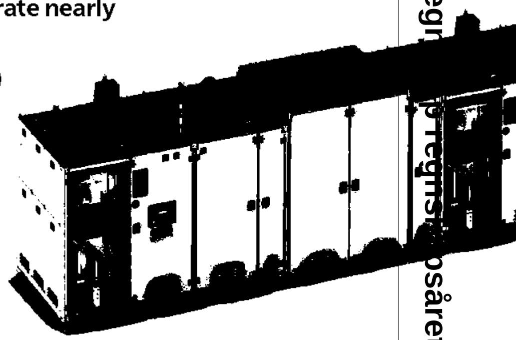
Tests have demonstrated a nearly 50% redu energy consumption, which represents a sa around 535 metric tons of CO_2e by system p the equivalent of 115 gasoline-powered pa cars driven for one year in the US.

The embedded H2D technology uses hyd to dilute toxic gases produced in the manuf ing process. This fuel-free abatement soluti delivers savings of 65 percent on energy co tion, and reduces use of resources including nitrogen, and compressed air.

Tests demonstrate nearly

50%

reduction in energy consumption



In 2022, the Atlas Copco Group had 9 500 patents, linked to around 2 600 inventions.

Attracting and growing passionate people

Atlas Copco's ambition is to be the most attractive employer in our industry and main markets. We nurture our culture and enable the full potential of our people so they can deliver world-class solutions to our customers every day.

As a world-leading provider of innovative productivity solutions, we aim to be First in Mind—First in Choice as an employer in order to achieve sustainable business success. This is only possible through attracting and growing passionate people with a commitment to lifelong learning.

Every employee is critical to our success
Atlas Copco has developed a talent framework based on a common set of competencies, rooted in our core values and beliefs, identified as being the most critical to our business success.

The talent framework is relevant to all employees and breaks down the competencies into behaviors that drive real change in employee performance. It provides a common language that helps strengthen our people practices and processes and emphasizes our belief that every employee has a critical role in driving the Group's success.

Developing passionate people
Atlas Copco has a strong culture of growing talent by encouraging our employees to take accountability for their own development. Our ambition is to learn with and from each other every day. To help us do that, we create personalized and interactive learning opportunities to drive upskilling for business and personal success.

Subject matter experts are recognized to support the Group with knowledge transfer, fostering collaboration and peer-to-peer learning. We encourage curiosity and enable learning through continuous feedback and coaching.

The Group's process for performance and development dialogues is designed to increase the quality and frequency of feedback and development dialogues, holding leaders accountable for growing people through ongoing coaching.

Atlas Copco's learning management system is another key enabler for continuous learning. It provides access to an extensive library of learning content, personalized and packaged to address specific subjects, functions or roles.

Developing future-proof leaders
Developing future-proof leaders is another pillar of Atlas Copco's people philosophy. We strive to develop leaders who coach and develop teams and individuals to reach their full potential through inclusion, collaboration, and trust.

We define leadership as the ability to create lasting results. Our leadership portfolio offers personalized learning through a modular set-up. Each module focuses on a specific skill mapped against the competencies in our talent framework. During the year, new modules were designed focusing on building leadership resilience and a growth mindset. We also focused on strengthening the pipeline of senior leaders in the Group by investing in targeted competence development for this group.

Attracting talent
To ensure a strong and diverse internal and external pipeline of candidates for available job positions, Atlas Copco seeks to proactively

attract talent from the entire pool of qualified candidate
employer branding activities and data-driven recruitmer
tices using global sourcing tools, competency-based inte
assessment solutions, enable more informed decisions.

In 2022, we invested in educating our internal recruitin
ists in the areas of data-driven and inclusive recruitment,
focus on driving awareness about bias in the recruitment
and how to write more inclusive job ads to attract a more
pool of candidates.

The biggest diversity gap across the Group is within ge
balance. We address this through a target of 30% womer
Group by 2030. In 2022, progress was made towards a be
balance with 21.6% (20.9) women in the workforce by ye

Committed to diversity and inclusion
We strongly believe that diversity and inclusion promote
tion, strengthens employee engagement and leads to be
sion making. Our diversity and inclusion statement, "Dive

PEOPLE

Key performance indicators	Target	2022	2021	2020	Comment
Employees feel a sense of belonging in the company[1]	Above benchmark and a continuous increase	–	–	–	Will first be measured in 2023.
Employees agree there is opportunity to learn and grow in the company[1]	Above benchmark and a continuous increase (71)	–	73	–	Measured through the employee survey which is conducted every two years.
Employees agree there is a work culture of respect, fairness and openness[1]	Above benchmark and a continuous increase (75)	–	76	–	
Share of female employees, by year end	30% by 2030	21.6%	20.9%	20.0%	

[1] Scores are based on a scale 0–100 where 0 is "strongly disagree" and 100 is "strongly agree".

Attracting and growing passionate people, continued

nature and inclusive by choice", is used in all job ads as well as in internal and external communication to show our commitment in this area. To drive awareness about the impact of bias in the workplace, learning content and guides to stimulate team discussions, were developed and rolled out globally in 2022.

Our Diversity and Inclusion Council, chaired by President and CEO Mats Rahmström, includes representatives from all business areas. The council meets regularly to follow up on action plans and results in the operations. The work is mainly driven by business area task forces and ambassadors in each operational entity.

Developing and strengthening our culture
Our culture is characterized by a commitment to people, customers, solutions, and innovation. We believe that there is always a better way of doing things and advocate freedom with accountability.

Several activities are carried out to support and develop our culture such as recurring workshops for employees on company values, strategy and guidelines.

Atlas Copco conducts a global employee survey every two years. The survey brings important insights in four areas: employee engagement, Group culture, safety and leadership. Our most recent survey, in 2021, showed that our overall results were above the global benchmark. The results of the survey are followed up in mandatory workshops lead by our managers, where concrete actions are shaped to further strengthen our culture. The next survey will be conducted in 2023.

Supporting employees' wellbeing is another critical component to our success. In 2022, we established and rolled out a new global wellbeing framework, designed to provide a common structure to addressing the subject and facilitate initiatives across the Group. Read more on page 39.

"We strongly believe that diversity and inclusion promotes innovation, strengthens employee engagement and leads to better decision making.

One Group, one culture

In 2022, we launched a new edition of The Book about the Atlas Copco Group. It describes our common strategy, values and beliefs, and how we work to fulfill our purpose. The launch was followed by workshops across the Group, enabling discussions about our strategy, values, behaviors and how we do business.

A better balance

Service has traditionally been a male-dominated area within Atlas Copco, but the Compressor Technique Service division has managed to break the trend. After three years of focused efforts, the division now has 65 female service technicians and five female Business Line Managers.

To succeed, a change of mindset has been necessary. Creating awareness about why diversity and inclusion matters and that it is not about reaching a target, but rather about future business survival, has been a critical starting point. The customer centers have worked to become more attractive as employers by including diversity in their talent acquisition and management plans. Employees have also been trained to avoid bias and to break old perceptions of what a service technician should be like. The final factor has been to get the buy-in from all involved parties to ensure a respectful and inclusive environment.

The division and the customer centers have also implemented actions, like gender neutral ads and social media campaigns.

Enabling mobility through increased transparency

One of our most important priorities is professional development through internal mobility. Our talent review process gives us a good overview of the performance and potential of our people. This helps us identify business critical roles across levels in the organization, securing a strong pipeline for these roles.

In 2022, we introduced a new digital solu talent review process. The solution enabl transparent and flexible data collection a helping us make more informed and data talent development decisions.

People analytics – pow people decisions

In 2022, people analytics dashb rolled out to our HR community enable better decision making i of our people strategy, through and predictive analysis. The das focus on recruitment, retention and learning & development, an developed based on master dat and learning management syste dashboards aim to analyze the e impact and effectiveness of our processes.

Committed to safety and wellbeing

We are committed to ensuring that our employees and others affected by our operations work in a way that contributes to their safety and wellbeing. Transparent reporting is encouraged and helps build awareness of risks and safe behavior preventing injuries in the workforce.

Safety and wellbeing are core priorities at Atlas Copco. We pursue this by engaging everyone in eliminating hazards, reducing occupational health and safety risks and in promoting the immediate reporting of near-misses, incidents and risk observations.

Robust safety standards in place

We are committed to providing a safe and healthy working environment for all our employees in all operations. The global SHEQ policy (safety, health, environment and quality) ensures that there are robust standards for safety and wellbeing in the workplace. We seek to reinforce a culture and behaviors that contribute to the safety and wellbeing of our people and others affected by our operations, including contractors. This includes risk assessments and safety procedures, training, good environment within and around the workplace, appropriate follow-up procedures, and transparent reporting. The Group's Safety, Health, Environment and Quality council oversees the work and supports the organization with the development of policies, processes and best practice sharing.

Since Atlas Copco is highly decentralized, there may be regional and local policies and practices that complement Group processes. All divisions set targets and make action plans to enhance awareness and improve behaviors, policies and processes. All companies in the Group must have an Atlas Copco verified Safety, Health, Environment and Quality management system which is documented, implemented and maintained on an ongoing basis. Annual Safety Days have been arranged in the Group since 2014.

Following up our progress

Progress is measured by continuous safety reporting and follow-up, and in the employee engagement survey every two years. The target is that an increasing part of employees should agree that Atlas Copco takes a genuine interest in their wellbeing. The results from the 2021 employee survey confirm this.

To further strengthen the safety work Atlas Copco measures progress by using a safety pyramid, with the target that the pyramid should be balanced. This means that more reports of risk observations than near misses, more near misses than minor injuries, and more or equal reports of minor injuries relative to recordable injuries are reported. The approach supports transparent reporting, risk awareness and encourages safe behavior to decrease risks and ultimately prevent workforce injuries. In 2022, the result was in line with this target. Read more on page 132.

Award to mental wellbeing program

Atlas Copco's Safety and Health Award 2022 was presented to the Semiconductor Service Division, Global Field Service Teams for their i-act mental wellbeing management training program.

The i-act training program is developed to support managers to proactively improve workplace wellbeing as well as reactively support employees who may experience wellbeing or mental health issues at work. The program has become mandatory for all line managers in the Vacuum Technique business area and a global network of 25 i-act instructors has been created to deliver the course to all managers in local language.

SAFETY AND WELLBEING

Key performance indicators	Target	2022	2021	2020	Comment
A balanced safety pyramid [1]	Yes	Yes	Yes	Yes	
Employees agree that the company takes a genuine interest in their wellbeing [2]	Continuous increase	–	73	–	The employee survey is conducted every two years.

[1] Risk observations are included in the safety pyramid as of 2021.
[2] Scores based on scale 0–100 where 0 is "strongly disagree" and 100 is "strongly agree".

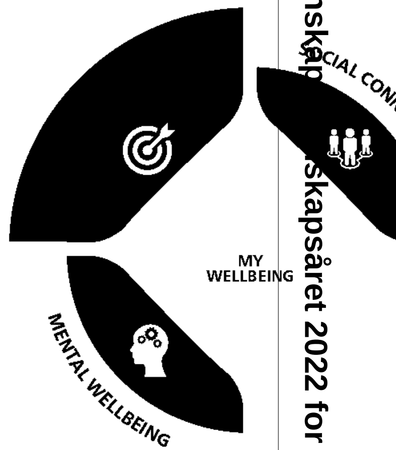
Introducing a Group-wide wellbeing framework

Wellbeing is defined as a sustainable state of feeling goo tioning well in our lives and in our work. Our employees' a critical part of Atlas Copco's culture and key to achievi success.

During the year, Atlas Copco introduced a Group-wid framework to help our leaders better understand the w needs of their employees and how to support those nee framework is designed to establish a common language wellbeing and to help facilitate different wellbeing initia

The framework is made up of four areas; sense of pur connectedness, physical wellbeing and mental wellbein are connected, and actions taken to address one will lik impact on another.

A complementing Wellbeing Guide is available that e wellbeing area including its key components, and respe and threats. The guide also includes reference materials, lists available on Learning Link, books and blogs. Furthe guide includes examples of initiatives on an individual, t operation level.



Atlas Copco

Doing the right things in the right way

Acting with integrity throughout the value chain is more than just a matter of respecting laws and regulations – it is a vital part of Atlas Copco's culture. We have an unwavering commitment to the highest ethical standards, including zero tolerance for human rights abuses and all sorts of corruption.

Atlas Copco aims to earn the trust of everyone impacted by our operations, by building relationships based on integrity, fairness and respect. We expect the same high standards from our business partners and work continuously to assess and reduce the risks associated with our value chain.

Our ability to ensure that the highest ethical standards are applied depends on the values and behavior of our people and business partners. Therefore, we put significant weight on communication, training and monitoring to ensure awareness and adherence to our values and principles. We also strongly encourage the reporting of any potential misconduct through SpeakUp – our external whistleblowing system. This helps protect our values, the company, our brand and each other.

Code of Conduct updated

Atlas Copco's Code of Conduct sets out the fundamental ethical values and principles of conduct which apply to all employees, business partners and the Board of Directors. In 2022, the content of the Code of Conduct was thorougly updated to reflect changing stakeholder expectations with new topics including modern slavery, risk management, circularity, data protection and privacy, among others.

Training for employees worldwide

To make sure every employee is aware of the Code of Conduct and what is expected of them, all employees are required to complete a leader-led ethics training every two years. The new training will be rolled out in 2023 instead of 2022 as previously communicated. Every employee is also required to annually sign a Code of Conduct compliance statement. By the end of 2022, 99% of our employees had signed the statement.

New employees are required to participate in the ethics training within 12 months of joining Atlas Copco. Performance against these targets will be followed up annually.

Encouraging reporting of misconduct

To be able to uphold our ethical standards it is important that we are made aware of any suspected breaches of laws or the Code of Conduct. The whistleblowing solution, SpeakUp, is a channel for employees or other stakeholders to raise concerns. Through the system anyone can anonymously report potential misconduct in their own language by a voice or text message. The system is operated by an external third party and open 24 hours a day, 7 days a week.

The Code of Conduct includes a non-retaliation policy clearly stating that employees are encouraged to speak up about perceived misconduct, and this will never lead to adverse consequences for the individual, even if it results in the loss of business for Atlas Copco.

A responsible value-chain approach

Working with business partners who share Atlas Copco's respect for human rights and high standards for safety, quality, ethical behavior and resource efficiency is central to efficiently manage risks and to enhance productivity along the value chain.

Atlas Copco's Code of Conduct is the backbone of the responsible value-chain process, reinforced by a signed commitment ... icant suppliers and distributors to follow it, screening and ... on-site audits, customer sustainability assessments and t... training.

Sustainable sourcing practices

Atlas Copco has a large international supplier base, which ... significant challenges as risks can vary greatly between c... We use a risk-based approach and prioritize evaluating sign... pliers who represent the bulk of the purchase value or wh... in markets with high corruption or human-rights risk.

Significant suppliers are evaluated on parameters such ... quality and reliability as well as key environmental, social ...

Zero tolerance against corruption

Atlas Copco does not tolerate bribery or corruption in any fo... directly or through third parties. Firm actions will be taken o... violation of the zero tolerance rule. It applies to all employee... as to the Board of Directors and to all business dealings and t... tions in all countries where Atlas Copco operates.

Corruption or facilitation payments are never acceptable ... to secure a sale. This rule strengthens the brand and contrib... fair market competition. There are no negative consequence... as demotion or other reprisals, for refusing to receive or pay ... for reporting violations of our Code of Conduct.

ETHICS

Key performance indicators	Target	2022	2021	2020
Employees sign the Group's Code of Conduct compliance statement	100%	99%	98%	99%
Employees complete the biennial ethics training [1]	100%	–	–	–
New employees participate in the ethics training within 12 months [1]	100%	–	–	–
Significant suppliers sign the Code of Conduct compliance statement	100%	93%	93%	93%
Significant distributors sign the Code of Conduct compliance statement	100%	92%	87%	84%

[1] First measurement will be done in 2023 when the new training is launched.

Doing the right things in the right way, continued

aspects, including human rights. The parameters are based on the UN Global Compact and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. On-site visits are made to ensure compliance. See page 133.

All significant business partners must commit to our Code of Conduct by signing a Business Partner Criteria document. The document has been translated into more than 30 languages and is available on the Group's website. At the end of 2022, 93% of our significant suppliers had signed the compliance statement.

Distributors and agents

Atlas Copco also requires that all significant distributors commit to our Code of Conduct by signing the Business Partner Criteria document. Distributors who represent the bulk of the sales value or who operate in high-risk markets are prioritized. At the end of 2022, 92% of our significant distributors had signed the statement.

Sales compliance process

When relevant, we partner with customers to address risks in the value chain. Atlas Copco's customer assessment tool is used to identify and evaluate potential environmental, labor, human rights and corruption risks. The assessment is complemented by in-depth dialogue and field visits.

General managers, and ultimately the divisional presidents, are responsible for the implementation of Atlas Copco's policies and guidelines and making sales decisions. The Group's Chief Legal Officer supports the organization on trade compliance matters, including sanctions and export control. Since the beginning of March 2022, Atlas Copco has paused all new orders for equipment to Russia, except equipment that is used for humanitarian purposes, such as hospitals.

Approach to human rights

Atlas Copco is committed to the UN Guiding Principles for Business and Human Rights and have an ongoing process to identify, prevent and mitigate the impact of our business on human rights. We work throughout the value chain covering the rights of individuals and groups who may be impacted by our activities or business relationships, see the table to the right. Atlas Copco's Compliance Board oversees the implementation of and compliance with the Code of Conduct and our commitment to the UN Guiding Principles.

Fighting corruption is a central aspect to promoting human rights, since corruption can undermine a government's ability to fulfill its human rights obligations. In markets where the legal and political system is a challenge, bilateral engagement with civil society is crucial to successfully escalate human rights issues. Through memberships in local business associations and in cooperation with other actors, we collaborate to further Atlas Copco's values within this area.

HUMAN RIGHTS IN THE VALUE CHAIN

Atlas Copco's Code of Conduct endorses the UN International Bill of Human Rights and guides our employees in working with issues relating to ethical behavior, including human rights.

	Business partners	Atlas Copco's own operations	Customers	Communi…
HUMAN RIGHTS RISKS	Business partners not complying with labor standards, including working hours, forced/bonded or under-age labor and the freedom of association. Occurrence of conflict minerals in sourced products.	Risks of violations including poor working conditions and discrimination in the workforce. Operations in countries with high risks of human rights abuse, including corruption and limited freedom of association.	Environmental impact and unsafe use of products, including substances with potential health impact, and risks of mismanaging customer integrity. Risks related to local communities, such as land rights.	Risks of corruption and u… planning, … fair c… and depriv… people of … to critical s… functio… healthcare … educatio…
POLICIES	Atlas Copco has integrated the UN Global Compact principles into business partner evaluation and management. Read more on pages 128–129 and 133.	Group targets and policies aim to create safe, healthy and fair working environments. The human rights statement and Code of Conduct. Read more on pages 128–129.	Product safety and environmental standards. The Group is strengthening its approach by implementing the UN Guiding Principles on Business and Human Rights. Read more on pages 128–129 and 133.	The Code of Conduct is th… policy document on anti-… The Group's tax policy is a… on the corporate website…
ACTIVITIES	Prohibiting child labor and forced labor, promoting adherence to international guidelines on working conditions, environmental management and freedom of association. Responsible sourcing practices, which covers the occurrence of conflict minerals.	Ensuring fair labor conditions, non-discrimination in the workplace and the right to join trade unions. Training for all employees in the Code of Conduct, including issues of working conditions, labor rights and discrimination.	Product safety, minimizing environmental impact through usage of products, security concerns and issues related to community relocation. Customer assessment tool and Compliance Board oversight of policy implementation.	Community engagemen… increase access to health,… and safe development of… and vulnerable groups, a… disaster relief. Training fo… employees in the Code o… including of corruption.

Atlas Copco

Optimizing our environmental performance

Atlas Copco is committed to continuously improving our environmental performance and to being part of the solution for a better tomorrow. We improve the energy efficiency of our products and our operations, while also managing our water use and waste. We have adopted science-based targets for the reduction of greenhouse gas emissions, throughout the whole value chain.

Climate change presents a huge threat to society and in 2021, we significantly raised our ambitions by committing to reducing the greenhouse gas emissions throughout our value chain in line with the goals of the Paris Agreement. For Atlas Copco's own operations, this means that we aim to reduce emissions in line with keeping the global temperature rise below 1.5 degrees. We will also reduce the emissions from our value chain in line with keeping the temperature rise well below 2-degrees. The targets have been validated by the Science Based Targets initiative and have been implemented during 2022.

The absolute majority of Atlas Copco's impact is generated when our customers use our products. Therefore we continue to develop energy-efficient products with a lower carbon footprint over their entire lifecycle. Read more on pages 34–36.

Reducing emissions in our own operations

In our efforts to reduce the impact of emissions from our own operations, we focus on energy-saving measures and on increasing the use of renewable energy, for example by using biofuels in portable compressor testing and installing solar panels. In 2022, the CO_2 emissions from our own operations were 33% lower than in the baseline year, 2019. Addressing emissions from our company vehicles provides further opportunity for reductions.

An increased share of renewable electricity was the main driver for the lower emissions and some larger facilities switched to renewable energy during the year. In 2022, the share of renewable energy used in the Group was 58%. However, in some markets, the availability of renewable energy poses a challenge to our ability to increase this share further.

Reducing emissions in our value chain

Our main climate impact comes from when customers use our products. Electrifying the product fleet and increasing products' energy efficiency will be our main focus in order to reduce our scope 3 emissions. Logistics planning, switching to low carbon transport modes and collaborating with transport partners are other priorities. In 2022, the absolute emissions in scope 3 were 29% higher than in the baseline year. The main reason for this was increased sales, but the availability of renewable energy to our customers has also been lower than we expected.

Waste management

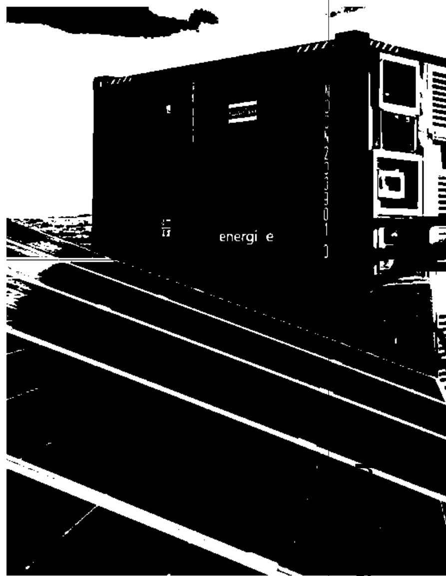
Reducing waste is important to decrease the total environmental impact from our production and increase circularity. Most of our waste is constituted by scrap metal and the vast majority is reused or recycled. This share has been consistently high for many years.

Our new target is that by 2030, we shall reuse, recycle or recover 100% of all our waste. This target is closely related to circularity, keeping materials in a loop of re-use.

THE ENVIRONMENT

Key performance indicators	Target	2022	2021	2020
Reduction in CO_2e [1] emissions (tonnes) from scopes 1 and 2, compared to the baseline 2019	–46% by 2030 [2]	–33%	–17%	–2%
Reduction in CO_2e [1] emissions (tonnes) from scope 3, compared to the baseline 2019	–28% by 2030 [3]	+29%	+5%	+1%
Significant direct suppliers with an approved Environmental Management System	Continuous increase	31%	31%	30%
Water consumption (m^3)/in relation to cost of sales [4]	Continuous decrease	8.4	–	–
Reused, recycled or recovered waste from internal operations [4]	100% by 2030	92%	–	–

1) CO_2e means carbon dioxide equivalent.
2) In line with the 1.5 degree warming trajectory.
3) In line with the 2.0 degree warming trajectory.
4) New and extended scope from 2022, including all operations.



Water management

Atlas Copco's overall water consumption is relatively low
focus on assembly rather than on other resource-intensive
Nevertheless, we seek to decrease our use of water and t
its reuse and circulation. Innovative product design and i
processes also contribute to reducing our customers' wat

Value-chain impact assessment

In 2021, the value chain impact assessment was conducted by
ing typical product CO_2 emissions in both the embodied impa
purchased material and by estimating the 'in-use' phase. The
Carbon Product Footprint tool was developed for this purpos
business areas completed the calculations of product-related
non-product related emissions according to the Greenhouse
tocol, and the results were consolidated to Group level. The s
and 3 CO_2e emissions for 2019, 2020 and 2021 have been reca
based on the results from the value chain impact assessment.

Atlas Copco

Optimizing our environmental performance, continued

Environmental risks in the supply chain

Atlas Copco recognizes the importance of managing environmental risks throughout the value chain. By committing to the business partner criteria our suppliers take responsibility to minimize the environmental impact of products and services during manufacturing, distribution, and usage, as well as after disposal. Screening and audits are part of the Group's supplier management system.

We work with tier-one suppliers using the business partner criteria and, if needed, we develop action plans together to enhance the environmental management of certain suppliers. To further reduce our impact along the value chain, we measure the percentage of significant direct suppliers that have an approved environmental management system. In 2022, 31% of these suppliers met this requirement. Read more on page 130.

Global climate event

Atlas Copco has committed to science-based targets to reduce our greenhouse gas emissions in line with the Paris Agreement. It will take everyone's commitment, creativity and expertise to reach the targets. To raise awareness, all employees were invited to a global climate event in November 2022.

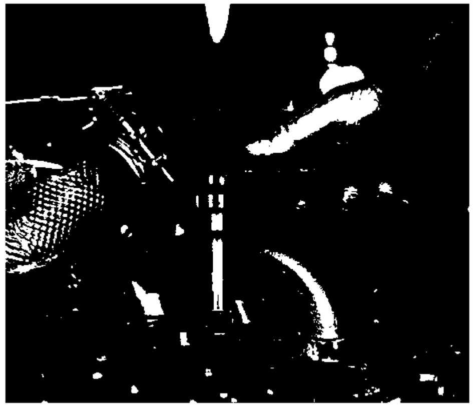
Turning steel scrap into products

Environmental performance has long been in focus for Atlas Copco's plant in Tierp, Sweden. Energy-saving measures and transitioning to renewable energy sources have been two priority areas, and 98 percent of the waste from scrap is being recycled. Going forward, the strategy is to focus on reuse and circularity.

In the plant's component workshop, steel bars are used as raw material. The end pieces of these bars have previously been sent to recycling as scrap. Following a suggestion from an employee, a project was set up in 2020 to investigate whether the end pieces could instead be used as raw material in the socket and bit production.

Two years later, approximately one third of the bar material used to produce sockets and bits come from recycled end bits and both steel and brass bits are reused instead of recycled. Apart from saving CO_2 emissions and material cost, the project has other positive effects. The ready-cut end pieces reduce the need for sawing which saves work time, energy and machinery. The need for transport of both raw material and waste has also been reduced.

The new routine has led to an increased awareness of raw material usage and waste and has resulted in other initiatives, such as reusing scrapped plastic trays used for internal transport of components.



Water for All: Employee community engagement

Water for All is Atlas Copco's main community engagement i
Through the dedicated and passionate work of volunteering
Water for All funds projects which empower people through
clean drinking water, sanitation, and hygiene, thereby contri
healthy societies, free from conflict and poverty. Women and
are particularly affected by the lack of water and sanitation.
supported by Water for All aim to positively impact the lives o
and girls in particular. All employee donations are matched v
much by the company.

In 2022, Water for All supported more than water and s
projects in 38 countries, in total reaching more than 250 000
During the spring, almost 30 Water for All organizations from
world and the Peter Wallenberg Water for All Foundation ca
in a joint fundraising effort towards Ukraine. The donation c
partner organization ADRA's emergency relief activities in th
primarily within water, sanitation, and hygiene, which in tota
more than 40 000 people.

Water for All is the main community engagement initiative of both A
and Epiroc. The numbers convey Water for All's global achievements
including both companies.

Risks, risk management and opportunities

All business activities involve risks, therefore there is a need for a structured and proactive approach to manage the company's risks, both locally and centrally within the organization. Well-managed risks can create opportunities and add value to the business while risks that are not well-managed can cause incidents and losses.

Atlas Copco's global and diversified business towards many customer segments results in a variety of risks and opportunities, geographically and operationally. Thus, the ability to identify, analyze and manage risks is crucial for effective governance and control of the business. The aim is to achieve Group targets with a high risk awareness and well-managed risk taking, in line with the strategy and within the frame of the handbook of policies and guidelines *The Way We Do Things*. Atlas Copco sees the benefits of an efficient risk management both from risk reduction and business opportunity perspectives, which can lead to good business growth.

Atlas Copco's risk management approach follows the Group's decentralized structure. Local companies are responsible for their own risk management, which is monitored and followed up regularly, e.g. at local board meetings. Group functions for legal, insurance, sustainability, treasury, tax, controlling and accounting, provide policies, guidelines and instructions regarding risk management. This is regularly audited by internal and external audits. Examples of risks and how they are handled in Atlas Copco are shown in the table in this section.

Insurance

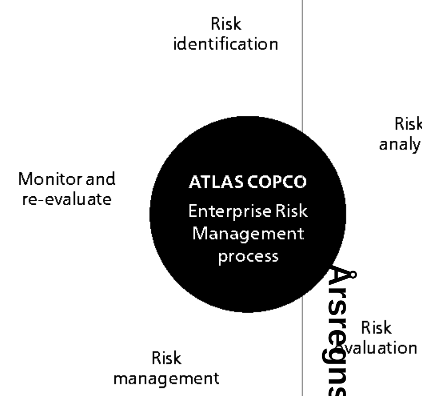
The Group Insurance Program is provided by the inhouse insurance company Industria Insurance Company Ltd. which retains part of the risk exposure for the following insurance lines; property damage, business interruption, transport, and general and product liability. Financial lines insurance and business travel insurance are managed by the Group's Insurance and Risk Management department. However, Industria is not the insurer for these two lines. Insurance capacity is purchased from leading insurers and reinsurers by way of using international insurance brokers. Claims management services are partly purchased on a global basis from leading providers. Insurance policies are issued on a local basis to ensure compliance with local insurance laws where required.

Loss prevention

The main purpose of Atlas Copco's loss prevention process is to prevent potential property losses and business interruptions. Atlas Copco's Loss Prevention Standard stipulates Group requirements in regards of loss prevention for product companies and distribution centers, including areas like: construction, safety systems, loss prevention procedures and plans that need to be prepared. To ensure alignment with the standard and to support sites' understanding of how the standard applies to each site, around 25 risk surveys are performed annually. The results from the risk surveys are consolidated and reported to Group Management.

Enterprise risk management

Atlas Copco has developed an enterprise risk management process to map strategic risks. The methodology used is applied on divisions, which is the highest operational level in the Group. Annual workshops are held by each divisional management team where risks are identified, analyzed, evaluated/re-evaluated and managed to ensure a structured and proactive approach to risks exposing Atlas Copco. The ownership of managing the risks raised in this process lies within each division, while the Insurance and Risk Management department manages the overall process, moderates the sessions and consolidates the results on business area and Group levels. This hands-on approach is also in line with Atlas Copco's decentralized structure.



Risk process

In Atlas Copco, Enterprise Risk Management is n[...] seen as a proj[...] but as a continuous process. The risk environment changes over [...] and it is therefore necessary to continuously revi[...] update and i[...] new risks. The defined framework is described in the picture abo[...]

Atlas Copco

Examples of risks and how they are handled by Atlas Copco

RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
LEGAL	Atlas Copco's business operations are affected by numerous laws, regulations and trade sanctions as well as commercial and financial agreements with customers, suppliers and other counterparties, and also by licenses, patents and other intangible property rights.	• Inhouse lawyers on five continents support Group companies with advice on laws and regulations, including compliance, as well as support with contract reviews. Proactive training is also done. • A yearly legal risk survey of all companies in the Group is performed in addition to continuous follow-up of the legal risk exposure. The result of the survey is compiled, analyzed and reported to the Board and the auditors. • A separate central function, Group Compliance, is in place. It is responsible for aligning and coordinating the compliance organization which, in line with Atlas Copco's decentralized structure, is hosted in the business areas and divisions.	→ Complying with legal norms and laws minimizes costs increases opportunities to strengthen Atlas Copco's re It also develops reliable partnerships and improves bus stability. → The ability to trade on all markets, in compliance with trade sanctions, increases revenue and lowers risk.
FINANCIAL	Changes in exchange rates can adversely affect Group earnings when revenues from sales and costs for production and sourcing are denominated in different currencies (transaction risks). An adverse effect on Group earnings can also occur when earnings of foreign subsidiaries are translated into SEK and on the value of the Group equity when the net assets of foreign subsidiaries are translated into SEK (translation risks). Atlas Copco's net interest cost is affected by changes in market interest rates. Funding risk refers to the risk that the Group and its subsidiaries do not have access to financing on acceptable terms. As in any business, there can be a credit risk linked to our customers' abilities to pay.	• A Financial Risk Management Committee meets regularly to manage financial risks. • Atlas Copco Financial Solutions is responsible for these risks and supports Group companies to implement financial policies and guidelines. • The Group's operations continuously monitor relevant exchange rates and try to offset negative changes by adjusting sales prices and costs. • Translation risks are partially hedged by borrowings in foreign currency and financial derivatives. • The Group's Financial Risk Policy stipulates that a minimum amount of standby credit facilities should exist and that a minimum average time to maturity for the external debt is set. • Stringent credit policies are applied and there is no major concentration of credit risk. The provision for bad debt is based on historical loss levels and up-to-date information and is deemed sufficient.	→ Working proactively with financial risks improves the p margin and creates possibilities for more stable cash fl Overall, financial risk mitigation has the ability to impr business resilience for Atlas Copco.
REPORTING (INCLUDING TAX)	The risk related to the communication of financial information to the capital market is that the reports do not give a fair view of the Group's true financial position and results of operations. Reporting errors could result in management drawing the wrong conclusions. However, with many small entities, the material impact is low. Taxes is an area with increased focus, especially transfer pricing risks but also new tax rules and regulations. Estimations sometimes form a portion of the sustainability data which is reported, and thus by its nature the numbers presented may not be representative of the Group's impact.	• Atlas Copco subsidiaries report their financial statements regularly in accordance with International Financial Reporting Standards (IFRS). The Group's consolidated financial statements, based on those reports, are prepared in accordance with IFRS and applicable parts of the Annual Accounts Act as stated in RFR 1 "Supplementary Rules for Groups". • The Group's operational and legal consolidated results are based on the same numbers and system. These are analyzed by divisional, business area, Group Management and corporate functions before being published externally. • The Group has procedures in place to ensure compliance with Group instructions, standards, laws and regulations, for example internal and external audits. • Group Tax monitors and ensures compliance with local tax rules. Transfer pricing policies and agreements are implemented in operations and regularly updated. Quarterly updates on tax are presented to the Board and Group Management. • Atlas Copco reports sustainability information according to GRI Standards and works with training to improve reporting practices.	→ Integrated reporting provides a better understanding risks and opportunities which in turn allows for improv making. It also allows the company to identify opportu business synergies. → Addressing reporting risks increases transparency and the potential to represent the business fairly and accur → Improved reporting results in improved business insigh management, especially when the data has been integ highlight interdependencies. → Efficient and consistent reporting based on clear stand principles creates transparency, supports decision mak drawing the right conclusions. → Increased reporting requirements on tax improves tr
CORRUPTION AND FRAUD	Corruption and bribery exist in many markets where Atlas Copco conducts business. Fraud or criminal deception intended to result in financial or personal gain, is always present in global operations.	• Zero-tolerance policy on bribery and corruption, including facilitation payments. • Internal control routines aimed at preventing and detecting deviations. The Internal Audit function is established to ensure compliance with the Group's corporate governance, internal control and risk management policies. • Control self-assessment tool to analyze internal control processes. • Training in the Code of Conduct and signing compliance to the Code for all employees and significant business partners. • The global Group misconduct reporting system to report violations anonymously. • The Group supports fair competition and forbids discussions or agreements with competitors concerning pricing or market sharing.	→ By fighting against corruption and fraud Atlas Copco h opportunity to work with industry peers to influence in market practices. Refusing to pay bribes may cause ten delays and setbacks; however it reduces costs in both t short run, builds opportunities to improve operational and creates more stability in society and in markets wh Group operates. → Working against corruption and fraud improves Atlas C credibility and transparency and creates more ways to stakeholder relations.

Atlas Copco

Examples of risks and how they are handled by Atlas Copco, continued

RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
HUMAN RIGHTS	Atlas Copco operates in countries/areas with high risk of human rights violations, including child labor, forced or compulsory labor, poor working conditions, limitations of the freedom of association and discrimination. Atlas Copco encounters customers who are exposed to human rights issues. Risks to the Group's reputation may arise from relationships with business suppliers who do not comply with internationally accepted ethical, social and environmental standards.	• Guidance by interaction with well-established non-governmental organizations to identify and mitigate risks. • Policies and procedures corresponding to the UN Guiding Principles on Business and Human Rights, which Atlas Copco has committed to since 2011. • Due diligence process and integration of internal controls for human rights violations in relevant processes. • The Group customer sustainability assessment tool. • Regular supplier evaluations in accordance with the UN Global Compact.	→ Following the UN Guiding Principles on Business and H Rights to respect human rights reduces risks and costs. → Strong business ethics help promote societal prosperit more stable market place. → Working with human rights positively impacts both th Copco brand and stakeholder relations.
SAFETY AND HEALTH	Poor physical and mental health and too much stress among employees affect the individual and can cause sick leave and disturbances in the production. Accidents or incidents in the workplace, due to the lack of proper safety measures, harm employees and can negatively affect Atlas Copco's productivity and brand. Atlas Copco recognizes the risk that serious diseases and pandemics can interrupt business operations and harm employees.	• The Group regularly assesses and manages safety and health risks in operations. • Training is held regularly. • The ambition is to certify all major units in accordance with the ISO 45001 standard. • Workplace wellness programs. • Atlas Copco's business partners are trained in Group policies including the approach to health and safety.	→ Improved safety and wellbeing among employees incr employee satisfaction and engagement, productivity a strengthens the brand. → Improving working conditions for customers and busir benefits their employees and local societies and can er long-lasting relationships that result in repeat orders.
CLIMATE AND ENVIRONMENT	The primary drivers for external environmental risk are physical changes in climate and natural resources, changes in regulations, taxes and resource prices. Natural disasters as a consequence of climate change can disrupt own operations or impact the supply chain. Increased fuel/energy taxes increase operational costs. Regulations and requirements related to carbon-dioxide emissions from products and industrial processes are gradually increasing. Climate-related and environmental events can affect all of Atlas Copco's operations and negatively affect operations either directly or by disrupting the supply chain. Market shifts toward a low-carbon economy may impact the viability of certain sectors. Biodiversity-related requirements on companies are increasing.	• Atlas Copco continuously develops products with improved energy efficiency, reduced emissions and lower environmental footprint. • Atlas Copco has several key performance indicators (KPIs) that address resource and energy usage in order to reduce carbon-dioxide emissions. • Strict handling processes for hazardous waste and chemicals are implemented in all operational units. Compliance is audited regularly and awareness is reinforced by training. • All cooling agents in Atlas Copco products have a zero-ozone depleting impact during the product's lifecycle, and the aim is to continue to introduce cooling agents with lower Global Warming Potential (GWP). • The Group's SHEQ Policy is updated to cover biodiversity-related aspects. ISO 14001 certifications in major subsidiaries will support addressing relevant environmental focus areas.	→ Working proactively with environmental risks can prov cant opportunities to drive innovation at Atlas Copco. → Given that many customers are operating in areas of ex water stress/scarcity, water-efficient or water-recycling can have a strong customer appeal. This presents a stro opportunity to extend Atlas Copco's innovations to the area of water consumption. → Climate change impacts and predictions can induce ch consumers' habits and behavior. As a result of climate c Copco's customers can become more risk averse and d tainable products from the Group. New businesses and models that are being served by Atlas Copco arise. For increased renewable energy generation and the surge tion of electrical vehicles present opportunities to prov ucts to the industries. → Raised awareness of the subsidiaries' impact on biodiv their near surroundings can support activities to restor fauna.
MARKET	A widespread financial crisis and economic downturn would not only affect the Group negatively but could also impact customers' ability to finance their investments. Changes in customers' production levels also have an effect on the Group's sales of spare parts, service and consumables. In developing markets, new smaller competitors continuously appear which may affect Atlas Copco negatively.	• Well-diversified sales to customers in multiple countries and industries. Sales of spare parts and service are relatively stable in comparison to sales of equipment. • Monthly follow-up of market and sales development enables quick actions. • Agile manufacturing set-up makes it possible to quickly adapt to changes in the demand for equipment. • Leading position in most market segments provides economies of scale.	→ A significant competitive advantage as a result of a stro presence, including growth markets. → Opportunities to positively impact both society and en through the Group's high-quality sustainable products ethical standards. → Continue to develop close, long-term and strategic rela with customers and suppliers.

Examples of risks and how they are handled by Atlas Copco, continued

RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
REPUTATION	The Group's reputation is a valuable asset which may be affected in part through the Group's operations or actions and in part through the actions of external stakeholders. Products must deliver on the brand promise and be of high quality, safe and have a low negative impact on the environment when used by the customer. There is potential for reputational risk from non-compliance to product labeling standards or if there are cases of false advertising. Unsatisfied employees may potentially detract the Atlas Copco brand.	• All Atlas Copco products are tested and quality assured. Product labeling is monitored and there are regular communications trainings. • The Group actively engages in stakeholder dialogue. • Compulsory training in the Code of Conduct includes the yearly signing of a compliance statement. • A clear and well known corporate identity and brand management. • An employee survey is carried out every two years and followed up actively.	→ Brand positioning. → Stakeholder engagement not only mitigates reputatio certain cases but it also presents opportunities to incre ness and credibility of Atlas Copco's brand through imp and innovations. → Delivering tested and quality-assured products improv satisfaction and promotes repeat business. → Attract and develop employees who adhere to the Coo Conduct.
PRODUCTION	Core component manufacturing is concentrated to a few locations and if there are interruptions or lack of capacity in these locations, this may have an effect on deliveries or on the quality of products. Production facilities could also have a risk of damaging the environment through their operations, e.g. through hazardous waste and emissions. Atlas Copco is directly and indirectly exposed to raw material prices. Atlas Copco primarily distributes products and services directly to the end customer. If the distribution is not efficient, it may impact customer satisfaction, sales and profits. Damages and losses during the course of distribution can be costly. Some sales are made indirectly through distributors and rental companies and their performance may have a negative effect on sales. The distribution of products results in CO_2 emissions from transport.	• Manufacturing units continuously monitor the production process, test the safety and quality of products, make risk assessments, and train employees. • Atlas Copco has an internal Loss Prevention Standard to ensure high level of protection. • Production units have developed business continuity plans. • Ambition to certify all manufacturing units in accordance with the ISO 14001 standard. • Physical distribution of products is concentrated to a number of distribution centers and their delivery efficiency is continuously monitored. • Resources are allocated to training and development of the service organization. • As indirect sales are local/regional, the negative impact of poor performance is limited. • Increased focus on safer and more effective transports to reduce losses, costs and total emissions per transport.	→ Continued opportunities to extensively promote opera excellence to streamline production, minimize ineffici maintain a high flexibility in the production process. → Continue to strengthen the relationship with customer timely deliveries of products and services. → Transport efficiencies and safe transports can save the time and cost while reducing the environmental impac own operations. → Reduce fuel costs and resource requirements which im business agility for the Group.
SUPPLY CHAIN	Atlas Copco and its business partners, such as suppliers, subcontractors and joint venture partners, must share the same values as expressed in the Group's Code of Conduct regarding issues such as human rights standards and principles of ethical conduct. The availability of many components is dependent on suppliers and if they have interruptions or lack capacity, this may affect deliveries. Using a large number of suppliers gives rise to the risk that products contain components which are not sustainably produced, e.g. hazardous substances or electronic components containing conflict minerals, or components with a large carbon footprint.	• Business partners are selected and evaluated based on objective factors including quality, delivery, price, and reliability, as well as on social/environmental responsibility. • Significant direct suppliers are required to have an approved environmental management system. • The presence of conflict minerals in Atlas Copco's value chain is investigated and eradicated. • Establishment of a global network of sub-suppliers, to prevent supplier dependency. • E-learning for business partners (suppliers and distributors) to raise awareness of the Code of Conduct, including the requirement for significant business partner to sign and follow the Code of Conduct. Action plans developed together with suppliers to deal with shortcomings and deviations. • Atlas Copco maintains lists of substances that are prohibited or restricted due to their potential negative impact on health or the environment. Compliance with these lists is part of the business partner criteria.	→ Further increase business agility and reduce costs by im supplier inventory management in response to change demand. → Continue to be a preferred business partner and prom ciency, sustainability and safety. Good supplier relation improve Atlas Copco's competitive position. → Strengthen customer relationships by supporting cust impacted by the Dodd Frank legislation on conflict min → Promote human rights and work towards improving la conditions, reducing corruption and conflicts.
EMPLOYEE	Atlas Copco must have access to and attract skilled and motivated employees and safeguard the availability of competent managers to achieve established strategic and operational objectives.	• The competence mapping and plan secure access to people with the right expertise at the right time. Recruitment can be both external and internal. Internal recruitment and job rotation are facilitated by the Internal job market. • Salaries and other conditions are adapted to the market and linked to business priorities. Atlas Copco strives to maintain good relationships with unions.	→ Motivated and skilled employees and managers are cru achieve or exceed business goals and objectives.

Examples of risks and how they are handled by Atlas Copco, continued

RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
INFORMATION TECHNOLOGY (IT)	Atlas Copco relies on IT systems in its day-to-day operations. Disruptions or faults in critical systems have a direct impact on production. Errors in the handling of financial systems can affect the company's reporting of results. Theft or modification of intellectual property constitutes a risk to our products and future business success. Cyber security risks are increasing in importance and can have a major impact on Atlas Copco operations. The General Data Protection Regulation (GDPR) impacts the handling of personal data. Failure to comply may result in substantial fines and reputational damage.	• Atlas Copco has a global IT Security policy, including quality-assurance procedures that govern IT operations. Information security is monitored through IT Security audits and cyber-risk assessments. Standardized processes are in place for the implementation of new systems, changes to existing systems and daily operations. The system landscape is based on well-proven technologies. • IT Security tracks globally major downloads of files. Screening of business partners/ consultants working in our systems. • Cyber security is regularly discussed, addressed and invested in by the IT Security function. By performing cyber-risk assessments, awareness of cyber security risks increases the readiness to quickly detect and respond to any attacks. • A privacy- and data compliance council tracks the essential activities to ensure compliance with the regulation. • Increased focus on secure development process for our product software.	→ Stable IT systems, secure IT environment and standardi cesses increase efficiencies and reduce costs. → Quick action on major download of product developm minimizes the potential damage. → Quick action to address a cyber-attack gives opportuni work environment and business continuity. → As the approach has been global, Atlas Copco is well pr face future data privacy initiatives in all regions or cont
ACQUISITIONS AND DIVESTMENTS	When making acquisitions, there are risks related to the selection and valuation of the potential targets as well as the process of acquiring them. Integrating acquired businesses may also be a complex and demanding process. There is no guarantee for an acquisition to be successful even if all steps are done properly. Annual impairment tests are made on acquired goodwill. If the carrying values are not deemed justified in such tests, it can result in a write-down, affecting the Group's result. Acquisitions and divestments can impact local communities and/ or the environment, directly or indirectly.	• The Group's Acquisitions Process Council has established a process for acquisitions. The process is continually updated and improved to address and mitigate risks. The Council also provides training and supports business units prior to, during and after an acquisition. Before any acquisition is completed, a detailed due diligence will be performed in order to evaluate the risks involved. • Atlas Copco guidelines and policies are applied to assess and manage the environmental and social impact of operations in the affected communities after an acquisition is completed.	→ Acquisitions bring possibilities to enter new markets, s new technologies, new clients, increase revenues, etc. → Identifying the obstacles to integration can allow Atlas improve the process through methods such as job rota ing or teambuilding exercises. This would not only resu smoother process but also lower operational costs by c downtime and allowing newly acquired companies to even more productive and efficient.
PRODUCT DEVELOPMENT	One of the challenges for Atlas Copco's long-term growth and profitability is to continuously develop innovative, sustainable products that consume less resources over the entire life cycle. Atlas Copco's product offering is also affected by national and regional legislation on issues such as emissions, noise, vibrations, recycling, etc. However, there may be increased risk of competition in emerging markets where low-cost products are not affected to the same extent by such rules.	• Continuous investments in research and development to develop products in line with customer demand and expectations, even during economic downturns. • Designing products with a life-cycle perspective and measurable efficiency targets for the main product categories in each division. • Designing products with reduced emissions, vibrations or noise, and increased recycling potential to meet legal requirements.	→ Substantial opportunities to strengthen the competiti innovating high-quality, sustainable products and crea integrated value proposition for customers.

The Atlas Copco share

Share price development and returns
In 2022, the price of the A share decreased 21.3% to SEK 123.1 (156.5 [1]) and the B share decreased 16.5% to SEK 111.1 (133.1 [1]). The annual total return on the Atlas Copco A share, equal to dividend, redemption and the change in the share price, including the distribution of Epiroc AB, was on average 17% for the past ten years and 17% for the past five years. The corresponding total return for Nasdaq Stockholm was 13% and 11%, respectively.

Trading and market capitalization
The Atlas Copco shares are listed on Nasdaq Stockholm, which represented 23.0% of the total trading of the A share (37.3% of the B share) in 2022. Other markets, so called Multilateral Trading Facilities (MTF), e.g. CBOE accounted for 40.3% (36.9% of the B share), and the remaining 36.7% (25.8% of the B share) were traded outside public markets, for example through over-the-counter trading.

The market capitalization at year end 2022 was MSEK 586 731 (732 967) and the company represented 6.3% (5.9) of the total market value of Nasdaq Stockholm. Atlas Copco was the second (fifth) most traded share in 2022 by total turnover.

A program for American Depositary Receipts (ADRs) was established in the United States in 1990. One ADR corresponds to one share. The depositary bank is Citibank N.A. At year end 2022, there were 109 162 008 ADRs outstanding, of which 101 646 798 represented A shares and 7 515 210 represented B shares.

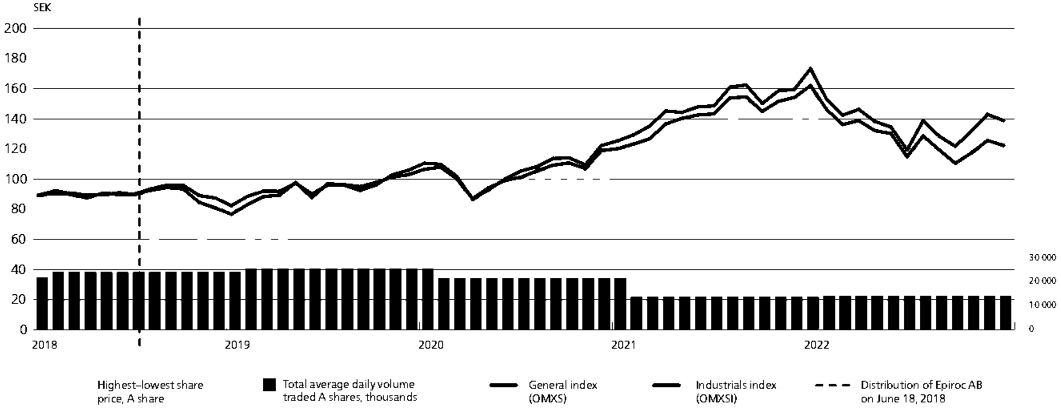
Share split and mandatory redemption of shares
During the second quarter 2022 the share split resolved by the Annual General Meeting on April 26, 2022 whereby each share was divided into four (4) ordinary shares and one (1) redemption share, was concluded. For further information, see atlascopcogroup.com/en/investor-relations/atlas-copco-share/redemption-of-shares

Personnel stock option program and repurchase of own shares
The Board of Directors will propose to the Annual General Meeting 2023 a similar performance-based long-term incentive program as in previous years. The intention is to cover the plan through the repurchase of the company's own shares. The company's holding of own shares on December 31, 2022 appears in the table to the right.

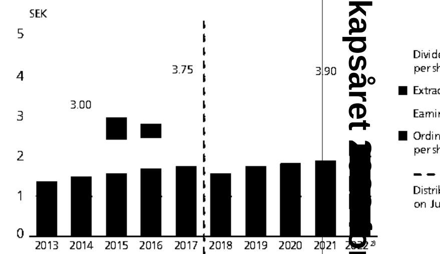
Dividend
The Board of Directors proposes to the Annual General M
2023 an ordinary dividend of SEK 2.30 (1.9 [1]) per share to
the 2022 fiscal year. In order to facilitate a more efficient c
agement, the dividend is proposed to be paid in two insta
If approved, the ordinary dividend has averaged 51% of b
ings per share during the last five years. The ambition is to
about 50% of earnings as dividends to shareholders. See
mation on page 19.

SHARE INFORMATION 2022-12-31	A share	
Nasdaq Stockholm	ATCO A	
ISIN code	SE0017486889	SE0
ADR	ATLKY OTC	
Total number of shares	3 357 578 384	1 5
% of votes	95.6	
% of capital	68.3	
Whereof shares held by Atlas Copco	50 095 451	
% of votes	1.4	
% of capital	1.0	

SHARE PRICE DEVELOPMENT [1]



EARNINGS AND DISTRIBUTION PER SHARE [1]



[1] Adjusted for share split in 2022.
[2] Proposed by the Board of Directors.

Atlas Copco

The Atlas Copco share, continued

Ownership structure

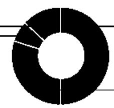
At the end of 2022, Atlas Copco had 115 459 (87 923) shareholders. The ten largest shareholders registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository, by voting rights, accounted for 35% (34) of the voting rights and 32% (31) of the capital. Swedish investors held 50% (47) of the capital and represented 47% (44) of the voting rights.

TEN LARGEST SHAREHOLDERS *

December 31, 2022	% of votes	% of capital
Investor AB	22.3	17.0
Swedbank Robur fonder	3.5	4.3
Alecta Pensionsförsäkring	2.3	4.1
Handelsbanken fonder	2.0	1.9
SEB Investment Management	1.4	1.2
Nordea Investment Funds	1.0	0.9
SPP Fonder AB	0.8	0.8
Folksam	0.8	0.9
Avanza Fonder	0.7	0.7
Länsförsäkringar fondförvaltning AB	0.6	0.6
Others	64.6	67.6
Total	**100.0**	**100.0**
– of which shares held by Atlas Copco	1.4	1.0

* Shareholders registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository.

SHAREHOLDERS BY COUNTRY
December 31, 2022, percent of capital



OWNERSHIP CATEGORY

December 31, 2022	% of capital
Shareholders domiciled abroad (legal entities and individuals)	50.5
Swedish financial companies	38.6
Swedish individuals	4.7
Other Swedish legal entities	2.2
Swedish social insurance funds	2.7
Swedish trade organizations	1.0
Swedish government and municipals	0.3
Total	**100.0**

OWNERSHIP STRUCTURE

Number of shares, December 31, 2022	% of shareholders
1–500	57.5
501–2 000	21.6
2 001–10 000	15.5
10 001–50 000	4.2
50 001–100 000	0.5
>100 000	0.7
Total	**100.0**

SHARE ISSUES [1]

			Change of share capital, MSEK	Amount dist
2011	Split	2:1		
	Share redemption [2]	1 229 613 104 shares at SEK 5	–393.0	
	Bonus issue	No new shares issued	393.0	
2015	Split	2:1		
	Share redemption [3]	1 229 613 104 shares at SEK 6	–393.0	
	Bonus issue	No new shares issued	393.0	
2018	Split	2:1		
	Share redemption [4]	1 229 613 104 shares at SEK 8	–393.0	
	Bonus issue	No new shares issued	393.0	
2022	Split	4 ordinary shares and 1 redemption share		
	Share redemption [5]	1 229 613 104 shares at SEK 8	–157.0	
	Bonus issue	No new shares issued	157.0	

1) For more information please visit www.atlascopcogroup.com/investor-relations.
2) 1 213 493 751 shares net of shares held by Atlas Copco.
3) 1 217 444 513 shares net of shares held by Atlas Copco.
4) 1 213 080 695 shares net of shares held by Atlas Copco.
5) 4 865 921 644 shares net of shares held by Atlas Copco as of May 13, 2022

IMPORTANT DATES

2023	April 27	First quarter results
	April 27	Annual General Meeting
	April 27 *	Shares trade excluding right to dividend of SEK 1.15
	May 5 *	Dividend payment date (preliminary)
	July 19	Second quarter results
	October 25	Third quarter results
	October 18 *	Shares trade excluding right to dividend of SEK 1.15
	October 25 *	Dividend payment date (preliminary)
2024	January 25	Fourth quarter results 2023

* Board of Directors proposal to the Annual General Meeting. The record date is the first trading day after shares trade excluding the right to dividend.

More information

– More data per share can be found on page 14 in the four-year summary.

– For more information on distribution of share option programs and repurchase of own shares see notes 5, 20 and 23.

– Detailed information on the share and debt can be found on www.atlascopcogroup.com/investor-relations

Corporate governance

In the corporate governance report, Atlas Copco presents how applicable rules are implemented in efficient control systems to achieve long-term growth. Good corporate governance is not only about following applicable rules, it is also about doing what is right. The objective is to find the right balance between risk and control in a decentralized management model. The goal is sustainability in productivity and profitability, as well as in governance.

Atlas Copco AB is incorporated under the laws of Sweden with a public listing at Nasdaq Stockholm AB (Nasdaq Stockholm). Atlas Copco is governed by Swedish legislation and regulations, primarily the Swedish Companies Act, but also the rules of Nasdaq Stockholm, the Swedish Corporate Governance Code (the Code), the Articles of Association and other relevant rules.

Atlas Copco does not report any deviations from the Code for the financial year 2022. The corporate governance report has been examined by the auditors, see page 124.

The following information is available at www.atlascopcogroup.com

→ Atlas Copco's Articles of Association
→ The Code of Conduct
→ Corporate governance reports since 2004 (as a part of the annual report)
→ Information on Atlas Copco's Annual General Meeting

Comment from the Chair

Atlas Copco is a truly global industrial company, which creates lasting value and empowers customers to drive society forward in over 180 countries. Through energy-efficient products that save carbon emissions, and by implementing values and processes with respect for people and the planet, Atlas Copco can contribute to a better tomorrow. As a leading industrial innovator and global supplier, Atlas Copco can play a role in combating climate change. The commitment to reduce greenhouse gas emissions in line with the goals of the Paris Agreement, and by setting Science-based targets, the Group shows its ambition to be part of the transformation to a low-carbon society.

The Atlas Copco Code of Conduct is the most important instrument to make sure the company always acts with the highest ethical standards and integrity. The main international ethical standards supported by Atlas Copco are the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Companies and the UN Global Compact. Atlas Copco is a member of the UN Global Compact since 2008.

The annual signing of the Code of Conduct, together with training, supports Atlas Copco's employees to identify and handle ethical dilemmas and strengthens the awareness of Atlas Copco's values and guidelines. Atlas Copco also requests that significant business partners commit to comply with the Code of Conduct. This is further supported by the third party operated system, SpeakUp, providing a channel for anonymous reporting of suspected ethical misconduct. To safeguard the Group's reputation, Atlas Copco relies on solid governance and the leaders' ability to defend values, including of course, internal and external control and audits.

Hans Stråberg
Chair since 2014

Meetings of the Board and the Nomination Committee during 2022

BOARD OF DIRECTORS' MEETINGS AND ACTIVITIES		NOMIN COMMITTEE
	Q1	
Preliminary full-year 2021 results, the annual audit and review of Power Technique	JAN.	Nomin Commi meetin
	FEB.	
Meeting per capsulam	MAR.	
	Q2	
First-quarter results meeting and review of Vacuum Technique	APR.	
Statutory meeting	MAY	
Review of management, succession planning, Industrial Technique and strategy discussion	JUN.	
	Q3	
Half-year report meeting	JUL.	
	AUG.	
	SEP.	Nomin Commi meetin
	Q4	
Third-quarter results meeting and review of Compressor Technique and Group Treasury Report	OCT.	
	NOV.	Nomin Commi meetin
	DEC.	

Corporate governance, continued

1. Shareholders
2. General Meeting
3. Nomination Committee
4. Board of Directors
5. Audit Committee
6. Remuneration Committee
7. Auditor
8. Internal Audit and Assurance
9. Group Management
Business areas and divisions

1. Shareholders

At the end of 2022, Atlas Copco had 115 459 (87 923) shareholders. The ten largest shareholders registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository, by voting rights, accounted for 35% (34) of the voting rights and 32% (31) of the capital. Swedish investors held 50% (47) of the capital and represented 47% (44) of the voting rights. The largest shareholder is Investor AB, holding 17.0% of capital and 22.3% of votes. More information on Atlas Copco's shareholders can be found on pages 49–50.

2. General Meeting

The General Meeting is Atlas Copco's supreme decision-making body in which all shareholders are entitled to take part. Anyone registered in the shareholders' register who have given due notification to the Company of their intention to attend, may join the meeting and vote for their total shareholdings. Atlas Copco encourages all shareholders to vote at the General Meeting and shareholders who cannot participate in person may be represented by proxy holders or vote by mail. A shareholder or a proxy holder may be accompanied by two assistants and a proxy form can be found prior to the General Meeting at www.atlascopcogroup.com/agm.

The Annual General Meeting (AGM) 2022 was held on April 26, 2022 in Solna, Sweden. The Company also offered shareholders the possibility to exercise their voting rights by mail voting. 59% of the total number of votes in the Company and 60% of the shares were represented.

Decisions at the AGM 2022 included:

- Adoption of the income statements and balance sheets of Atlas Copco AB and the Group for 2021.
- Discharge of liability of the Company's affairs during the 2021 financial year for the President and CEO and the Board of Directors.
- Adoption of the Board's proposal for profit distribution with a dividend of SEK 7.60 per share to be paid in two installments. The first installment amount will be SEK 3.80 per share and the second installment amount will be SEK 0.95 per share (in accordance with the Annual General Meeting's resolution on share split and redemption).
- A share split in four (4) ordinary and one (1) mandatory redemption share. The redemption share was automatically redeemed resulting in an extra distribution to the shareholders of SEK 8 per share.
- Amendment of the Articles of Association.
- That the number of directors elected by the AGM for a term ending at the next AGM would be eight directors and no alternates.
- Election of the Board of Directors.
- A resolution of the Board of Directors' fee.
- Approval of the remuneration report for 2021.
- Approval of the reported scope and principals for a performance based employee stock option plan for 2022 including mandate for the Board to decide upon repurchase and sales of Atlas Copco shares to hedge the plan and previous similar plans.
- Election of Ernst & Young AB as auditing company up to and including the Annual General Meeting 2023.

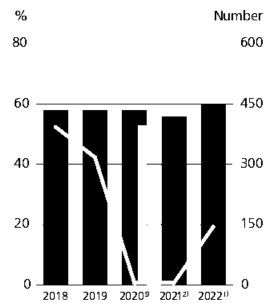
Annual General Meeting 2023

The Annual General Meeting will be held on April 27, 202
Shareholders who wish to contact the Nomination Comm
have a matter addressed by the Board of Directors at the
submit their proposals by ordinary mail or e-mail to:

*Atlas Copco AB, Attn: Chief Legal Officer, SE-105 23 Stockh
Sweden, nominations@atlascopco.com or board@atlasco*

Proposals have to be received by the Board of Directors a
Nomination Committee respectively, no later than seven
to the AGM to be included in the notice to the AGM and t

General Meeting Attendance



■ AGM, votes, %
EGM, votes, %
Shareholders and pro
holders, number

[1] AGM 2022 mail voting
[2] AGM 2021 due to Covid voting, no physical atten
[3] AGM 2020 due to Covid was available and recon
EGM 2020 due to Covid voting, no physical atten

Corporate governance, continued

3. Nomination Committee

The Nomination Committee aims to propose a Board with a broad and complementary experience from a number of important industries and markets. Experience from the manufacturing industry with international coverage is viewed as especially valuable. The committee also considers factors such as diversity, gender balance, potential conflicts of interest etc. The Nomination Committee's diversity policy is based on section 4.1 in the Corporate Governance Code. The eight Board members elected by the shareholders have backgrounds from various industries. As proposed to the AGM 2022, two of the seven non-executive members are women. One member is born in the 1940's, three in the 1950's, two in the 1960's, and one is born in the 1970's. The Board members are of two different nationalities, from Germany and a majority of the Board members coming from Sweden. Increasing the diversity of the Board of Directors with regard to gender is a priority for the Nomination Committee.

Based on the findings of the Chair of the Board, the Nomination Committee annually evaluates the work of the Board. Further to that, the Nomination Committee proposes the Chair to the Annual General Meeting, prepares a proposal regarding number and names of Board members, including Chair and a proposal for remuneration to the Chair and other Board members not employed by the Company, as well as a proposal for remuneration for Board committee work. Finally, the Nomination Committee proposes an audit company including remuneration for the audit.

The proposals and the Nomination Committee's statement will be published at the latest with the notice to the AGM 2023. In view of the Nomination Committee's strive to reach gender balance, for example in case of equal competence, the candidate that will lead to improved gender balance should be proposed.

In compliance with the Swedish Corporate Governance Code and the procedures adopted by the AGM 2016, the representatives of the four largest shareholders, directly registered or ownership grouped as listed in the shareholders' register as of August 31, 2022, together with the Chair of the Board shall form the Nomination Committee. The members of the Nomination Committee for the AGM 2023 were announced on September 15, 2022, and represented approximately 30% of all votes in the Company. The members of the Nomination Committee receive no compensation for their work in the committee.

Nomination Committee members for the AGM 2023:
Petra Hedengran, Investor AB, Chair of the Nomination Committee; Jan Andersson, Swedbank Robur funds; Mikael Wiberg, Alecta; Helen Fasth Gillstedt, Handelsbanken Fonder AB; and Hans Stråberg, Atlas Copco AB, Chair of the Board.

4. Board of Directors

The Board of Directors is responsible for the overall organization, administration and management of Atlas Copco in the best interest of the Company and its shareholders. The Board is responsible for following applicable rules and implementing efficient control systems in the decentralized organization. An efficient control system offers the correct balance between risk and control. The long-term goals are regularly evaluated by the Board based on the Group's financial situation and financial, legal, social and environmental risks. The mission is to achieve a sustainable and profitable development of the Group.

Board of Directors' members

At the end of 2022 the Board of Directors consisted of eight elected members, including the President and CEO. The Board also had two employee representatives, each with one personal deputy. Atlas Copco fulfilled the 2022 requirements of Nasdaq Stockholm and the rules of the Swedish Corporate Governance Code regarding independency of board members.

The Board of Directors' work

The Board continuously addresses the Group's strategic direction, financial performance, and methods to maintain sustainable profitability. They also continuously ensure that efficient control systems are in place. The Board is regularly updated, informed and educated on topics related to sustainability, such as opportunities related to new segments and technologies, new regulations and the Group's non-financial targets. The Board also follows up on the compliance of the Code of Conduct as well as on the Group's whistleblowing solution, SpeakUp. Besides the general distribution of responsibilities that apply, in accordance with the Swedish Companies Act and the Code, the Board and its committees (Audit Committee, Remuneration Committee and others) annually review and adopt "The Rules of Procedure" and "The Written Instructions", the documents that govern the Board's work and the distribution of tasks between the Board, the committees and the President, as well as the Company's reporting processes.

The Board held seven meetings in 2022. Four were physical meetings, of which three were held at Atlas Copco AB in Nacka and one in Frankfurt. Two meetings were held virtually at Atlas Copco AB in Nacka and one per capsulam. The attendance at Board meetings is presented on page 55–56.

The Board continuously evaluates the performance of the President and CEO, Mats Rahmström. For the Annual Audit, the Company's principal auditor, Erik Sandström, Ernst & Young AB, repo observations to the Board. The Board also had a separate with the auditor where members of Group Management present.

Evaluation of the Board of Directors' work

The annual evaluation of the Board of Directors' work, in Board's committees (Audit Committee, Remuneration C and others) was conducted by the Chair of the Board, Ha He evaluated the Board's working procedures, compete composition, including the background, experience and Board members. His findings were presented to the Nom Committee.

Remuneration to the Board of Directors

Remuneration and fees are based on the work performe Board. The AGM 2022 decided to adopt the Nomination tee's proposal for remuneration to the Chair and other B bers not employed by the Company, and the proposed re tion for committee work. See also note 5.

- The Chair was granted an amount of SEK 3 000 000.
- Each of the other Board members not employed by the was granted SEK 1 000 000.
- An amount of SEK 350 000 was granted to the Chair of Committee and SEK 220 000 to each of the other mem committee.
- An amount of SEK 135 000 was granted to the Chair of Remuneration Committee and SEK 100 000 to each of members of this committee.
- An amount of SEK 100 000 was granted to each non-ex director who, in addition, participates in committee wo upon by the Board.
- The meeting further resolved that 50% of the director' could be received in the form of synthetic shares.

Corporate governance, continued

5. Audit Committee

The Audit Committee is elected by the Board at the statutory Board meeting after the Annual General Meeting and until the statutory Board meeting the following year. The work of the Audit Committee is directed by the Audit Committee Charter, which is reviewed and approved annually by the Board. The Chair of the committee has the accounting competence required by the Swedish Companies Act and two of the members are independent from the Company and its main shareholder. The Audit Committee's primary task is to support the Board of Directors in fulfilling its responsibilities in the areas of audit and internal control, accounting, financial reporting and risk management as well as to supervise the financial structure and operations of the Group and approve financial guarantees and new legal entities, delegated by the Board. The Audit Committee work further includes reviewing internal audit procedures, monitoring the external auditor, considering any inspection findings, review and monitor the independence of the external auditor, and assist the Nomination Committee in the selection of the auditor.

During the year, the committee convened five times. All members were present at these meetings. All meetings of the Audit Committee have been reported to the Board of Directors and the corresponding Minutes have been distributed to the Board.

The Audit Committee members during 2022 were Anna Ohlsson-Leijon, Chair, Johan Forssell, Hans Stråberg and Staffan Bohman until the meeting in April.

6. Remuneration Committee

The Remuneration Committee is elected by the Board at the statutory Board meeting after the Annual General Meeting and until the statutory Board meeting the following year. The work of the Remuneration Committee is directed by the Remuneration Committee Charter, which is reviewed and approved annually by the Board. The Remuneration Committee's primary task is to propose to the Board the remuneration to the President and CEO and a long-term incentive plan for key employees. The purpose of a long-term incentive plan is to align the interests of key personnel with those of the shareholders. The guidelines for executive remuneration in Atlas Copco aim to establish principles for fair and consistent remuneration with respect to compensation, benefits, and termination. The base salary is based on competence, area of responsibility, experience and performance, while the variable compensation is linked to predetermined and measurable criteria which can be financial or non-financial. The guidelines for executive remuneration are reviewed annually and the Annual General Meeting 2020 approved the guidelines for remuneration. See also note 5.

The Remuneration Committee had three meetings in 2022. All members were present. During the year, the Remuneration Committee also supported the President and CEO in determining remuneration to the other members of Group Management. All meetings of the Remuneration Committee have been reported to the Board and the corresponding Minutes have been distributed to the Board.

The Remuneration Committee members during 2022 were Hans Stråberg, Chair, Peter Wallenberg Jr, and Staffan Bohman.

7. Auditor

The task of the external auditor is to examine Atlas Copco's consolidated accounts and annual report, as well as to review the Board and the CEO's management of the Company. At the AGM 2022 the audit firm Ernst & Young AB, Sweden, was elected external auditor up to and including the AGM 2023 in compliance with a proposal from the Nomination Committee. The principal auditor is Erik Sandström, Authorized Public Accountant at Ernst & Young AB. At the AGM 2022, Erik Sandström referred to the auditor's report for the Company and the Group in the annual report and explained the process applied when performing the audit. He also recommended adoption of the presented income statements and balance sheets, discharge of liability for the President and CEO and the Board of Directors, and adoption of the proposed distribution of profits.

8. Internal Audit and Assurance

Internal Audit and Assurance aims to provide independe
objective assurance on internal control by conducting int
audits. It reports five times per year to the Audit Committ
Read more on pages 59–60.

9. Group Management

Besides the President and CEO, the Group Management c
four business area presidents and four senior vice preside
sible for the main Group functions; Corporate Communic
Human Resources, Controlling and Finance, and Legal. Th
and CEO is responsible for the ongoing management of t
following the Board's guidelines and instructions.

Remuneration to Group Management

The guidelines for executive remuneration in Atlas Copc
reviewed annually by the Board of Directors and present
AGM for approval at least every four years. In 2020, the A
decided to adopt the Board's proposal. The remuneratio
sist of base salary, variable compensation, possible long-t
tives (personnel options), pension benefits and other ben
variable compensation is limited to a maximum percenta
base salary and is linked to predetermined and measurab
which can be financial or non-financial. Non-financial crit
2022 has been to reduce the Group's CO_2 emissions. No fe
for board memberships in Group companies.

Based on the guidelines for executive remuneration th
Directors annually proposes a Remuneration Report to th
approval. In 2022, the AGM decided to approve the Remu
Report for 2021.

Statement of materiality and significant audiences

Atlas Copco is registered in Sweden and is legally governed by the Swedish Companies Act (2005:551). This act requires that the Board of Directors governs the Company to be profitable and create value for its shareholders. However, Atlas Copco recognizes going beyond this, extending it to integrating sustainability into its business creating long-term value for all stakeholders, which is ultimately in the best interest of the Company, the shareholders and society. The significant stakeholder audience, as outlined in Atlas Copco's Code of Conduct, includes representatives of society, employees, customers, business partners and shareholders.

The Code of Conduct is the central guiding policy for Atlas Copco, and is owned by the Board of Directors. Its commitment goes beyond the requirements of legal compliance, to supporting voluntary international ethical guidelines. These include the United Nations International Bill of Human Rights, International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the ten principles of the United Nations Global Compact, and OECD's Guidelines for Multination
prises. Atlas Copco has employed a stakeholder-driven approach
to identify the most material environmental, human rights, labor
cal aspects of its business. These priorities guide how the Group
and drives its business strategy, as well as its roadmap to support
Sustainable Development Goals.

The strategy and fundamentals for growth together with the
targets presented on page 6 aim at continuously delivering susta
profitable growth for the Group. This means an increased econo
creation and, simultaneously, a positive impact on society and th
ronment, thus creating shared value.

Atlas Copco monitors and voluntarily discloses the progress o
material financial and non-financial aspects, through an externall
integrated annual report. In addition to the Annual General Meeti
Copco also creates engagement opportunities so that non-shareh
can address the Group in various stakeholder dialogues.

Board of Directors




Name **Position, year of birth**	**Hans Stråberg** Chair since 2014, born 1957	**Mats Rahmström** Board member, President and CEO, born 1965	**Staffan Bohman** Board member, born 1949	**Heléne Mellquist** Board member, born 1964
Education	M.Sc. in Mechanical Engineering, Chalmers University of Technology, Gothenburg.	MBA from the Henley Management College, United Kingdom.	B.Sc. in Economics and Business Administration, Stockholm School of Economics and Stanford Executive Program, United States.	Bachelor in International Business studies, University of Gothenburg. Executive Management, Stockholm School of Economics.
Nationality / Elected	Swedish / 2013	Swedish / 2017	Swedish / 2003	Swedish / 2022
External memberships	Chair of AB SKF, Roxtec AB, CTEK AB and Anocca AB. Board member of Investor AB and Mellby Gård AB. Member of The Royal Swedish Academy of Engineering Sciences.	Chair of Piab AB. Board member of Wärtsilä Oyj Abp, Finland. Member of The Royal Swedish Academy of Engineering Sciences.	Chair of AB Electrolux, The German-Swedish Chamber of Commerce, and The Research Institute of Industrial Economics. Member of The Royal Swedish Academy of Engineering Sciences.	Board member of Thule Group AB.
Principal work experience and other information	President and CEO for AB Electrolux. Various executive positions in the Electrolux Group based in Sweden and the U.S. EU Co-Chair TABD, Trans-Atlantic Business Dialogue.	President and CEO of Atlas Copco AB*. President of the Atlas Copco Tools and Assembly Systems General Industry division. Before he was appointed President and CEO he was Business Area President for Industrial Technique.	CEO of Sapa AB, Gränges AB and DeLaval AB.	President of Volvo Penta*. Senior Vice President of Volvo Trucks Europe, Senior Vice President of Volvo Trucks International and CEO of TransAtlantic AB.
Attendance				
Board meetings	7 of 7	6 of 7	7 of 7	4 of 7 [7]
Annual General Meeting	Yes	Yes	Yes	Yes
Independence				
To Atlas Copco and its management	Yes	No [3]	Yes	Yes
To major shareholders	No [4]	Yes	Yes	Yes
Fees and holdings				
Total fees 2022, KSEK [1]	3 489		1 332	875
Holdings in Atlas Copco AB [2]	100 000 class B shares 75 045 synthetic shares	58 348 class A shares 50 240 class B shares 1 360 141 employee stock options	40 000 class A shares 160 000 class B shares 16 046 synthetic shares	4 599 synthetic shares

Board members appointed by the unions

Benny Larsson
Position: Board member
Year of birth: 1972
Nationality: Swedish
Elected: 2018
Board meetings: 7 of 7

Mikael Bergstedt
Position: Board member
Year of birth: 1960
Nationality: Swedish
Elected: 2004
Board meetings: 6 of 7

REFERENCES:
All educational institutions and companies are based in Sweden, unless otherwise stated.
1) See more information on the calculation of fees in note 5.
2) Holdings as per end 2022, including those of close relatives or legal entities and grant for 2022.
3) President and CEO of Atlas Copco AB.
4) Board member in a company, which is a larger owner (Investor AB).
5) President and CEO of a company, which is a larger owner (Investor AB).
6) Board member of an indirect owner of Atlas Copco AB.
7) Full attendance since their election at the Annual General Meeting in April 2022.
* Current position.

Board of Directors, continued




Name **Position, year of birth**	**Johan Forssell** Board member, born 1971	**Anna Ohlsson-Leijon** Board member, born 1968	**Gordon Riske** Board member, born 1957	**Peter Wallenberg Jr** Board member, born 1959
Education	M.Sc. in Economics and Business Administration, Stockholm School of Economics.	B.Sc. in Business Administration and Economics from Linköping University.	MBA programme at GSBA, Zurich, Switzerland, in collaboration with the State University of New York, United States, and BBA, Oekreal School of Business, Zurich, Switzerland.	BSBA Hotel Administration, University of Denver, United States, and International Bachaloria, American School, Leysin, Switzerland.
Nationality / Elected	Swedish / 2008	Swedish / 2020	American / German / 2020	Swedish / 2012
External memberships	Board member of EQT AB, Investor AB, Patricia Industries AB, Wärtsilä Oyj Abp, Finland, Epiroc AB, Confederation of Swedish Enterprise and Stockholm School of Economics. Member of The Royal Swedish Academy of Engineering Sciences.	Board member of Schneider Electric.	Chair of the MTU Aero Engines, AG Munich, Germany and Sunlight Group SA, Athens, Greece. Member of the Executive Board for the non-profit Hertie-Stiftung GmbH, Frankfurt, Germany, and a Non-Executive Director at Weichai Power Co., Ltd., Weifang, China.	Chair of Knut and Alice Wallenberg Foundation, Wallenberg Foundations AB and FAM Förvaltning AB (The Grand Group). Board member of Scania.
Principal work experience and other information	President and CEO of Investor AB*. Managing Director, Head of Core Investments and member of the management group of Investor AB.	Head of Commercial & Consumer Journey and Executive Vice President at AB Electrolux*. Head of Business Area Europe and CFO of AB Electrolux. Other senior positions within Electrolux, including CFO of Electrolux Appliances EMEA and Head of Electrolux's Corporate Control & Services department. CFO of Kimoda. Various positions within PricewaterhouseCoopers.	CEO of KION Group AG, Germany. Chairman of the Management Board of Linde Material Handling GmbH, Germany, Chairman of the Management Board of Deutz AG, Germany, Managing Director of KUKA Roboter GmbH, Germany, and management positions at KUKA Schweißanlagen & Roboter GmbH, Germany and KUKA Welding Systems & Robot Corporation, U.S.	President and CEO of The Grand Hôtel Holdings, General Manager, The Grand Hôtel, President Hotel Division Stockholm Saltsjön.
Attendance				
Board meetings	7 of 7	7 of 7	7 of 7	7 of 7
Annual General Meeting	Yes	Yes	Yes	Yes
Independence				
To Atlas Copco and its management	Yes	Yes	Yes	Yes
To major shareholders	No [5]	Yes	Yes	No [6]
Fees and holdings				
Total fees 2022, KSEK [1]	1 196	1 324	978	1 077
Holdings in Atlas Copco AB [2]	44 000 class B shares, 23 931 synthetic shares	1 400 class B shares, 7 898 synthetic shares	12 484 synthetic shares	666 668 class A shares, 23 931 synthetic shares

Board members appointed by the unions

Thomas Nilsson
Position: Deputy to Benny Larsson
Year of birth: 1972
Nationality: Swedish
Elected: 2021
Board meetings: 7 of 7

Helena Hemström
Position: Deputy to Mikael Bergstedt
Year of birth: 1969
Nationality: Swedish
Elected: 2021
Board meetings: 7 of 7

REFERENCES:
All educational institutions and companies are based in Sweden, unless otherwise stated.
[1] See more information on the calculation of fees in note 5.
[2] Holdings as per end 2022, including those of close relatives or legal entities and grants for 2022.
[3] President and CEO of Atlas Copco AB.
[4] Board member in a company, which is a larger owner (Investor AB).
[5] President and CEO of a company, which is a larger owner (Investor AB).
[6] Board member of an indirect owner of Atlas Copco AB.
[7] Full attendance since their election at the Annual General Meeting in April 2022.
* Current position.

Atlas Copco

Group Management

Besides the President and CEO, Group Management consists of four business area executives and four executives responsible for the main Group functions; Corporate Communications, Human Resources, Controlling and Finance, and Legal.

Mats Rahmström

Mats Rahmström has held positions in sales, service, marketing and general management within the Industrial Technique business area. He has been President of the Atlas Copco Tools and Assembly Systems General Industry division. Before he was appointed President and CEO he was Business Area President for Industrial Technique.

Position: President and CEO

Year of birth: 1965

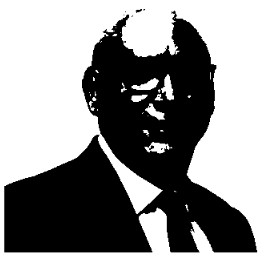
Education: MBA from the Henley Management College, United Kingdom.

Nationality: Swedish

Employed/In current position since: 1988/2017

External memberships: Chair of Piab AB. Board member of Wärtsilä Oyj Abp, Finland. Member of The Royal Swedish Academy of Engineering Sciences.

Holdings in Atlas Copco AB [1]
58 348 class A shares
50 240 class B shares
1 360 141 employee stock options



Vagner Rego

Vagner Rego joined Atlas Copco as a trainee engineer in São Paulo State, Brazil, and was later appointed Business Line Manager for Compressor Technique Service. He later became Vice President Marketing and Sales for the Compressor Technique Service division in Belgium. Before he was appointed President of the Compressor Technique Service division, he was General Manager for Construction Technique's customer center in Brazil.

Position: Senior Executive Vice President and Business Area President Compressor Technique

Year of birth: 1972

Education: Mechanical engineering from Mackenzie University and an MBA from Ibmec Business School, both in Brazil.

Nationality: Brazilian

Employed/In current position since: 1996/2017

Holdings in Atlas Copco AB [1]
17 272 class A shares
429 936 employee stock options

Geert Follens

Geert Follens has held positions in purchasing, supply chain and general management. He has served as General Manager of Atlas Copco Compressor Technique's customer center in the United Kingdom. Before he became President of the Vacuum Solutions division he was first President of the Portable Energy division and then of the Industrial Air division.

Position: Senior Executive Vice President and Business Area President Vacuum Technique

Year of birth: 1959

Education: M. Sc. in Electromechanical Engineering and a post-graduate degree in Business Economics from the University of Leuven, Belgium.

Nationality: Belgian

Employed/In current position since: 1995/2017

External memberships: Board member of AB SKF.

Holdings in Atlas Copco AB [1]
18 792 class A shares
310 064 employee stock options

Henrik Elmin

Henrik Elmin joined Atlas Copco as General Manager for Atlas Copco Tools Customer Center Nordic in the Industrial Technique business area. He was later appointed President of the General Industry Tools and Assembly Systems division. Before his current position he was President of the Industrial Technique Service division.

Position: Senior Executive Vice President and Business Area President Industrial Technique

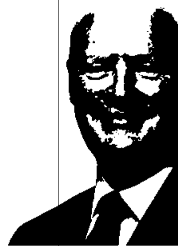
Year of birth: 1970

Education: M.Sc. in Mechanical Engineering from Lund Institute of Technology and an MBA from INSEAD, France.

Nationality: Swedish

Employed/In current position since: 2007/2017

Holdings in Atlas Copco AB [1]
16 240 class A shares
427 192 employee stock options



Andrew Walker

Andrew Walker has held several di
management positions in markets
the United Kingdom, Ireland, Belg
United States. Before his current p
was President of the Service divisio
Compressor Technique.

Position: Senior Executive Vice Pre
Business Area President Power Tec

Year of birth: 1961

Education: M.Sc. in Industrial Eng
and an MBA, both from University
Dublin, Ireland.

Nationality: Irish

Employed/In current position si
1986/2014

Holdings in Atlas Copco AB [1]
36 400 class A shares
6 488 class B shares
479 962 employee stock options

[1] Holdings as per end 2022 including those held by related natural or legal persons. See note 23 for more information on the option programs and matching shares.
All educational institutions and companies are based in Sweden, unless otherwise indicated.

Group Management, continued

Peter Kinnart

Peter Kinnart started his career at Atlas Copco as business controller at Airpower in Antwerp. He has held several management positions within different areas at Atlas Copco in Belgium, Germany, Spain and Switzerland. Prior to his current position, he was Vice President Business Control at Atlas Copco's Business Area Compressor Technique.

Position: Senior Vice President, Chief Financial Officer

Year of birth: 1969

Education: Master in Applied Economic Science and a Master in Commercial Engineering from the University of Antwerp (UFSIA), Belgium.

Nationality: Belgian

Employed/In current position since:
1993/2021

Holdings in Atlas Copco AB [1]
6 800 class A shares
234 967 employee stock options

Eva Klasén

Eva Klasén joined Atlas Copco in 2000 as Assistant Corporate Counsel and has since then held several positions in the legal functions in both Sweden and China. She has been supporting several M&A projects, setting up the legal department in China and also being the General Counsel for EMEA, leading the team of lawyers in the area. Before her current position she was Vice President, Deputy Chief Legal Officer at Atlas Copco AB.

Position: Senior Vice President, Chief Legal Officer

Year of birth: 1975

Education: Master of Law from Lund University.

Nationality: Swedish

Employed/In current position since:
2000/2022

Holdings in Atlas Copco AB [1]
3 332 class A shares
92 675 employee stock options

Cecilia Sandberg

Cecilia Sandberg began her career as Human Resources consultant for a travel agency. From 1999 to 2007 she held different Human Resources roles at Scandinavian Airlines and AstraZeneca. Between 2007 and 2015 she was Vice President Human Resources for Atlas Copco's Industrial Technique business area. Before she started her current position she was Senior Vice President Human Resources at Permobil.

Position: Senior Vice President, Chief Human Resources Officer

Year of birth: 1968

Education: B.Sc. in Human Resources and a M.Sc. in Sociology from Stockholm University.

Nationality: Swedish

Employed/In current position since:
2017/2017

Holdings in Atlas Copco AB [1]
12 752 class A shares
600 class B shares
174 135 employee stock options

Sara Hägg Liljedal

Sara Hägg Liljedal began her career as a journalist working for different Swedish media. Between 2007 and 2013 she worked as Press Secretary for the Speaker of the Swedish Parliament. She has also held roles as a Press and PR Manager for Swedish investment services companies Swedbank Robur and Skandia. Before she was appointed Senior Vice President, Chief Communications Officer, she was Media Relations Manager for the Atlas Copco Group.

Position: Senior Vice President, Chief Communications Officer

Year of birth: 1980

Education: BA in Journalism from Stockholm University.

Nationality: Swedish

Employed/In current position since:
2018/2022

Holdings in Atlas Copco AB [1]
1 936 class A shares
240 class B shares
18 744 employee stock options

[1] Holdings as per end 2022, including those held by related natural or legal persons. See note 23 for more information on the option programs and matching shares.
All educational institutions and companies are based in Sweden, unless otherwise indicated.

Internal control over financial reporting

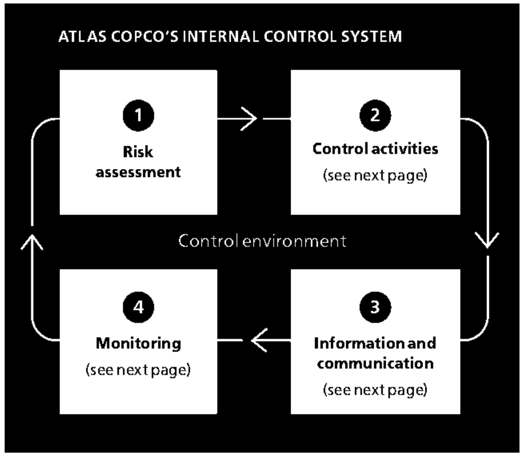
This section includes a description of Atlas Copco's system of internal controls over financial reporting in accordance with the requirements set forth in the Swedish Code of Corporate Governance and as stipulated by the Swedish Companies Act.

The purpose of well-developed internal controls over financial reporting is to ensure correct and reliable financial statements and disclosures.

The basis for the internal control is defined by the overall control environment. The Board of Directors is responsible for establishing an efficient system for internal control and governs the work through the Audit Committee and CEO. Group Management sets the tone for the organization, influencing the control consciousness of employees. One key success factor for a strong control environment lies in ensuring that the organizational structure, decision hierarchy, corporate values in terms of ethics and integrity as well as authority to act, are clearly defined and communicated through guiding documents such as internal policies, guidelines, manuals, and codes.

The financial reporting accounting policies and guidelines are issued by Group Management to all subsidiaries, which are followed up with newsletters and conference calls. Trainings are also held for complex accounting areas and new accounting policies. The policies and guidelines detail the appropriate accounting for key risk areas such as revenues, trade receivables, including bad debt provisions, inventory costing and obsolescence, accounting for income taxes (current and deferred), financial instruments and business acquisitions.

The internal control process is based on a control framework that creates structure for the other four components of the process – risk assessment, control activities, information and communication as well as monitoring. The starting point of the process is the framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), www.coso.org.



1 Risk assessment

The company applies different processes to assess and id the main risks relating to financial reporting misstatemer risk assessments are regularly performed to identify new follow up that internal control is adequate to address the risks. The key risk areas for the financial reporting and cor ties that are in place to manage the risks are presented in on the next page.

Internal control over financial reporting, continued

KEY FINANCIAL REPORTING RISKS	Revenues are not recognized in the appropriate accounting period	Trade receivables are not appropriately valued	Inventory is not appropriately valued at the lower of cost or net realizable value	Income taxes are not accounted for in accordance with applicable tax legislation	Business acquisitions and ass[...] goodwill as well as intangib[...] not appropriately accounted[...]
2 **Control activities** to manage key financial reporting risks	Customer contracts are signed at appropriate level within the Group.	Trade receivables and provisions for bad debt are appropriately reconciled at each reporting date.	Inventory counts are performed on a regular basis.	Tax calculations are prepared and reviewed at each reporting date.	All business acquisitions ar[...] by the Board, CEO or Divisio[...] President.
	Revenues are disaggregated and analyzed by type (e.g. goods, services and rental) and by period at local, divisional, business area and Group level.	Credit assessments are performed, and credit limits are reviewed on a regular basis.	Inventories are appropriately reconciled at each reporting date.	The effective tax rate for each country is analyzed at each reporting date by Group Tax.	Purchase price allocations a[...] prepared at divisional level[...] reviewed at Group level.
	Revenues for goods shipped are scrutinized at period end against shipping terms and the percentage of completion for services and projects are assessed at each reporting date.	Provisions for bad debts are made according to Group policy.	Inventory costs are reviewed and approved by the divisions.	Compliance with transfer pricing policies is monitored regularly.	Goodwill impairment tests[...] prepared at business area l[...] reviewed at Group level.
		Days of sales are analyzed at local, divisional, business area and Group level.	Inventory levels and the saleability of inventory are assessed at each reporting date together with obsolescence.	Ongoing tax audits and disputes are monitored by Group tax specialists.	

3 Information and communication

The company has information and communication channels designed to ensure that information is identified, captured and communicated in a form and timeframe that enable managers and other employees to carry out their responsibilities. Reporting instructions and accounting guidelines are communicated to personnel concerned through the financial reporting accounting policies and guidelines, which are included in the handbook of policies and guidelines *The Way We Do Things*, and supported by, for example, training programs for different categories of employees. A common Group reporting system is used to report and consolidate all financial information.

4 Monitoring

Examples of monitoring activities for the financial reporting include:

- Management at divisional, business area and Group level regularly reviews the financial information and assess compliance to Group policies.
- The Audit Committee and the Board of Directors regularly review reports on financial performance of the Group, by business area and geography.
- The internal audit process aims to provide independent and objective assurance on internal control. Furthermore, the process aims to serve as a tool for employee professional development and to identify and recommend leading practices within the Group. Internal audits are annually planned or initiated by the Group internal audit function with a risk-based approach. Internal audits are conducted under leadership of Group internal audit staff with audit team members having diverse functional competencies but always with expertise in accounting and controlling. The results of the internal audits undertaken are regularly reported to the Audit Committee and to Group Management.
- A control self-assessment (CSA) is performed primarily [...] local unit managers to evaluate the status [...] their cont[...] and to address areas for improvement. One of the areas [...] is internal control, which includes internal control over [...] reporting. Other areas include legal matters, communi[...] branding, and the Code of Conduct.
- The Group has an independent whistleblowing system [...] employees and other stakeholders can anonymously re[...] behavior or actions that are possible violations of laws [...] policies, including violations of accounting and financia[...] guidelines and policies. The reporting system also inclu[...] ceived cases of human rights violation, discrimination [...] tion. The reports are treated confidentially and the per[...] ing is guaranteed anonymity via an independent third-[...] service provider. More information about the system ca[...] on page 129.
- In the compliance process, all managers and all employ[...] requested to sign a statement confirming understandi[...] compliance to financial policies, the Code of Conduct a[...] applicable laws and regulations.

Financial statements and notes

MSEK unless otherwise stated

Consolidated income statement

For the year ended December 31 Amounts in MSEK	Note	2022	2021
Revenues	4	141 325	110 912
Cost of sales		–81 941	–64 383
Gross profit		**59 384**	**46 529**
Marketing expenses		–15 629	–12 178
Administrative expenses		–7 961	–7 283
Research and development expenses		–5 389	–4 125
Other operating income	7	536	781
Other operating expenses	7	–754	–201
Share of profit in associated companies and joint ventures	14	29	36
Operating profit	4, 5, 6, 16	**30 216**	**23 559**
Financial income	8	343	243
Financial expenses	8	–515	–392
Net financial items		**–172**	**–149**
Profit before tax		**30 044**	**23 410**
Income tax expense	9	–6 562	–5 276
Profit for the year		**23 482**	**18 134**
Profit attributable to:			
– owners of the parent		23 477	18 130
– non-controlling interests		5	4
Basic earnings per share, SEK	11	4.82	3.72 [1]
Diluted earnings per share, SEK	11	4.81	3.71 [1]

[1] Earnings per share are adjusted for share split.

Consolidated statement of comprehensive income

For the year ended December 31 Amounts in MSEK	Note	2022
Profit for the year		**23 482**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans		1 550
Income tax relating to items that will not be reclassified		–420
		1 130
Items that may be reclassified subsequently to profit or loss		
Translation differences:		
– on foreign operations		8 112
Hedge of net investments in foreign operations		–1 328
Cash flow hedges		13
Income tax relating to items that may be reclassified		445
		7 242
Other comprehensive income for the year, net of tax	10	**8 372**
Total comprehensive income for the year		**31 854**
Total comprehensive income attributable to:		
– owners of the parent		31 849
– non-controlling interests		5

Atlas Copco

Consolidated balance sheet

Amounts in MSEK	Note	Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Non-current assets			
Intangible assets	12	67 067	50 348
Rental equipment	13	2 689	2 342
Other property, plant and equipment	13	12 720	8 991
Right-of-use assets	22	4 752	3 244
Investments in associated companies and joint ventures	14	939	931
Other financial assets	15	1 668	965
Other receivables		61	66
Deferred tax assets	9	2 193	1 790
Total non-current assets		**92 089**	**68 677**
Current assets			
Inventories	16	27 219	17 801
Trade receivables	17	29 910	21 954
Income tax receivables		908	990
Other receivables	18	10 031	7 419
Other financial assets	15	889	847
Cash and cash equivalents	19	11 254	18 990
Assets classified as held for sale	3	1	5
Total current assets		**80 212**	**68 006**
TOTAL ASSETS		**172 301**	**136 683**

Amounts in MSEK	Note	Dec. 31, 2022
EQUITY	Page 64	
Share capital		786
Other paid-in capital		8 695
Reserves		14 450
Retained earnings		56 045
Total equity attributable to owners of the parent		**79 976**
Non-controlling interests		50
TOTAL EQUITY		**80 026**
LIABILITIES		
Non-current liabilities		
Borrowings	21	23 770
Post-employment benefits	23	2 380
Other liabilities		445
Provisions	25	1 477
Deferred tax liabilities	9	2 745
Total non-current liabilities		**30 817**
Current liabilities		
Borrowings	21	12 563
Trade payables		[illegible]9 145
Income tax liabilities		2 603
Other liabilities	24	15 394
Provisions	25	1 753
Total current liabilities		**61 458**
TOTAL EQUITY AND LIABILITIES		**172 301**

Information concerning assets pledged and contingent liabilities is disclosed in note 26.

Consolidated statement of changes in equity

2022	Equity attributable to owners of the parent						
Amounts in MSEK	Share capital	Other paid-in capital	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests
Opening balance, Jan. 1	786	8 557	–24	7 232	51 082	67 633	1
Profit for the year					23 477	23 477	5
Other comprehensive income for the year			10	7 232	1 130	8 372	
Total comprehensive income for the year			**10**	**7 232**	**24 607**	**31 849**	**5**
Dividend					–9 250	–9 250	
Redemption of shares	–157				–9 575	–9 732	
Increase of share capital through bonus issue	157				–157	–	
Acquisition of series A shares					–864	–864	
Divestment of series A shares		138			243	381	
Change of non-controlling interests							44
Share-based payment, equity settled:							
– expense during the year					89	89	
– exercise option					–130	–130	
Closing balance, Dec. 31	**786**	**8 695**	**–14**	**14 464**	**56 045**	**79 976**	**50**

2021	Equity attributable to owners of the parent						
Amounts in MSEK	Share capital	Other paid-in capital	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests
Opening balance, Jan. 1	786	7 855	59	2 854	41 661	53 215	319
Profit for the year					18 130	18 130	4
Other comprehensive income for the year			–83	4 323	648	4 888	3
Transfer of reserves				55	–55	–	
Total comprehensive income for the year			**–83**	**4 378**	**18 723**	**23 018**	**7**
Dividend					–8 889	–8 889	
Acquisition of series A shares					–416	–416	
Divestment of series A shares		702			748	1 450	
Change of non-controlling interests					–511	–511	–325
Share-based payment, equity settled:							
– expense during the year					212	212	
– exercise option					–446	–446	
Closing balance, Dec. 31	**786**	**8 557**	**–24**	**7 232**	**51 082**	**67 633**	**1**

Atlas Copco

Consolidated statement of cash flows

For the year ended December 31 Amounts in MSEK	Note	2022	2021
Cash flows from operating activities			
Operating profit		30 216	23 559
Adjustments for:			
Depreciation, amortization and impairment	12, 13, 22	6 333	5 466
Capital gain/loss and other non-cash items		429	–73
Operating cash surplus		**36 978**	**28 952**
Net financial items received/paid		–714	459
Taxes paid		–6 245	–5 211
Pension funding and payment of pension to employees		–419	–330
Cash flow before change in working capital		**29 600**	**23 870**
Change in:			
Inventories		–6 355	–3 381
Operating receivables		–6 645	–2 786
Operating liabilities		5 585	5 923
Change in working capital		**–7 415**	**–244**
Increase in rental equipment		–884	–510
Sale of rental equipment		76	36
Net cash from operating activities		**21 377**	**23 152**

For the year ended December 31 Amounts in MSEK	Note	2022
Cash flows from investing activities		
Investments in other property, plant and equipment	13	–3 660
Sale of other property, plant and equipment		99
Investments in intangible assets	12	–1 371
Acquisition of subsidiaries	2	–10 591
Divestment of subsidiaries	3	–
Investment in other financial assets, net		20
Net cash from investing activities		**–15 503**
Cash flows from financing activities		
Ordinary dividend		–9 250
Redemption of shares		–9 732
Acquisition of non-controlling interest		–
Repurchase of own shares		–864
Divestment of own shares		381
Borrowings		11 373
Repayment of borrowings		–5 133
Settlement of CSA [1]		–24
Payment of lease liabilities	22	–1 402
Net cash from financing activities		**–14 651**
Net cash flow for the year		**–8 777**
Cash and cash equivalents, Jan. 1		18 990
Net cash flow for the year		–8 777
Exchange-rate difference in cash and cash equivalents		1 041
Cash and cash equivalents, Dec. 31	19	**11 254**

[1] Credit Support Annex, see note 27.

Atlas Copco

1. Significant accounting principles, critical accounting estimates and judgements

SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements comprise Atlas Copco AB, the Parent Company ("the Company"), and its subsidiaries (together "the Group" or Atlas Copco) and the Group's interest in associated companies and joint ventures. Atlas Copco AB is headquartered in Nacka, Sweden.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The statements are also prepared in accordance with the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Financial Reporting Board. These require certain additional disclosures for Swedish consolidated financial statements prepared in accordance with IFRS.

The accounting principles set out below have been consistently applied to all periods presented, unless otherwise stated, and for all entities included in the consolidated financial statements. The exception to this is IAS 29 Financial Reporting in Hyperinflationary Economies, which has been applied for the first time to operations in Türkiye, for further information please see paragraph, Hyperinflation in Türkiye. The annual report for the Group and for Atlas Copco AB, including financial statements, was approved for issuance on March 3, 2023. The balance sheets and income statements are subject to approval by the Annual General Meeting of the shareholders on April 27, 2023.

Basis of consolidation

The consolidated financial statements have been prepared in accordance with the acquisition method. Accordingly, business combinations are seen as if the Group directly acquires the assets and assumes the liabilities of the entity acquired. The consolidated income statements and balance sheets of the Group include all entities in which the Company, directly or indirectly, has control.

Control exists when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to use its power to affect its returns. Generally, control and hence consolidation is based on ownership. In a few exceptions, consolidation is based on agreements that give the Group control over an entity. See note A22 for information on the Group's subsidiaries.

Intra-group balances and internal income and expense arising from intra-group transactions are fully eliminated in preparing the consolidated financial statements. Gains and losses arising from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, but losses only to the extent that there is no evidence of impairment.

Business combinations

At the acquisition date, i.e. the date on which control is obtained, each identifiable asset acquired and liability assumed is recognized at its acquisition-date fair value. The consideration transferred, measured at fair value, includes assets transferred by the Group, liabilities to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Any subsequent change in such fair value is recognized in profit or loss, unless the contingent consideration is classified as equity. Transactions costs that the Group incur in connection with a business combination are expensed as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed.

Non-controlling interest is initially measured either
- at fair value, or
- at the non-controlling interest's proportionate share of the fair value of identifiable net assets.

Subsequent profit or loss attributable to the non-controlling interest is allocated to the non-controlling interest, even if it puts the non-controlling interest in a deficit position. Acquisitions of non-controlling interests are recognized as a transaction between equity attributable to owners of the parent and non-controlling interests. The difference between consideration paid and the proportionate share of net assets acquired is recognized in equity. For details on the acquisitions made during the year, see note 2.

Associated companies and joint ventures

An associate is an entity in which the Group has significant influence, but not control, over financial and operating policies. When the Group holds 20–50% of the voting power, it is presumed that significant influence exists, unless otherwise demonstrated. A joint venture is an entity over which the Group has joint control, through contractual agreements with one or more parties. Investments in associated companies and joint ventures are reported according to the equity method. This means that the carrying value of interests in an associate or joint venture corresponds to the Group's share of reported equity of the associate or joint venture, plus any goodwill, and any other remaining fair value adjustments recognized at acquisition date.

"Share of profit in associated companies and joint ventures", included in the income statement, comprises the Group's share of the associate's and joint venture's income after tax adjusted for any amortization and depreciation, impairment losses, and other adjustments arising from any remaining fair value adjustments recognized at acquisition date. Dividends received from an associated company or joint venture reduce the carrying value of the investment.

Unrealized gains and losses arising from transactions with an associate or a joint venture are eliminated to the extent of the Group's interest, but losses only to the extent that there is no evidence of impairment of the asset. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognize further losses unless the Group has incurred obligations or made payments on behalf of the associate.

Functional currency and foreign currency translation

The consolidated financial statements are presented in Swedish krona (SEK), which is the functional currency for Atlas Copco AB and also the presentation currency for the Group's financial reporting. Unless otherwise stated, the amounts presented are in millions Swedish krona (MSEK).

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction and non-monetary items carried at fair value are reported at the rate that existed when the fair values were determined. Tangible and intangible assets, inventory and advanced payments are examples of non-monetary items.

Receivables and liabilities and other monetary items denominated in foreign currencies are translated using the foreign exchange rate at the balance sheet date. The exchange rate gains and losses related to receivables and payables and other operating receivables and liabilities are included in "Other operating income and expenses" and foreign exchange rate gains and losses attributable to other financial assets and liabilities are included in "Financial inc
expenses". Exchange rate differences on translation to functional
reported in "Other comprehensive income" in the following cases
- translation of a financial liability designated as a hedge of the n
ment in a foreign operation,
- translation of intra-group receivables from, or liabilities to, a fo
tion that in substance is part of the net investment in the foreig
- cash flow hedges of foreign currency to the extent that the hed
effective.

In the consolidation, the balance sheets of foreign subsidiaries are
to SEK using exchange rates at the end of the reporting period an
statements are translated at the average rates for the reporting p
eign exchange differences arising on such translation are recogni
comprehensive income" and are accumulated in the currency tran
reserve in equity. Exchange rates for major currencies that have be
the consolidated financial statements are shown in note 27.

Hyperinflation in Türkiye

During 2022, Türkiye has been considered a hyperinflated econor
fore, Atlas Copco has adopted IAS 29 Financial Reporting in Hyper
Economies for the operations in Türkiye. This means that during 2
income statement and non-monetary items in the balance sheet
subsidiaries within the Group have been restated for hyperinflatio
The index used by Atlas Copco for the remeasurement to hyperinf
income statements and non-monetary items in the balance sheet
sumer price index with base period 2005 from the Turkish statistic
The income statement for all Turkish subsidiaries have been recalc
the exchange rate on the balance sheet date. The Net Monetary g
recognized in the income statement within Financial items. The hy
adjustment related to periods prior to 2022 is recognized in the tr
reserve within Equity. The hyperinflation impact has been exclude
statement of cash flows.

Segment reporting

An operating segment is a component of the Group that engages
activities from which it may earn revenue and incur expenses, and
discrete financial information is available. The operating results of
segments are reviewed regularly by the Group's President and CEO
operating decision maker, to make decisions about allocation of re
the segments and also to assess their performance. See note 4 for
information.

Revenue recognition

Revenue is recognized at an amount that reflects the expected an
consideration for transferring goods and/or services to customers
control has passed to the customer.

Goods sold

Revenue from goods sold are recognized at one point in time whe
the good has been transferred to the customer. This occurs for exa
the Group has a present right to payment for the good, the custor
title of the good, the good has been delivered to the customer and
tomer has the significant risks and rewards of the ownership of th

When the goods sold are highly customized and no enforceabl
payment is present, revenue is recognized over time using the pro

1. Significant accounting principles, critical accounting estimates and judgements, continued

cost incurred to date compared to estimated total cost to measure the progress towards complete satisfaction of that performance obligation and thereby transferring the control of the good to the customer.

Installation services are sold together with the good or separately. The Group assesses the contract at inception, and the installation service is either considered as part of the performance obligation of the sale of the good or as a separate performance obligation. The installation service is a separate performance obligation when the customer can benefit from the service either on its own or together with other resources readily available and the promise to transfer the service to the customer is separately identifiable from other promises in the contract.

For buy-back commitments where the buy-back price is lower than the original selling price but there is an economic incentive for the customer to use the buy-back commitment option, the transaction is accounted for as a lease.

Variable consideration
Some contracts with customers provide a right of return, trade discounts or volume rebates. If revenue cannot be reliably measured, the Group defers revenue until the uncertainty is resolved. Such liabilities are estimated at contract inception and updated thereafter.

Rights of return
When a contract with a customer provides a right to return the good within a specified period, the Group accounts for the right of return using the expected value method. The amount of revenue related to the expected returns is deferred and recognized in the statement of financial position within "Other liabilities". A corresponding adjustment is made to the cost of sales and recognized in the statement of financial position within "Inventories".

Rendering of service
Revenue from service is recognized over time by reference to the progress towards satisfaction of each performance obligation. The progress towards satisfaction of each performance obligation is measured by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Where the outcome of a service contract cannot be estimated reliably, revenue is recognized to the extent of cost incurred that are expected to be recoverable. When it is probable that total contract costs will exceed total revenue, the expected loss is recognized as an expense immediately. When the value of the service performed to the customer corresponds directly to the right to invoice for that service, revenue is recognized to the amount invoiced.

Specialty rental
Income from specialty rental is recognized on a straight-line basis over the rental period. The specialty rental business is considered to be a service as this includes a complete solution to the customers to fulfill the customer needs. Sale of equipment from the specialty rental business is recognized as revenue when the control of the asset has been transferred to the buyer. Indicators of transfer of control is explained under "Goods sold" see page 66. The carrying value of the specialty rental equipment sold is recognized as cost of sales. Investments in and sales of specialty rental equipment are included in cash flows from operating activities.

Contract assets and contract liabilities
The timing of revenue recognition, billings and cash collections results in billed account receivables, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) in the consolidated balance sheet. Billing occurs either as work progresses in accordance with agreed-upon contractual terms, upon achievement of contractual milestones or when the control of the goods has been transferred to the customer. The Group sometimes receives advances or deposits from customers, before revenue is recognized, resulting in contract liabilities. These contract assets and contract liabilities are reported in the consolidated balance sheet, in "Other receivables" or "Other liabilities", on a contract-by-contract basis at the end of each reporting period. Payment terms range from contract to contract and are dependent upon the agreement with the customer.

Practical expedients
The Group has elected to apply the following practical expedients:
For the disclosure of the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, the Group does not disclose the value related to the following expedients:
- the performance obligation that is part of the contract that has an original expected duration of one year or less, and
- the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

For incremental cost of obtaining the contract, the Group uses the practical expedient of recognizing the incremental cost as an expense if the amortization period of the asset, that otherwise would have been recognized, is one year or less.

Other operating income and expenses
Gains and losses on disposals of an item of non-current tangible and intangible assets are determined by comparing the proceeds from disposal with the carrying amount. See note 7 for additional information.

Government grants
Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will be received. Government grants related to expenses are recognized in the income statement as a deduction of the associated expenses. If the grants cannot be allocated to an associated expense, government grants are recognized in "Other operating income". Government grants related to assets are recognized as a deduction in arriving at the carrying amount of the asset and recognized as revenue over the useful life of the asset through a reduction of the depreciation expense. See note 7 for additional information.

Financial income and expenses
Interest income and interest expenses are recognized in profit or loss using the effective interest rate method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established. See note 8 for additional information.

Income taxes
Income taxes include both current and deferred taxes. Income ta
reported in profit or loss unless the underlying transaction is repo
"Other comprehensive income" or in "Equity", in which case the c
tax is reported according to the same principle.

A current tax liability or asset is recognized for the estimated ta
or refundable for the current year or prior years.

Deferred tax is recognized using the balance sheet liability me
culation of deferred taxes is based on differences between the va
in the balance sheet and their valuation for taxation, which are re
temporary differences, and the carry forward of unused tax losse
credits. Temporary differences attributable to the following asset
ties are not provided for:
- the initial recognition of goodwill,
- the initial recognition (other than in business combinations) of bilities that affect neither accounting nor taxable profit,
- differences related to investments in subsidiaries, associated c and joint ventures to the extent that they will probably not reve foreseeable future, and for which the Company is able to contr of the reversal of the temporary differences.

A deferred tax asset is recognized only to the extent that it is prob
future taxable profits will be available against which the asset ca
In the calculation of deferred taxes, enacted or substantively ena
are used for the individual tax jurisdictions.

Current and deferred tax assets and liabilities are offset when t
legally enforceable right to set off current tax assets against curre
ties and when they relate to income taxes levied by the same taxa
ity and the Group intends to settle its current tax assets and liabili
basis. For details regarding taxes, see note 9.

Earnings per share
Basic earnings per share are calculated based on the profit for the
able to owners of the parent and the basic weighted average num
outstanding. Diluted earnings per share are calculated based on t
the year attributable to owners of the parent and the diluted wei
age number of shares outstanding. Dilutive effects arise from sto
that are settled in shares in the share-based incentive programs.

Stock options have a dilutive effect when the average share pri
period exceeds the exercise price of the options. When calculatin
effect, the exercise price is adjusted by the value of future services
the options. See note 11 for more details.

Intangible assets
Goodwill
Goodwill is recognized at cost, as established at the date of acqui
business (see "Business combinations"), less accumulated impair
any. Goodwill is allocated to the cash-generating unit (CGU) that
to benefit from the synergies of the business combination. Impai
is made at least annually and whenever the need is indicated. The
test is performed at the level on which goodwill is monitored for i
agement purposes. The four business areas of Atlas Copco's oper
been identified as CGUs. Goodwill is reported as an intangible ass
inite useful life.

Atlas Copco

1. Significant accounting principles, critical accounting estimates and judgements, continued

Technology-based intangible assets
Expenditure on research activities is expensed as incurred. Research projects acquired as part of business combinations are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, these research projects are carried at cost less amortization and impairment losses. Expenditure on development activities are expensed as incurred unless the activities meet the criteria for being capitalized i.e.:

- the product or process being developed is estimated to be technically and commercially feasible, and
- the Group has the intent and ability to complete and sell or use the product or process.

The expenditure capitalized includes the cost of materials, direct labor, and other costs directly attributable to the project. Capitalized development expenditure is carried at cost less accumulated amortization and impairment losses. Amortization and impairment related to research and development expenditure for 2022 amounted to 1 294 (1 058). This has been reported as part of research and development costs in the income statement since the Group follows up on the research and development function as a whole.

Trademarks
Trademarks acquired by the Group are capitalized based on their fair value at the time of acquisition. Certain trademarks are estimated to have an indefinite useful life and are carried at cost less accumulated impairment losses. They are tested at least annually for impairment. Other trademarks, which have finite useful lives, are carried at cost less accumulated amortization and impairment losses.

Marketing and customer related intangible assets
Acquired marketing and customer related intangibles are capitalized based on their fair value at the time of acquisition and are carried at cost less accumulated amortization and impairment losses.

Other intangible assets
Acquired intangible assets relating to contract-based rights, such as licenses or franchise agreements, are capitalized based on their fair value at the time of acquisition and carried at cost less accumulated amortization and impairment losses. Expenditure on internally generated goodwill, trademarks and similar items is expensed as incurred. Changes in the Group's intangible assets during the year are described in note 12.

Property, plant and equipment
Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost of an item of property, plant and equipment comprises purchase price, import duties, and any cost directly attributable to bringing the asset to the location and condition for use. The cost also includes dismantlement and removal of the asset in the future if applicable. Borrowing cost for assets that need a substantial period of time to get ready for their intended use are included in the cost value until the assets are substantially ready for their use or sale and are thereafter depreciated over the useful life of the asset. The Group capitalizes costs on initial recognition and on replacement of significant parts of property, plant and equipment if it is probable that the future economic benefits embodied will flow to the Group and the cost can be measured reliably. All other costs are recognized as an expense in profit or loss when incurred. Changes in the Group's property, plant and equipment during the year are described in note 13.

Rental equipment
The rental fleet is comprised of diesel and electric powered air compressors, generators, air dryers, and to a lesser extent general construction equipment. Rental equipment is initially recognized at cost and is depreciated over the estimated useful lives of the equipment. Rental equipment is depreciated to a residual value estimated at 0–10% of cost.

Depreciation and amortization
Depreciation and amortization are calculated based on cost using the straight-line method over the estimated useful life of the asset. Parts of property, plant and equipment with a cost that is significant in relation to the total cost of the item are depreciated separately when the useful lives of the parts do not coincide with the useful lives of other parts of the item. The following useful lives are used for depreciation and amortization:

Technology-based intangible assets	3–15 years
Trademarks with finite lives	5–15 years
Marketing and customer related intangible assets	5–15 years
Buildings	25–50 years
Machinery and equipment	3–10 years
Vehicles	4–5 years
Computer hardware and software	3–10 years
Rental equipment	3–8 years

The useful lives and residual values are reassessed annually. Land, assets under construction, goodwill, and trademarks with indefinite lives are not depreciated or amortized.

Leases
Group as lessee
Recognition of a lease
Upon initiation, contracts are assessed by the Group, to determine whether a contract is, or contains a lease. If the contract conveys the right to control the use of an identified asset for a certain period of time in exchange for consideration, then it is or contains a lease. The right to control the use of an identifiable asset is assessed by the Group based upon if there is an identifiable asset, if the Group has the right to obtain substantially all economic benefits from the use of the asset and if the Group has the right to steer the use of the asset. The Group has elected to separate the non-lease components and apply a number of practical expedients with regard to short-term leases and leases for which the underlying asset is of low value. In cases where the Group acts as an intermediate lessor, it accounts for its interests in the head-lease and the sub-lease separately.

Measurement of a right-of-use asset and lease liability
Right-of-use asset
On commencement date, the Group measures the right-of-use asset at cost, which includes the following: the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Group as well as an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease contract. Cost for dismantling, removing or restoring the site on which it is located and/or the underlying asset is only recognized when the Group incurs an obligation to do so.

The right-of-use asset is depreciated over the lease term, using th
line method. Changes in the Group's right-of-use asset during the y
described in note 22.

Lease liability
On commencement date, the lease liability is measured at the pre
the unpaid lease payments, discounted using the interest rate imp
lease, or if the rate cannot be readily determined, the Group's incr
rowing rate. Lease payments included in the lease liability compri
payments, variable lease payments that depend on an index or a r
to be paid under a residual value guarantee and lease payments i
renewal period if the Group is reasonably certain to exercise an ex
option as well as penalties for early termination of a lease, if the G
sonably certain to terminate early. If there is a purchase option pr
be included if the Group is reasonably certain to exercise the optic
The lease liability is measured at amortized cost by using the ef
est rate method. For additional information see note 21.

Short-term leases and leases for which the underlying asset is o
The Group has elected to apply recognition exemptions for short-t
and leases for which the underlying asset is of low value, for examp
equipment such as printers and computers. Lease payments associ
those leases are recognized as an expense on a straight-line basis
lease term.

Group as a lessor
At inception of a lease contract, the Group assess whether the lea
lease or an operating lease. If the lease transfers substantially all o
and rewards incidental to ownership of the asset, it is considered
finance lease; if not, it is an operating lease. Under finance leases
Group acts as lessor, the transaction is recognized as sale and a l
able, comprising the future minimum lease payments and any res
guaranteed to the Group. Lease payments are recognized as repa
lease receivable and interest income. In cases where the Group ac
under an operating lease, the lease payments are included in prof
straight-line basis over the term of the lease.
In cases where the Group acts as an intermediate lessor, it acco
interests in the head-lease and the sub-lease separately. The Grou
the lease classification of a sub-lease with reference to the right-o
arising from the head-lease.

Impairment of non-financial assets
The carrying values of the Group's non-financial assets are review
each reporting date to determine whether there is any indication
ment. If any such indication exists, the Group estimates the recove
amount of the asset. An impairment loss is recognized if the carry
of an asset or its cash-generating unit (CGU) exceeds its recoverab
(i.e. the greater of fair value less costs to sell and value in use). In as
value in use, the estimated future cash flows are discounted to the
value using a discount rate that reflects current market assessmer
value of money and the risks specific to the asset or CGU. For the p
assessing impairment, assets are grouped in CGUs, which are the
identifiable groups of assets that generate cash inflows that are la
pendent of the cash inflows from other assets or group of assets.

1. Significant accounting principles, critical accounting estimates and judgements, continued

losses are recognized in profit or loss. An impairment loss related to goodwill is not reversed. In respect of other assets, impairment losses in prior periods are reviewed for possible reversal of the impairment at each reporting date.

Inventories
Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recognized according to the first-in, first-out principle and includes the cost of acquiring inventories and bringing them to their existing location and condition. Inventories manufactured by the Group and work in progress include an appropriate share of production overheads based on normal operating capacity. Inventories are reported net of deductions for obsolescence and internal profits arising in connection with deliveries from the production companies to the customer centers. See note 16 for additional information.

Equity
Shares issued by the company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effect.

When Atlas Copco shares are repurchased, the amount of the consideration paid is recognized as a deduction from equity net of any tax effect. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or subsequently reissued, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is transferred to or from Other paid-in capital.

Supply chain financing
The Group and Banks, with close relations to Atlas Copco, offer suppliers the opportunity to use a supply chain financing scheme (SCF) which allows them to be paid earlier than the invoice due date. The Group evaluates supplier arrangements against a number of indicators to assess if the payable continues to hold characteristics of a trade payable or should be classified as borrowings; these indicators include whether the payment terms exceed customary payment terms in the industry. These transactions have been recognized as either "Account payables" or "Borrowings" in the Group's balance sheet and as "Change in operating liabilities" or change in "Borrowings" or "Repayment of borrowings" in the statement of cash flows.

Provisions
Provisions are recognized:
- when the Group has a legal or constructive obligation as a result of a past event,
- it is probable that the Group will have to settle the obligation, and
- the amount of the obligation can be estimated reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, the provision is determined by discounting the expected future cash flows of estimated expenditures.

Provisions for product warranties are recognized as cost of sales at the time the products are sold based on the estimated cost using historical data for level of repairs and replacements.

A restructuring provision is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly.

Present obligations arising under onerous contracts are recognized as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Before a provision is established, the Group recognizes any impairment loss on the asset associated with the contract. For details on provisions see note 25.

Post-employment benefits
Post-employment benefit plans are classified either as defined contribution or defined benefit plans. Under a defined contribution plan, the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employee benefits. Contributions to defined contributions plans are expensed when employees provide services entitling them to the contribution.

Other post-employment benefit plans are defined benefit plans and it is the Group's obligation to provide agreed benefits to current and former employees. The net obligation of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their services in current and prior periods. The amount is discounted to determine its present value and the fair values of any plan assets are deducted. Funded plans with net assets, i.e. plans with assets exceeding the commitments, are reported as financial non-current assets.

The cost for defined benefit plans is calculated using the Projected Unit Credit Method, which distributes the cost over the employee's service period. The calculation is performed annually by independent actuaries using actuarial assumptions such as employee turnover, mortality, future increase in salaries and medical cost. Changes in actuarial assumptions, experience adjustments of obligations and changes in fair value of plan assets result in remeasurements and are recognized in "Other comprehensive income". Each quarter a remeasurement is performed to adjust the present value of pension liabilities and the fair value of pension assets against "Other comprehensive income". Net interest on defined benefit obligations and plan assets is reported as "Interest income" or "Interest expense". See note 23 for additional information.

Share-based compensation
The Group has share-based incentive programs, consisting of share options and share appreciation rights, which have been offered to certain employees based on position and performance. Additionally, the Board is offered synthetic shares.

The fair value of share options that can only be settled in shares (equity-settled) is recognized as an employee expense with a corresponding increase in equity. The fair value, measured at grant date using the Black-Scholes formula, is recognized as an expense over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of the share appreciation rights, synthetic shares is recognized in accordance with principles for cash-settled share-based payments. The value is recognized as an employee expense with a corresponding increase in liabilities. The fair value, measured at grant date and remeasured at each reporting date using the Black-Scholes formula, is accrued and recognized as an expense over the vesting period. Changes in fair value are, during the vesting period and after the vesting period until settlement, recognized in profit or loss as an employee expense. The accumulated expense recogni
the cash amount paid at settlement.

Social security charges are paid in cash and are accounted for i
with the principles for cash-settled share-based payments, regar
whether they are related to equity- or cash-settled share-based p
note 23 for additional information.

Financial assets and liabilities – financial instruments
Recognition and derecognition
Financial assets and liabilities are recognized when the Group be
to the contractual provision of the instrument. Transactions of fin
are accounted for at trade date, which is the day when the Group
commits to acquire or dispose of the assets. Trade receivables are
on issuance of invoices. Liabilities are recognized when the other
performed and there is a contractual obligation to pay. Derecogn
partially, of a financial asset occurs when the rights in the contrac
realized or matured, or when the Group no longer has control ove
cial liability is derecognized, fully or partially, when the obligation
the contract is discharged or otherwise expires. A financial asset a
liability are offset and the net amount presented in the balance sh
there is a legal right to offset the recognized amounts and there is
to either settle on a net basis or to realize the asset and settle the l
taneously.

Gains and losses from derecognition and modifications are rec
profit or loss.

Measurement of financial instruments
Financial instruments are classified at initial recognition. The class
decides the measurement of the instruments.

Classification and measurement of financial assets
Equity instruments: are classified at fair value through profit or los

Derivative instruments: are classified at FVTPL, unless they are clas
hedging instrument and the effective part of the hedge is recogn
comprehensive income".

Debt instruments: the classification of financial assets that are deb
ments, including hybrid contracts, is based on the Group's busine
managing the assets and the asset's contractual cash flow charac
instruments are classified at:
- amortized cost,
- fair value through "Other comprehensive income (FVOCI), or
- fair value through profit or loss (FVTPL).

Financial assets at amortized cost are at initial recognition measur
value including transaction costs. After initial recognition, they are
amortized cost using the effective interest rate method. Assets cla
amortized cost are held under the business model of collecting th
cash flows that are solely payments of principal and interest on the
amount outstanding. The assets are subject to a loss allowance fo
credit losses.

Fair value through "Other comprehensive income (FVOCI) are
under the business model of both selling and collecting the contra
flows that are solely payments of principal and interest on the prin

1. Significant accounting principles, critical accounting estimates and judgements, continued

outstanding. Financial instruments in this category are recognized at fair value at initial recognition and changes in fair value are recognized in "Other comprehensive income" (OCI) until derecognition, when the amounts in OCI are redassified to profit or loss. The assets are subject to a loss allowance for expected credit losses.

Fair value through profit or loss (FVTPL) are all other debt instruments that are not measured at amortized cost or FVOCI. Financial instruments in this category are recognized at fair value at initial recognition and changes in fair value are recognized in profit or loss.

Classification and measurement of financial liabilities
Financial liabilities are classified at amortized cost, except derivatives. Financial liabilities at amortized cost are at initial recognition measured at fair value including transaction costs. After initial recognition, they are measured at the effective interest rate method.

Derivatives are classified at FVTPL, unless they are classified as a hedging instrument and the effective part of the hedge is recognized in "Other comprehensive income".

Fair value for financial assets and financial liabilities is determined in the manner described in note 27.

Impairment of financial assets
Financial assets, except those classified at fair value through profit and loss (FVTPL), are subject to impairment for expected credit losses. In addition, the impairment model applies to contract assets, loan commitments and financial guarantees that are not measured at FVTPL. The IFRS 9 expected credit loss (ECL) model is forward looking and a loss allowance is recognized when there is an exposure to credit risk, usually at first recognition of an asset or receivable. The ECL reflects the present value of all cash shortfalls related to default events either over the following 12 months or over the expected life of a financial instrument, depending on the type of asset and on the credit deterioration from inception. The ECL reflects an unbiased, probability-weighted outcome that considers multiple scenarios based on reasonable and supportable forecasts.

The simplified model is applied on trade receivables, lease receivables, contract assets and certain other financial receivables. A loss allowance is recognized over the expected lifetime of the receivable or asset. For other items subject to ECL, the impairment model with a three-stage approach is applied. Initially, and at each reporting date, a loss allowance will be recognized for the following 12 months, or a shorter time period depending on the time to maturity (stage 1). If it has been a significant increase in credit risk since origination, a loss allowance will be recognized for the remaining lifetime of the asset (stage 2). For assets that are considered as credit impaired, allowance for credit losses will continue to capture the lifetime expected credit losses (stage 3). For credit impaired receivables and assets, the interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than its gross carrying amount as in previous stages.

In the respective model applied, the measurement of ECL is based on different methods for different credit risk exposures. For trade receivables, contract assets and certain other financial receivables, the method is based on historical loss rates in combination with forward looking considerations. Lease receivables, certain other financial receivables and cash and cash equivalent are impaired by a rating method, where ECL is measured by the product of the probability of default, loss given default, and exposure at default. Both external credit agencies rating and internally developed rating methods are applied.

The measurement of ECL considers potential collaterals and other credit enhancements in the form of guarantees.

The financial assets are presented in the financial statements at amortized cost, i.e. net of gross carrying amount and the loss allowance. Changes in the loss allowance is recognized in profit or loss, as impairment losses within the line cost of sales.

Derivatives and hedge accounting
Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item hedged. Changes in fair value for derivatives that do not fulfill the criteria for hedge accounting are recognized as operating or financial transactions based on the purpose of the use of the derivative. Interest payments for interest rate swaps are recognized as interest income or expense, whereas changes in fair value of future payments are presented as gains or losses from financial instruments.

IFRS 9 Hedge accounting is applied. In order to qualify for hedge accounting the hedging relationship must be:
- formally identified and designated,
- expected to fulfil the effectiveness requirements, and
- documented.

The Group assesses, evaluates, and documents effectiveness both at hedge inception and on an ongoing basis. Hedge effectiveness is assessed by an analysis of the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk must not dominate the value changes' that result from that economic relationship. Further, the hedge ratio, as defined in the Group's risk management strategy, must be the same in the hedging relationship as in the actually hedge performed.

Cash flow hedges: Changes in the fair value of the hedging instrument are recognized in "Other comprehensive income" to the extent that the hedge is effective and the accumulated changes in fair value are recognized as a separate component in equity. Gains or losses relating to the ineffective part of hedges are recognized immediately in profit or loss.

The amount recognized in equity through "Other comprehensive income" is reversed to profit or loss in the same period in which the hedged item affects profit or loss. When the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the amount previously recognized in other comprehensive income and accumulated in equity is transferred from equity and included in the initial measurement of the cost of the non-financial asset or liability. The Group uses foreign currency forwards to hedge part of the future cash flows from forecasted transactions in foreign currencies. Interest rate swaps can also be used as cash flow hedges for hedging interest on borrowings with variable interest.

Hedge of net investments in foreign operations: The Group hedges a substantial part of net investments in foreign operations. Changes in the value of the hedge instrument relating to the effective portion of the hedge are recognized in "Other comprehensive income" and accumulated in equity. Gains or losses relating to the ineffective portion are recognized immediately in profit or loss. On divestment of foreign operations, the gain or loss accumulated in equity is recycled through profit or loss, increasing or decreasing the profit or loss on the divestment. The Group uses loans and forward contracts as hedging instruments.

Accounting for discontinuation of hedges: Hedge accounting may
voluntarily discontinued. Hedge accounting is discontinued:
- when the hedging instrument expires or is sold, terminated, or
- when there is no longer an economic relationship between the item and the hedging instrument or the effect of credit risk dor value changes that result from the economic relationship, or
- when the hedge accounting no longer meets the risk manage objectives.

For cash flow hedges, any gain or loss recognized in "Other compr income" and accumulated in equity at the time of hedge discontin remains in equity and is recognized when the forecast transaction recognized in profit or loss. When a forecast transaction is no long to occur, the gain or loss accumulated in equity is recognized imme profit or loss. For net investment hedges, any gain and loss recogni comprehensive income" and accumulated in equity at the time of continuation remains in equity until divestment of foreign operati the gain or loss accumulated in equity is recycled through profit or

Assets held for sale
Assets are classified as held for sale if their value, within one year recovered through a sale and not through continued use in the c On the reclassification date, assets and liabilities are measured at of fair value less selling expenses and the carrying amount. Gains recognized on remeasurement and disposal are reported in prof the balance sheet assets held for sale and associated liabilities ar separately, the comparative period is not affected.

Contingent liabilities
A contingent liability is a possible obligation or a present obligatio from past events that is not reported as a liability or provision, due it is not probable that an outflow of resources will be required to se gation or that a sufficiently reliable calculation of the amount cann

New or amended accounting standards in 20
The following new or amended IFRS standards have been applied Group from 2022, with no, or no material impact on the Group.

Reference to the Conceptual Framework (Amendment to IFRS
The amendments mainly relate to updated references in IFRS 3 a quence of previous amendments in the Conceptual Framework. new exception is introduced for obligations and contingent liabi the scope of IAS 37 and IFRIC 21. Finally, the amendment adds an statement that an acquirer should not recognize any contingent acquired in a business combination.

Proceeds before Intended Use (Amendment to IAS 16)
The amendments clarify that any proceeds from selling items pro before the property, plant and equipment is available for use, sha deducted from the cost of that property, plant and equipment. C an entity recognizes such sales proceeds and related costs in prof amendments also clarify the meaning of 'testing whether an asse ing properly' and that IAS 2 Inventories is applicable for measurin costs to proceed.

1. Significant accounting principles, critical accounting estimates and judgements, continued

Cost of Fulfilling a Contract (Amendment to IAS 37)
The amendments specify that the 'cost of fulfilling' a contract comprises both incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of annual reporting period 2022.

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
The amendment to IFRS 9 clarify which liabilities that shall be included in applying the '10 percent test' to assess whether to derecognize a financial liability.

The amendment to illustrative example 13 accompanying IFRS 16 removes the text related to reimbursement of leasehold improvements. The other Annual Improvements related to IFRS 1 and IAS 41 do not have any impact on the Group.

New or amended accounting standards effective after 2022
The following standards, interpretations, and amendments have been issued but were not effective as of December 31, 2022, and in some cases had not been adopted by the EU. The Group has not applied the new standards, interpretations or amendments. The current assessment is that these amendments will have no or no material effect on the Group.

IFRS 17 Insurance Contracts (including amendments)
IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. Some contracts that have not been within the scope of IFRS 4, may be applicable within the scope of IFRS 17 and the Group has therefore investigated the possible effects of IFRS 17. The Group has a wholly owned captive. The reinsurance contracts that the captive holds with the third-party reinsurer are not reinsurance contracts according to the definition within IFRS 17. Instead, the Group is the policyholder in that relationship. Hence, the contracts are not in scope of IFRS 17. IFRS 17 also outlines that some fixed fee service contracts can meet the definition of insurance contracts. Since the specified conditions related to the Group's fixed fee service contracts are met, the Group will apply IFRS 15 instead of IFRS 17 for these contracts. IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
The amendments change the requirements in IAS 1 regarding disclosure of accounting policies. The amendments replace the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IAS 1 also clarify that accounting policy information that relates to immaterial transactions, events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. Further, the guidance and examples have been developed to explain and demonstrate the application of the materiality criteria on disclosures of accounting policy information described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Definition of Accounting Estimates (Amendment to IAS 8)
The amendments to IAS 8 include a change to the definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted and the concept of changes in accounting estimates in the standard has been clarified. The amendments are effective for annual periods beginning on or after January 1, 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12)
The amendments introduce an exception from the initial recognition of deferred tax for a transaction that gives rise to an asset or a liability if certain criteria are met. The amendments clarify that the exception is not applicable for transactions that give rise to both an asset and a liability. This may for example arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Another example when the exception is not applicable may be provisions for estimated future costs of dismantling, removal and restoration, recognized as part of Property, plant and equipment. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023.

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
The amendment to IFRS 16 Leases specifies requirements for seller-lessees to measure the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions. The amendment is effective for annual periods beginning on or after January 1, 2024.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendment to IAS 1)
The amendments to IAS 1 affect the presentation of liabilities as current or non-current in the statement of financial position. The classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations about whether an entity will or will not exercise its right to defer settlement of a liability. In October 2022, the IASB issued further amendments to IAS 1 related to non-current liabilities with covenants, to clarify how conditions which an entity must comply with twelve months after the reporting period affect the classification of a liability. The amendments are effective for annual periods beginning on or after January 1, 2024.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMEN
The preparation of financial reports requires management's judg
the use of estimates and assumptions that affects the amounts re
the consolidated financial statements. These estimates and asso
assumptions are based on historical experience and various othe
are believed to be reasonable under the prevailing circumstance
result may differ from those estimates. The estimates and assump
reviewed on an ongoing basis. Changes in accounting estimates
nized in the period which they are revised in and in any future per
affected.

The estimates and the judgements which, in the opinion of ma
are significant to the underlying amounts included in the financia
and for which there is a significant risk that future events or new i
could entail a change in those estimates or judgements are as fol

Revenue recognition
Key sources of estimation uncertainty
Revenue for services and for highly customized goods where an e
right of payment is present is recognized over time in profit or los
ence to the progress towards satisfaction of the performance ob
the balance sheet date. The progress towards satisfaction is dete
the proportion of cost incurred to date compared to the estimate
of each performance obligation. There is always an uncertainty i
estimated expenditure is correctly calculated, and if the expendi
reflects accurately the actual costs incurred, which means that th
tainty in the estimates of the degree of completion of the work p
Management has assessed this method of determining the prog
satisfaction of the performance obligation as most suitable as it r
progression of work performed, and the enforceable right of pay
the customer as the costs are incurred on the performance obliga

Revenue for goods sold is recognized in profit or loss at one po
when control of the good has been transferred to the customer.

Accounting judgement
Management's judgement is used, for instance, when assessing:
- the degree of progress towards satisfaction of the performanc
  and the estimated total costs for such contracts when revenue
  over time, to determine the revenue and cost to be recognized
  period, and whether any losses need to be recognized,
- if the control has been transferred to the customer (for exampl
  has a present right to payment for the good, the customer has l
  the good, the good has been delivered to the customer and/or
  tomer has the significant risks and rewards of the ownership of
  to determine if revenue and cost should be recognized in the cu
  period,
- the transaction price of each performance obligation when a c
  includes more than one performance obligation, to determine
  and cost to be recognized in the current period,
- certain contracts which include a right of return and/or volume
  give rise to variable consideration, variable consideration is ass
  identify possible constrains, and
- the customer credit risk (i.e. the risk that the customer will not r
  payment obligation), to determine and justify the revenue reco
  current period.

1. Significant accounting principles, critical accounting estimates and judgements, continued

Impairment of goodwill, other intangible assets and other long-lived assets

Key sources of estimation uncertainty

Goodwill and certain trademarks are not amortized but are subject to annual tests for impairment. Other intangible assets and other long-lived assets are amortized or depreciated based on management's estimates of the period that the assets will generate revenue but are also reviewed regularly for indications of impairment.

The impairment tests are based on a review of the recoverable amount, which is estimated based on management's projections of future cash flows using internal business plans and forecasts.

Accounting judgement

Asset impairment requires management's judgement, particularly in assessing:

- whether an event has occurred that may affect asset values,
- whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset in the business,
- the appropriate assumptions to be applied in preparing cash flow projections, and
- the discounting of these cash flows.

Changing the assumptions selected by management to determine the level, if any, of impairment could affect the financial position and results of operation. See note 12.

Deferred taxes

Key sources of estimation uncertainty

Deferred tax assets are recognized for temporary differences between the carrying amounts for financial reporting purposes of assets and liabilities and the amounts used for taxation purposes and for tax loss carry-forwards. The Group recognizes deferred tax assets based upon management's estimates of future taxable profit in different tax jurisdictions. The actual results may differ from these estimates, due to change in the business climate and change in tax legislation. See note 9.

Inventory

Accounting judgement

The Group values inventory at the lower of historical cost, based on the first-in, first-out basis, and net realizable value. The calculation of net realizable value involves management's judgement on the estimated sales prices, over-stock articles, outdated articles, damaged goods, and selling costs. If the estimated net realizable value is lower than cost, a valuation allowance is established for inventory obsolescence. See note 16 for additional information.

Leases

Key sources of estimation uncertainty

When the Group cannot readily determine the interest rate implicit in the lease, it uses incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

The Group estimates the IBR by using market interest rates and adjusting with entity specific estimates such as currency and country risk.

Accounting judgement

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating the lease term, it considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. For leases of premises, the following factors are normally the most relevant:

- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend.
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The renewal periods for leases of offices and warehouse premises with extension options exceeding 10 to 15 years are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, renewal options for leases of motor vehicles are not part of the lease term because the Group typically leases motor vehicles for not more than three to five years and, hence, is not exercising any renewal options.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew. Refer to note 22 for information on potential future rental payments relating to extension options that are not included in the lease term.

Trade and financial receivables

Key sources of estimation uncertainty:

The Group measure the expected credit losses on financial assets classified at amortized cost including trade and financial receivables, lease receivables and contract assets. The expected credit losses for trade receivables and contract assets are an assessment of specific loss provisions corresponding to individually significant exposures as well as historical loss rates in combination with forward looking considerations. The expected credit losses for lease receivables and financial receivables are an assessment that reflects an unbiased, probability-weighted outcome based on reasonable and supportable forecasts.

Accounting judgement:

Management's judgement considers rapidly changing market conditions. An overlay control is performed to ensure that an adequate loss allowance is recognized. Additional information is included in section "Credit risk" in note 27.

Pension and other post-employment benefit valuation assumptions

Key sources of estimation uncertainty

Pensions and other post-employment obligations are dependent on the assumptions established by management and used by actuaries in calculating such amounts. The key assumptions include discount rates, inflation, future salary increases, mortality rates, and healthcare-cost trend rates. The actuarial assumptions are reviewed on an annual basis and are changed when it is deemed appropriate.

See note 23 for additional information regarding assumptions used in the calculation of pension and post-employment obligations.

Legal proceedings and tax claims

Accounting judgement

Atlas Copco recognizes a liability when the Group has an obligatio[...] past event involving the transfer of economic benefits and when [...] estimate can be made of what the transfer might be. The Group re[...] standing legal cases regularly in order to assess the need for provi[...] financial statements. These reviews consider the factors of the sp[...] internal legal counsel and through the use of outside legal couns[...] sors when necessary. The financial statements may be affected to [...] that management's assessments of the factors considered are no[...] with the actual outcome.

Additionally, the legal entities of the Group are frequently subj[...] by tax authorities in accordance with standard practice in the cou[...] the Group operates. In instances where the tax authorities have a[...] view on how to interpret the tax legislation, the Group makes esti[...] the likelihood of the outcome of the dispute, as well as estimates [...] claims. The actual results may differ from these estimates.

Warranty provisions

Key sources of estimation uncertainty

Provisions for product warranties should cover future commitme[...] sales volumes already realized. Warranty provisions are complex [...] estimates due to the variety of variables which are included in the [...] The calculation methods are based on the type of products sold a[...] data for level of repairs and replacements. The underlying estima[...] calculating the provision are reviewed at least quarterly as well as [...] products are introduced or when other changes occur which may [...] calculation. See note 25.

Acquisitions

Key sources of estimation uncertainty

The Group performs purchase price allocations related to busines[...] tions. Purchase prices are allocated to the underlying acquired ass[...] ties based on their estimated fair value at the time of the acquisitio[...] commonly based on valuation models. The valuation methods rel[...] assumptions, such as estimated future cash flows, remaining econ[...] life etc. The determination of the fair value requires the Group to a[...] tions and estimates. These can vary from the actual outcomes. See[...]

2. Acquisitions

The following summarizes the acquisitions during 2022 and 2021:

Acquisition date		Country	Business area	Revenues[1]	Number of employees[1]
2022 Dec. 5	Shandong Meditech Medical Technology Co., Ltd	China	Compressor Technique	114	70
2022 Dec. 2	Suzhou Since Gas System Co., Ltd	China	Compressor Technique	93	80
2022 Nov. 21	Montana Instruments Corporation	U.S.A.	Vacuum Technique	106	38
2022 Nov. 11	Northeast Compressor	U.S.A.	Compressor Technique	[2]	6
2022 Nov. 9	Entreprises Larry Inc.	Canada	Compressor Technique	[2]	65
2022 Nov. 2	Precision Pneumatics Ltd	United Kingdom	Compressor Technique	[2]	26
2022 Nov. 2	Wearside Pneumatics Ltd	United Kingdom	Compressor Technique	[2]	19
2022 Nov. 2	Shandong Jinggong Pump Co., Ltd	China	Vacuum Technique	102	100
2022 Nov. 2	Aircel, LLC.	U.S.A.	Compressor Technique	55	19
2022 Oct. 17	Vector Sp. z o.o.	Poland	Compressor Technique	[2]	23
2022 Oct. 4	Mesa Equipment & Supply Company	U.S.A.	Compressor Technique	[2]	19
2022 Sep. 5	DF-Druckluft-Fachhandel GmbH	Germany	Compressor Technique	[2]	39
2022 Sep. 2	Oxymat A/S	Denmark	Compressor Technique	411	146
2022 Aug. 1	LEWA GmbH	Germany	Power Technique	2 400	1 200
2022 Aug. 1	Geveke B.V	Netherlands	Power Technique	648	173
2022 Jul. 29	Compressed Air Products, Inc. (operating assets)	U.S.A.	Compressor Technique	[2]	20
2022 Jul. 27	Glaston Compressor Services Ltd	United Kingdom	Compressor Technique	[2]	26
2022 Jul. 18	Ceres Technologies, Inc.	U.S.A.	Vacuum Technique	351	185
2022 Jul. 8	Les pompes à vide TECHNI-V-AC inc.	Canada	Vacuum Technique	[2]	10
2022 Jul. 5	FITEC S.A.S.	France	Compressor Technique	[2]	8
2022 Jul. 4	National Vacuum Equipment Inc.	U.S.A.	Vacuum Technique	223	100
2022 Jul. 4	Bireme Group	Singapore	Compressor Technique	[2]	20
2022 Jun. 13	Qolibri Inc.	U.S.A.	Vacuum Technique	0.6	4
2022 Jun. 8	Associated Compressor Engineers Ltd (ACE)	United Kingdom	Compressor Technique	[2]	12
2022 Jun. 2	Tekser Endüstriyel Cihazlar Sanayi ve Ticaret A.Ş (Tekser)	Türkiye	Vacuum Technique	[2]	8
2022 Jun. 1	CAS Products Ltd (CAS)	United Kingdom	Compressor Technique	[2]	12
2022 Apr. 5	Pumpenfabrik Wangen GmbH	Germany	Power Technique	466	265
2022 Mar. 2	SCB S.r.l.	Italy	Compressor Technique	51	16
2022 Jan. 24	Soft2tec GmbH	Germany	Industrial Technique	20	38
2022 Jan. 21	HHV Pumps Pvt. Ltd	India	Vacuum Technique	53	151
2021 Dec. 10	Provac Limited	Ireland	Vacuum Technique	[2]	11
2021 Nov. 9	S.T.E.R.I. srl (STERI)	Italy	Compressor Technique	[2]	19
2021 Oct. 19	Eugen Theis GmbH	Germany	Vacuum Technique	[2]	4
2021 Sep. 28	AEP	France	Compressor Technique	[2]	8
2021 Aug. 31	NATEV GmbH	Germany	Industrial Technique	5	10
2021 Aug. 5	CPC Pumps International Inc.	Canada	Compressor Technique	385	110
2021 Jun. 24	Airflow Compressors & Pneumatics Ltd (Airflow)	United Kingdom	Compressor Technique	[2]	16
2021 Jun. 14	Compressed Air Systems, Inc. (CAS)	U.S.A.	Compressor Technique	[2]	30
2021 May 31	ARPUMA regel- und fördertechnische Geräte GmbH	Germany	Vacuum Technique	41	14
2021 May 25	Medigas Service & Testing Co. Inc.	U.S.A.	Compressor Technique	23	6

With exception of the acquisition of Eco Steam and Heating Sol
2021, all acquisitions were made through the purchase of 100%
and voting rights or through the purchase of the net assets of th
operations. The Group received control over the operations up
of closing the acquisition. In the case of Eco Steam and Heating
2021, the majority of the shares were acquired, and the terms o
tion provide Atlas Copco a present ownership interest in the rem
shares. Non-controlling interest has therefore not been recogn
equity instruments have been issued in connection with the ac
acquisitions have been accounted for using the acquisition met
The amounts presented in the following tables detail the rec
amounts aggregated by business area, as the relative amounts
vidual acquisitions are not considered significant, except for LE
disclosed separately. The fair values related to intangible assets
goodwill are amortized over 5–15 years. For more information a
uation of contingent consideration, see note 27. The Group is in
of reviewing the final values for certain of the recently acquired
No adjustments are expected to be material. Adjustments relat
acquisitions made in 2021 are included in the following tables.

[1] Annual revenues and number of employees at the time of acquisition.
[2] Former distributor of Atlas Copco products. No revenues are disclosed
Atlas Copco distributors.

2. Acquisitions, continued

The following summarizes the acquisitions during 2022 and 2021, continued

Acquisition date		Country	Business area	Revenues [1]	Number of employees [1]
2021 May 10	MidState Air Compressor	U.S.A.	Compressor Technique	[2]	15
2021 May 3	Eco Steam and Heating Solutions	Netherlands	Power Technique	198	23
2021 Apr. 7	IBVC Vacuum, S.L.U.	Spain	Vacuum Technique	[2]	10
2021 Mar. 3	Cooper Freer Ltd	United Kingdom	Compressor Technique	[2]	18
2021 Jan. 26	DGM SRL	Italy	Compressor Technique	[2]	21
2021 Jan. 7	Ehrler & Beck GmbH	Germany	Vacuum Technique	[2]	15
2021 Jan. 5	Kawalek Kompressoren	Germany	Compressor Technique	[2]	10

[1] Annual revenues and number of employees at the time of acquisition.
[2] Former distributor of Atlas Copco products. No revenues are disclosed fo former Atlas Copco distributors.

Compressor Technique	Recognized values 2022	2021
Intangible assets	996	881
Property, plant and equipment [1]	180	147
Other assets	602	240
Cash and cash equivalents	148	72
Interest-bearing liabilities and borrowings	–205	–84
Other liabilities and provisions	–549	–419
Net identifiable assets	**1 172**	**837**
Goodwill	814	1 075
Total consideration	**1 986**	**1 912**
Deferred consideration	–65	–1
Cash and cash equivalents acquired	–148	–72
Net cash outflow	**1 773**	**1 839**

[1] Includes right-of-use assets.

In March, the Compressor Technique business area acquired SCB S.r.l., an Italian manufacturer that develops, produces and distributes electronic condensate drains for the industrial market. Atlas Copco has a long history of working with SCB and see many possibilities for accelerated growth in this area going forward. Intangible assets of 24 and goodwill of 32 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In September, Oxymat A/S, a Danish supplier of on-site oxygen and nitrogen solutions was acquired. Oxymat is a strong brand with a global presence in on-site nitrogen and oxygen markets. Their product portfolio and knowledge in industrial gas generation make them a good fit for Atlas Copco.

Additionally in September, DF-Druckluft-Fachhandel GmbH, a German company specialized in online sales of compressed air solutions, was acquired to increase Atlas Copco's market share in the online business as well as strengthen service to customers in the region. Intangible assets of 136 and goodwill of 469 were recorded for Oxymat A/S and intangible assets of 185 and goodwill of 18 for DF-Druckluft-Fachhandel GmbH. The goodwill is not deductible for tax purposes.

In November, Aircel, LLC., a US-based provider of air treatment and air purification solutions was acquired. Aircel is a reputable company in the air treatment and air purification market and their expertise and product portfolio will increase Atlas Copco's market presence and further accelerate the business development in North America. Intangible assets of 35 and goodwill of 15 were recorded on the purchase. The goodwill is deductible for tax purposes.

Finally, in December, the assets in Suzhou Since Gas System Co., Ltd, a manufacturer of on-site gas generation equipment and Shandong Meditech Medical Technology Co., Ltd, a manufacturer of onsite oxygen solutions for the healthcare market, were acquired. Both companies are based in China and will strengthen Atlas Copco's presence in one of the world's largest oxygen markets. Intangible assets of 17 and goodwill of 3 were recorded for Suzhou Since Gas System Co., Ltd and intangible assets of 72 and goodwill of 50 for Shandong Meditech Medical Technology Co., Ltd. The goodwill is not deductible for tax purposes.

In addition, the business area acquired twelve distributors during the year. CAS Products Ltd (CAS), Associated Compressor Engineers Ltd (ACE), Glaston Compressor Services Ltd, Wearside Pneumatics Ltd and Precision Pneumatics Ltd are based in the United Kingdom. In the US, the operating assets of Compressed Air Products, Inc. (CAP), Mesa Equipment & Supply Company and Northeast Compressor were acquired. Finally, Singapore-based Bireme Group, French FITEC S.A.S., Polish Vector Sp. z o.o and Canadian Entreprises Larry Inc, were acquired. The acquisitions are expected to increase Atlas Copco's presence in their respective markets.

In total, intangible assets of 450 and goodwill of 67 were recorded on the purchases. Minor adjustments were made in the year related to the acquisitions in 2021.

The acquisition of Shandong Meditech Medical Technology includes a possible contingent consideration dependent on revenues in the first year after the acquisition. Since the targets are not expected to be reached, fair value is considered to be 0.

Vacuum Technique	Recogniz 2022
Intangible assets	848
Property, plant and equipment [1]	167
Other assets	491
Cash and cash equivalents	27
Interest-bearing liabilities and borrowings	–124
Other liabilities and provisions	–301
Net identifiable assets	**1 108**
Goodwill	929
Total consideration	**2 037**
Deferred consideration	–204
Cash and cash equivalents acquired	–27
Net cash outflow	**1 806**

[1] Includes right-of-use assets.

In January, the Vacuum Technique business area acquired HHV Pu based in India. The company designs and manufactures vacuum p systems for applications used in a wide range of industries. HHV P strong reputation and through this acquisition Atlas Copco will st market presence as well as capabilities for local manufacturing. Ir assets of 53 and goodwill of 70 were recorded on the purchase. Th not deductible for tax purposes.

In June, a Turkish vacuum distributor and service provider, Teks acquired to increase Atlas Copco's presence in the local market. A in June, a US-based provider of semiconductor subfab solutions, C was acquired. This acquisition was made to help improve Atlas Co tomers' sustainability by extending the uptime of vacuum and ab solutions. Intangible assets of 34 were recorded for Tekser and int assets of 78 and goodwill of 25 for Qolibri Inc. The goodwill is not for tax purposes.

In July, Les pompes à vide TECHNI-V-AC inc, a Canadian vacuum and service provider was acquired to develop additional business dian market. Intangible assets of 2 were recorded on the purchase ally, US-based, National Vacuum Equipment Inc. and Ceres Techn were acquired in July and Montana Instruments Corporation in N

2. Acquisitions, continued

National Vacuum Equipment Inc. is a leading manufacturer of mobile vacuum pumps and packages. The acquisition will add to Atlas Copco´s vacuum solutions portfolio. Ceres Technologies Inc. is a manufacturer and designer of gas and vapor delivery equipment for the semiconductor industry. Ceres provides critical sub systems for process tools that are complementary to Edwards' vacuum and abatement solutions for the semiconductor industry. This acquisition will allow Atlas Copco to expand the liquid chemical dispense offer globally through additional technology and know-how. The Ceres acquisition is also a valuable step forward in responding to the increased need to recycle and reuse gases in semiconductor process technology and improve sustainability in line with the industry's environmental objectives. Montana Instruments Corporation provides cryostat solutions for customers involved in physics research and low temperature technology solutions. This acquisition will allow Atlas Copco to further extend the existing presence in the cryogenic markets and with the R&D customers. Intangible assets of 412 and goodwill of 428 were recorded for National Vacuum Equipment Inc, intangible assets of 65 and goodwill of 112 for Ceres Technologies, Inc and intangible assets of 119 and goodwill of 210 for Montana Instruments Corporation. For Montana Instruments Corporation, the goodwill is not deductible for tax purposes. For, National Vacuum Equipment Inc. and Ceres Technologies, Inc, the goodwill is deductible for tax purposes.

Finally, in November, the assets of Shandong Jinggong Pump Co., Ltd, a Chinese manufacturer of industrial vacuum pumps and systems were acquired. The acquisition is in line with Atlas Copco's local-for-local strategy and adds an experienced manufacturing and machining company in China. Intangible assets of 84 and goodwill of 84 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Total consideration includes contingent consideration with a fair value of 158 related to the acquisitions of Qolibri, HHV and National Vacuum Equipment. For Qolibri, contingent consideration to be paid is dependent on revenues in the first five years after the acquisition. The fair value has been calculated based on expected revenues during this time period. For the latter two, contingent consideration is dependent on revenues and EBITDA the first year after the acquisition. The fair value has been calculated based on the assumption that the maximum amount will be paid. Also the acquisition of Montana Instruments includes a possible contingent consideration dependent on revenues in the first year after the acquisition. Since the targets are not expected to be reached, fair value is considered to be 0.

Industrial Technique	Recognized values	
	2022	2021
Intangible assets	30	43
Property, plant and equipment [1]	2	14
Other assets	–426	–245
Cash and cash equivalents	6	–
Interest-bearing liabilities and borrowings	–11	–
Other liabilities and provisions	85	81
Net identifiable assets	**–314**	**–107**
Non-controlling interests	–	13
Goodwill	417	111
Total consideration	**103**	**17**
Deferred consideration	–35	–8
Cash and cash equivalents acquired	–6	–
Net cash outflow	**62**	**9**

[1] Includes right-of-use assets.

In January, the Industrial Technique business area acquired Soft2tec GmbH based in Germany. The company manufactures and delivers camera-based tracking systems used for operator guidance in the automotive, aerospace and general industries. The products increase quality in production and are sold under the brand name Nexonar. Intangible assets of 30 and goodwill of 77 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Total consideration includes contingent consideration with a fair value of 46 related to the Soft2tec acquisition. Contingent consideration to be paid is dependent on revenues the first three years after the acquisition. The fair value has been calculated based on the assumption that the maximum amount will be paid.

The table above also includes an adjustment related to prior years' acquisitions with an effect on goodwill of 340.

Power Technique	Recogniz
	2022
Intangible assets	1 903
Property, plant and equipment [1]	822
Other assets	1 576
Cash and cash equivalents	1 047
Interest-bearing liabilities and borrowings	–1 522
Other liabilities and provisions	–1 463
Net identifiable assets	**2 363**
Non-controlling interests	–44
Goodwill	5 678
Total consideration	**7 997**
Deferred consideration	–
Cash and cash equivalents acquired	–1 047
Net cash outflow	**6 950**

[1] Includes right-of-use assets.

In April, the Power Technique business area acquired Pumpenfab
GmbH, a German industrial pump manufacturer. Pumpenfabrik V
leading differentiated technology with a strong aftermarket busi
create a solid foundation for further growth in new industrial pur
Intangible assets of 538 and goodwill of 1 570 were recorded on t
The goodwill is not deductible for tax purposes.

In August, LEWA GmbH and subsidiaries, and Geveke B.V. and s
were acquired. LEWA is a leading manufacturer of diaphragm me
pumps, process pumps and complete metering systems. The com
in Germany and offers industry-specific high-quality pump soluti
range of industries. Through this acquisition, Atlas Copco is buildi
ence and technology offering within positive displacement pump
headquartered in the Netherlands and distributes compressors a
advanced and complex process pump installations. The main par
acquired business has its base in the Power Technique business ar
smaller part belongs to the Compressor Technique business area.
strong engineering capability, providing complete industrial pum
from concept to commissioning. Intangible assets of 1 224 and go
3 727 were recorded for LEWA and intangible assets of 125 and g
393 for Geveke. The goodwill is not deductible for tax purposes.

Minor adjustments were made in the year related to the acquis
2021.

2. Acquisitions, continued

Total fair value of acquired assets and liabilities	Group recognized values 2022	of which LEWA [2]	2021
Intangible assets	3 777	1 223	1 149
Property, plant and equipment [1]	1 171	665	450
Other non-current assets	9	1	21
Inventories	1 140	489	–83
Trade receivables [3]	918	466	102
Other current assets	176	305	22
Cash and cash equivalents	1 228	921	167
Interest-bearing liabilities and borrowings	–1 862	–130	–224
Other liabilities and provisions	–1 571	–820	–273
Deferred tax assets/liabilities, net	–657	–336	–173
Net identifiable assets	**4 329**	**2 784**	**1 158**
Non-controlling interests	–44	–44	13
Goodwill	7 838	3 728	1 418
Total consideration	**12 123**	**6 468**	**2 589**
Deferred consideration	–304	–	–88
Cash and cash equivalents acquired	–1 228	–921	–167
Net cash outflow	**10 591**	**5 547**	**2 334**

[1] Includes right-of-use assets.
[2] LEWA refers to the acquisition of LEWA GmbH and subsidiaries.
[3] The gross amount is 1 017 (146) of which 99 (44) is expected to be uncollectible.

The goodwill recognized on acquisitions is primarily related to assets that cannot be fully recognized on the balance sheet. These include, but are not limited to, future growth, market presence, additional customers, technology progress, personnel etc. Please also see information on the previous pages.

The total consideration for all acquisitions was 12 123 (2 589). Deferred consideration includes both deferred consideration not yet paid for acquisitions made in 2022 and settlement of deferred consideration for acquisitions made in prior years. For all acquisitions, the net cash outflow totaled 10 591 (2 334) after deducting cash and cash equivalents acquired of 1 228 (167).

Acquisition-related costs amounted to 81 (25) and were included in the "Administrative expenses". Costs related to acquisitions finalized in 2022 were included in the income statements for 2021 and 2022.

Contribution from businesses acquired in 2022 and 2021 by business area	Compressor Technique 2022	Compressor Technique 2021	Vacuum Technique 2022	Vacuum Technique 2021	Industrial Technique 2022	Industrial Technique 2021	Power Technique 2022 [1]	Power Technique 2021	Group 2022	Group 2021
Contribution from date of control										
Revenues	465	275	551	87	66	–	1 944	128	3 026	490
Operating profit	–11	–26	49	–2	5	–4	232	28	275	–4
Profit for the year									205	–11
Contribution if the acquisition had occurred on Jan. 1										
Revenues	1 660	611	1 275	130	71	15	3 877	192	6 883	948
Operating profit	4	0	116	–1	6	–3	553	42	679	38
Profit for the year									444	22

[1] From the date of control, LEWA had revenues of MSEK 469 and operating profit of MSEK 56 corresponding to an operating margin of 11.9%, including negative purchase price allocation effects of MSEK 22.

3. Assets held for sale and divestments

Assets held for sale

Carrying value of assets held for sale	2022
Property, plant and equipment	1
Net carrying value	**1**

Divestments

No divestments have taken place during 2022. In December 2021 (Coordinate Measuring Machine) part of the Perceptron business (acquired December 2020) was divested.

Carrying value of divested assets and liabilities	2022
Property, plant and equipment [1]	–
Inventories	–
Trade receivables	–
Other current assets	–
Cash and cash equivalents	–
Interest bearing liabilities and borrowings	–
Other liabilities and provisions	–
Net identifiable assets	–

[1] Includes right-of-use assets.

4. Segment information

2022	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations
Revenues from external customers	60 544	38 917	22 963	18 901	–	–
Inter-segment revenues	514	24	44	152	–	–734
Total revenues	**61 058**	**38 941**	**23 007**	**19 053**	**–**	**–734**
– of which equipment	*57%*	*78%*	*73%*	*56%*	–	–
– of which service [1]	*43%*	*22%*	*27%*	*44%*	–	–
Operating profit	**14 425**	**8 407**	**4 597**	**3 525**	**–755**	**17**
– of which share of profit in associated companies and joint ventures	*1*	*23*	*5*	–	–	–
Net financial items						
Income tax expense						
Profit for the year						
Non-cash expenses						
Depreciation/amortization	1 768	1 593	1 385	1 340	231	–33
Impairment	–	12	36	7	8	–
Other non-cash expenses	373	167	–14	28	–284	–
Segment assets	**44 771**	**47 875**	**33 948**	**25 486**	**4 434**	**–1 836**
– of which goodwill	*7 132*	*14 683*	*14 884*	*7 600*	–	–
Investments in associated companies and joint ventures	–	800	139	–	–	–
Unallocated assets						
Total assets	**44 771**	**48 675**	**34 087**	**25 486**	**4 434**	**–1 836**
Segment liabilities	**25 521**	**9 332**	**6 583**	**5 470**	**2 628**	**–1 724**
Unallocated liabilities						
Total liabilities	**25 521**	**9 332**	**6 583**	**5 470**	**2 628**	**–1 724**
Capital expenditures						
Property, plant and equipment	1 754	2 397	696	1 330	673	–24
– of which right-of-use assets	*857*	*298*	*178*	*321*	*624*	–
Intangible assets	289	393	517	159	13	–
Total capital expenditures	**2 043**	**2 790**	**1 213**	**1 489**	**686**	**–24**
Goodwill acquired	814	929	417	5 678	–	–

[1] Including spare parts, consumables, accessories and rental.

2022	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations
Items affecting comparability in Operating profit	–	–	–	–	151 [1]	–

[1] Refers to a change in provision for share-related long-term incentive programs.

4. Segment information, continued

2021	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations
Revenues from external customers	49 216	29 200	19 390	13 106	–	–
Inter-segment revenues	441	19	31	128	–	–619
Total revenues	**49 657**	**29 219**	**19 421**	**13 234**	**–**	**–619**
– of which equipment	*57%*	*76%*	*73%*	*57%*	–	–
– of which service [1]	*43%*	*24%*	*27%*	*43%*	–	–
Operating profit	**11 874**	**7 066**	**3 976**	**2 121**	**–1 486**	**8**
– of which share of profit in associated companies and joint ventures	*0*	*30*	*6*	–	–	–
Net financial items						
Income tax expense						
Profit for the year						
Non-cash expenses						
Depreciation/amortization	1 434	1 283	1 315	1 101	237	–32
Impairment	15	36	71	8	–2	–
Other non-cash expenses	–119	32	–228	34	281	–
Segment assets	**33 164**	**36 463**	**29 423**	**11 230**	**3 329**	**–1 241**
– of which goodwill	*5 580*	*12 047*	*13 124*	*1 362*	–	–
Investments in associated companies and joint ventures	1	801	128	–	1	–
Unallocated assets						
Total assets	**33 165**	**37 264**	**29 551**	**11 230**	**3 330**	**–1 241**
Segment liabilities	**19 172**	**7 326**	**5 287**	**3 353**	**2 619**	**–1 139**
Unallocated liabilities						
Total liabilities	**19 172**	**7 326**	**5 287**	**3 353**	**2 619**	**–1 139**
Capital expenditures						
Property, plant and equipment	1 082	1 181	427	703	130	–26
– of which right-of-use assets	*462*	*188*	*158*	*132*	*77*	–
Intangible assets	191	473	527	141	57	–
Total capital expenditures	**1 273**	**1 654**	**954**	**844**	**187**	**–26**
Goodwill acquired	1 075	–	111	232	–	–

[1] Including spare parts, consumables, accessories and rental.

2021	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations
Items affecting comparability in Operating profit	–	–	–	–	–687 [1]	–

[1] Refers to a change in provision for share-related long-term incentive programs.

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4. Segment information, continued

The Group is organized in separate and focused but still integrated business areas, each operating through divisions. The business areas offer different products and services to different customer groups. They are also the basis for management and internal reporting and are regularly reviewed by the Group's President and CEO, the chief operating decision maker. The chief operating decision maker uses more than one measure of the operating segments' profit or loss to assess performance and allocate resources. The operating profit of the business areas is the primary profit measure used by the chief operating decision maker, and is reconciled to the consolidated operating profit in the tables on the previous pages. Items affecting comparability are included in a separate table since the chief operating decision maker reviews also these as part of allocating resources to the different business areas. All business areas are managed on a worldwide basis and their role is to develop, implement and follow up the objectives and strategies within their respective business.

See pages 20–32 for a description of the business areas.

Common group functions, i.e. functions which serve all business areas or the Group as a whole, are not considered a segment.

The accounting principles for the segments are the same as those described in note 1. Atlas Copco's inter-segment pricing is determined on a commercial basis.

Segment assets are comprised of property, plant and equipment, right-of-use assets, intangible assets, other non-current receivables, inventories, and current receivables.

Segment liabilities include the sum of non-interest-bearing liabilities such as operating liabilities, other provisions, and other non-current liabilities. Capital expenditure includes property, plant and equipment, and intangible assets, but excludes the effect of goodwill, intangible assets and property, plant and equipment through acquisitions.

Geographical information

The revenues presented are based on the location of the customers while non-current assets are based on the geographical location of the assets. These assets include non-current assets other than financial instruments, investments in associated companies and joint ventures, deferred tax assets, and post-employment benefit assets.

By geographic area/country		Revenues		Non-current assets
		2022	2021	2022
North America	U.S.A.	31 294	22 317	16 323
	Other countries	4 744	3 678	2 465
		36 038	**25 995**	**18 788**
South America	Brazil	3 665	2 449	663
	Other countries	2 197	1 793	188
		5 862	**4 242**	**851**
Europe	Belgium	1 257	1 087	3 058
	France	3 800	3 272	693
	Germany	8 076	6 468	31 462
	Italy	3 560	2 955	2 303
	Sweden	1 898	1 558	1 657
	United Kingdom	3 255	2 835	15 507
	Other countries	16 709	13 646	4 214
		38 555	**31 821**	**58 894**
Africa/Middle East	South Africa	844	710	137
	Other countries	5 524	4 178	440
		6 368	**4 888**	**577**
Asia/Oceania	Greater China	31 914	25 544	[illegible]
	India	4 883	3 930	[illegible]
	Japan	2 793	2 485	608
	South Korea	6 816	6 024	[illegible]
	Other countries	8 096	5 983	704
		54 502	**43 966**	[illegible]
Total		**141 325**	**110 912**	[illegible]

Geographic distribution	Compressor Technique, %		Vacuum Technique, %		Industrial Technique, %		Power Technique, %	
2022	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
North America	25	23	24	23	32	32	32	28
South America	5	6	–	–	2	2	7	8
Europe	29	31	16	15	33	33	36	37
Africa/Middle East	7	7	1	1	1	2	8	9
Asia/Oceania	34	33	59	61	32	31	17	18

	Compressor Technique, %		Vacuum Technique, %		Industrial Technique, %		Power Technique, %	
2021	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
North America	21	21	21	21	31	31	29	27
South America	5	5	–	–	2	3	7	8
Europe	34	34	14	13	36	36	36	36
Africa/Middle East	7	6	1	1	2	1	8	8
Asia/Oceania	33	34	64	65	29	29	20	21

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4. Segment information, continued

Quarterly data, Revenues by business area

Revenues	2022				2021			
	1	2	3	4	1	2	3	4
Compressor Technique	13 305	14 291	16 377	17 085	11 522	12 212	12 792	13 131
– of which external	*13 169*	*14 174*	*16 244*	*16 957*	*11 423*	*12 099*	*12 677*	*13 017*
– of which internal	*136*	*117*	*133*	*128*	*99*	*113*	*115*	*114*
Vacuum Technique	8 179	9 335	10 781	10 646	6 808	7 220	7 249	7 942
– of which external	*8 173*	*9 332*	*10 773*	*10 639*	*6 804*	*7 214*	*7 245*	*7 937*
– of which internal	*6*	*3*	*8*	*7*	*4*	*6*	*4*	*5*
Industrial Technique	5 083	5 405	5 911	6 608	4 713	4 880	4 630	5 198
– of which external	*5 072*	*5 396*	*5 900*	*6 595*	*4 705*	*4 873*	*4 622*	*5 190*
– of which internal	*11*	*9*	*11*	*13*	*8*	*7*	*8*	*8*
Power Technique	3 702	4 247	5 207	5 897	3 121	3 377	3 312	3 424
– of which external	*3 672*	*4 209*	*5 157*	*5 863*	*3 089*	*3 348*	*3 280*	*3 389*
– of which internal	*30*	*38*	*50*	*34*	*32*	*29*	*32*	*35*
Common Group functions/eliminations	–183	–167	–202	–182	–143	–155	–159	–162
Total	**30 086**	**33 111**	**38 074**	**40 054**	**26 021**	**27 534**	**27 824**	**29 533**

Quarterly data, Operating profit by business area

Operating profit	2022				2021		
	1	2	3	4	1	2	
Compressor Technique	3 170	3 266	3 963	4 026	2 730	2 916	3 08
in % of revenues	*23.8%*	*22.9%*	*24.2%*	*23.6%*	*23.7%*	*23.9%*	*24.1*
Vacuum Technique	1 859	2 123	2 484	1 941	1 695	1 789	1 74
in % of revenues	*22.7%*	*22.7%*	*23.0%*	*18.2%*	*24.9%*	*24.8%*	*24.1*
Industrial Technique	1 065	1 077	1 267	1 188	917	981	95
in % of revenues	*21.0%*	*19.9%*	*21.4%*	*18.0%*	*19.5%*	*20.1%*	*20.7*
Power Technique	664	807	983	1 071	476	539	54
in % of revenues	*17.9%*	*19.0%*	*18.9%*	*18.2%*	*15.3%*	*16.0%*	*16.5*
Common Group functions/eliminations	–9	6	–319	–416	–431	–301	–34
Operating profit	**6 749**	**7 279**	**8 378**	**7 810**	**5 387**	**5 924**	**6 00**
in % of revenues	*22.4%*	*22.0%*	*22.0%*	*19.5%*	*20.7%*	*21.5%*	*21.6*
Net financial items	–78	26	70	–190	–44	–52	–5
Profit before tax	**6 671**	**7 305**	**8 448**	**7 620**	**5 343**	**5 872**	**5 94**
in % of revenues	*22.2%*	*22.1%*	*22.2%*	*19.0%*	*20.5%*	*21.3%*	*21.4*

5. Employees and personnel expenses

Average number of employees	2022			2021		
	Women	Men	Total	Women	Men	Total
Parent Company						
Sweden	67	43	110	64	43	107
Subsidiaries						
North America	1 549	5 641	7 190	1 257	4 977	6 234
South America	492	1 582	2 074	436	1 491	1 927
Europe	4 401	16 115	20 516	3 873	14 941	18 814
– of which Sweden	*308*	*1 056*	*1 364*	*286*	*1 009*	*1 295*
Africa/Middle East	230	970	1 200	207	882	1 089
Asia/Oceania	3 016	11 675	14 691	2 599	10 502	13 101
Total in subsidiaries	**9 688**	**35 983**	**45 671**	**8 372**	**32 793**	**41 165**
Total	**9 755**	**36 026**	**45 781**	**8 436**	**32 836**	**41 272**

Females in the Board of Directors and Group Management, %	Dec. 31, 2022
Parent Company	
Board of Directors [1]	22
Group Management	33

[1] Which excludes President and CEO, includes employee representatives but excludes employee representatives' alternate

Remuneration and other benefits	Group
	2022
Salaries and other remuneration	27 201
Contractual pension benefits	1 547
Other social costs	4 832
Total	**33 580**
Pension obligations to Board members and Group Management [1]	4

[1] Refers to former members of Group Management.

5. Employees and personnel expenses, continued

2022 Remuneration and other benefits to the Board, KSEK	Fee	Value of synthetic shares at grant date	Number of synthetic shares at grant date	Other fees [1]	Total fees incl. value of synthetic shares at grant date	Effect of vesting and change in stock price [2]	Total expens
Chair:							
Hans Stråberg	1 488	1 550	3 565	451	3 489	–1 414	
Other members of the Board:							
Staffan Bohman	581	500	1 150	251	1 332	–370	
Tina Donikowski [4]	206	–	–	–	206	–298	
Johan Forssell	478	500	1 150	218	1 196	–451	
Heléne Mellquist [5]	375	500	1 150	–	875	–72	
Anna Ohlsson-Leijon	478	500	1 150	346	1 324	–34	
Gordon Riske	478	500	1 150	–	978	–153	
Peter Wallenberg Jr	478	500	1 150	99	1 077	–451	
Other members of the Board previous year						–298	
Employee representatives (4) [6]	86	–	–	–	86	–	
Total	**4 648**	**4 550**	**10 465**	**1 365**	**10 563**	**–3 541**	

[1] Refers to fees for membership in board committees.
[2] Refers to synthetic shares received in 2018–2022.
[3] Provision for synthetic shares as at December 31, 2022 amounted to MSEK 22 (25).
[4] Tina Donikowski left the Board at the Annual Meeting 2022.
[5] Heléne Mellquist was elected board member at the Annual General Meeting 2022.
[6] Employee representatives receive compensation to prepare for their participation in board meetings.

2021 Remuneration and other benefits to the Board, KSEK	Fee	Value of synthetic shares at grant date	Number of synthetic shares at grant date	Other fees [1]	Total fees incl. value of synthetic shares at grant date	Effect of vesting and change in stock price [2]	Total expens
Chair:							
Hans Stråberg	1 266	1 300	2 505	436	3 002	2 748	
Other members of the Board:							
Staffan Bohman	804	–	–	479	1 283	572	
Tina Donikowski	804	–	–	–	804	878	
Johan Forssell	402	413	795	208	1 023	1 180	
Anna Ohlsson-Leijon	494	413	795	253	1 160	–41	
Gordon Riske	402	413	795	–	815	303	
Peter Wallenberg Jr	402	413	795	94	909	1 180	
Other members of the Board previous year						878	
Employee representatives (4) [4]	73	–	–	–	73	–	
Total	**4 647**	**2 952**	**5 685**	**1 470**	**9 069**	**7 698**	

[1] Refers to fees for membership in board committees.
[2] Refers to synthetic shares received in 2017–2021.
[3] Provision for synthetic shares as at December 31, 2021 amounted to MSEK 25 (18).
[4] Employee representatives receive compensation to prepare for their participation in board meetings.

5. Employees and personnel expenses, continued

2022 **Remuneration and other benefits to Group Management, KSEK**	Base salary	Variable compensation [2]	Other benefits [3]	Pension fees	Total, excl. recognized costs for share based payments	Recognized costs for share based payments [4]
President and CEO						
Mats Rahmström [1]	19 500	14 820	406	6 836	41 562	5 052
Other members of Group Management (8 positions)	28 979	15 055	7 153	8 430	59 617	3 566
Total	**48 479**	**29 875**	**7 559**	**15 266**	**101 179**	**8 618**
Total remuneration and other benefits to the Board and Group Management						

[1] Further details on the President and CEO remuneration is part of the Remuneration Report that will be published in connection with the notice to the Annual General Meeting.
[2] Refers to variable compensation earned in 2022 to be paid in 2023, based on actual base salary entitlement.
[3] Refers to vacation pay, company car, medical insurance, and other benefits.
[4] Refers to stock options and SARs received in 2016–2022 and includes recognized costs due to change in stock price and vesting period, see also note 23.

2021 **Remuneration and other benefits to Group Management, KSEK**	Base salary	Variable compensation [2]	Other benefits [3]	Pension fees	Total, excl. recognized costs for share based payments	Recognized costs for share based payments [4]
President and CEO						
Mats Rahmström [1]	16 500	13 200	445	5 795	35 940	7 758
Other members of Group Management (8 positions)	30 843	14 931	11 105	11 095	67 974	3 383
Total	**47 343**	**28 131**	**11 550**	**16 890**	**103 914**	**11 141**
Total remuneration and other benefits to the Board and Group Management						

[1] Further details on the President and CEO remuneration is part of the Remuneration Report that will be published in connection with the notice to the Annual General Meeting.
[2] Refers to variable compensation earned in 2021 to be paid in 2022, based on actual base salary entitlement.
[3] Refers to vacation pay, company car, medical insurance, and other benefits.
[4] Refers to stock options and SARs received in 2016–2021 and includes recognized costs due to change in stock price and vesting period, see also note 23.

Guidelines for remuneration and other fees for members of the Board, the President and CEO, and other members of Group Management

The guidelines for remuneration to the Board and Group Management are approved at the Annual General Meeting of the shareholders. The guidelines approved by the 2020 meeting are described in the following paragraphs.

Board members
Remuneration and fees are based on the work performed by the Board. The remuneration and fees approved for 2022 are detailed in the table on the previous page. The remuneration to the President and CEO, who is a member of Group Management, is described in the following sections and in the Remuneration Report.

The Annual General Meeting decided that each board member can elect to receive 50% of the 2022 gross fee before tax, excluding other committee fees, in the form of synthetic shares and the remaining part in cash. The number of synthetic shares is based upon an average end price of series A shares during ten trading days following the release of the first quarterly interim report for 2022. The share rights are earned 25% per quarter as long as the member remains on the Board. After five years, the synthetic shares give the right to receive a cash payment per synthetic share based upon an average price for series A shares during ten trading days following the release of the first quarterly interim report of the year of payment. The board members will receive dividends on series A shares until payment date in the form of new synthetic shares. If a board member resigns from his or her position before the stipulated payment date as stated above, the board member has the right to request a prepayment. The prepayment will be made twelve months after the date when the board member resigned or otherwise the original payment date is valid.

Status end of year
Seven board members accepted the right to receive synthetic shares. The number and costs at grant date and at the end of the financial year are disclosed by board member in the table on the previous page.

Remuneration and other committees 2022
The board has three committees:
- Remuneration committee consisting of Hans Stråberg (Chair), Wallenberg Jr and Staffan Bohman. The committee proposed tion to the President and CEO for approval by the Board. The co supported the President and CEO in determining the compens to the other members of Group Management.
- Audit committee consisting of Anna Ohlsson-Leijon (Chair), St Bohman (until April 22, 2022), Johan Forssell and Hans Stråber
- Repurchase committee consisting of Staffan Bohman (Chair) a Stråberg.

Group Management
Group Management consists of the President and CEO and eight bers of the Executive Committee. The compensation to Group Ma

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5. Employees and personnel expenses, continued

shall consist of base salary, variable compensation, possible long-term incentive (personnel stock options), pension benefits and other benefits.

The following describes the various guidelines in determining the amount of remuneration:

- Base salary is based on competence, area of responsibility, experience and performance.
- Variable compensation is linked to predetermined and measurable criteria which can be financial or non-financial. Non-financial criteria for 2022 has been to reduce the Group's greenhouse gas emissions in line with the Group's science-based targets. The variable compensation is maximized to 80% of the base salary for the President and CEO, 60% for Business Area Presidents, and 50% for other members of Group Management.
- Performance-based personnel stock option program for 2022, see note 23.
- Pension benefits are paid in accordance with a defined contribution plan with premiums set in line with Atlas Copco Group Pension Policy for Swedish Executives and Atlas Copco terms and conditions for expatriate employments.
- Other benefits consist of company car and medical insurance.
- For the expatriates, certain benefits are paid in compliance with the Atlas Copco terms and conditions for expatriate employment.
- A mutual notice of termination of employment of six months shall apply.

The Board may resolve to deviate from the guidelines, in whole or in part, if in a specific case there are special reasons for the deviation and the Board deems deviation is needed to serve the company's long-term interests or to ensure the company's financial viability. No fees are paid to Group Management for board memberships in Group companies.

President and CEO
The variable compensation can give a maximum of 80% of the base salary. The variable compensation is not included in the basis for pension benefits. According to an agreement, the President and CEO has the option to receive variable compensation in the form of cash payment or as a pension contribution. The President and CEO is a member of the Atlas Copco Group Pension Policy for Swedish Executives, which is a defined contribution plan. The contribution is age related and is up to a maximum of 35% of the base salary. These pension plans are vested. In addition, premiums for private health insurance are added. The retirement age of the President and CEO is set at the age of 65.

Other members of Group Management
The variable compensation is not included in the basis for pension benefits. Members of Group Management have defined contribution pension plans, with contribution up to a maximum of 35% of the base salary according to age. These pension plans are vested. The retirement age is 65, unless there is an agreement between the company and the individual on a longer employment.

Termination of employment
The President and CEO is entitled to a severance pay of twelve months if the Company terminates the employment and a further twelve months if other employment is not available.

Other members of Group Management are entitled to severance pay if the Company terminates their employment. The amount of severance pay is dependent on the length of employment with the Company and the age of the executive, but is never less than 12 months and never more than 24 months' salary.

Any income that the President and CEO and other members of Group Management receives from employment or other business activity, whilst severance pay is being paid, will reduce the amount of severance pay accordingly.

Severance pay for the President and CEO and other members of Group Management is calculated only on the base salary and does not include variable compensation. Severance pay cannot be elected by the employee, but will only be paid if employment is terminated by the Company.

Stock options/share appreciation rights, holdings for Group Management – year end
The stock options/share appreciation rights holdings as at December 31 are detailed below:

Stock options/share appreciations rights holdings as at Dec. 31, 2022 [1]

Grant Year	President and CEO	Other members of Group Management
2016	–	83 479
2017	–	341 169
2018	123 774	444 995
2019	765 254	765 075
2020	18 242	24 463
2021	452 871	508 494
2022 [2]	457 184	509 076
Total	**1 817 325**	**2 676 751**

[1] The numbers have been adjusted for the effect of the distribution of Epiroc. See note 23 for additional information.
[2] Estimated grants for the 2022 stock option program including matching options.

Workforce profile
Atlas Copco strives to grow local leaders where it operates. The ge spread of employees and senior managers is in continuous develo As a customer-focused company, 49% (51) of all employees work sales or service.

Geographical spread of employees as at Dec. 31, 2022, %	Employees	se
North America	16	
South America	4	
Europe	45	
Africa/Middle East	3	
Asia/Oceania	32	
Total	**100**	

Employees by professional category, %	2022
Production	26
Marketing	8
Sales and support	14
Service	27
Administration	16
Research & development	9
Total	**100**

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6. Remuneration to auditors

Audit fees and other services	2022	2021
Ernst & Young		
Audit fee	87	67
Other services, tax	3	3
Other services, other	1	1
Other audit firms		
Audit fee	20	15
Other services, tax	4	4
Other services, other	2	1
Total	**117**	**91**

Audit fee refers to audit of the financial statements and the accounting records. For the Parent Company, this also includes the administration of the business by the Board of Directors and the President and CEO.

Tax services include mostly tax consultancy services.

Other services essentially comprise consultancy services, such as due diligence services in connection with acquisitions, investigations and similar.

At the Annual General Meeting 2022, Ernst & Young was re-elected as auditor for the Group up to and including the Annual General Meeting 2023.

7. Other operating income and expenses

Other operating income	2022	2021
Commissions received	16	12
Income from insurance operations	138	135
Capital gain on asset held for sale	2	–
Capital gain on sale of property, plant and equipment	59	51
Exchange-rate differences, net	–	392
Other operating income	321	191
Total	**536**	**781**

Other operating expenses	2022	2021
Capital loss on sale of property, plant and equipment	–35	–22
Capital loss on divestment of business	–	–28
Exchange-rate differences, net	–574	–
Other operating expenses	–145	–151
Total	**–754**	**–201**

7. Other operating income and expenses, continued

Additional information on costs by nature

Cost of goods sold includes expenses for inventories, see note 16, warranty costs and transportation costs.

Salaries, remunerations and employer contributions amounted to 33 580 (27 151) whereof expenses for post-employment benefits amounted to 1 547 (1 286). See note 5 for further details.

Government grants of 243 (210) have been deducted in the related expenses or included in other operating income. Government grants related to assets have been recognized as a deduction when establishing the carrying amount of the asset. Therefore, the government grants are reported as income over the useful life of the asset through a reduction in depreciation expense. The remaining value of these grants, at the end of 2022, amounted to 117 (34).

Included in the operating profit are exchange rate changes on payables and receivables, and the effects from currency hedging. The operating profit also includes –658 (–109) of realized foreign exchange hedging result, which were previously recognized in equity. Amortization, depreciation and impairment charge for the year amounted to 6 347 (5 466). See note 12, 13 and 22 for further details. Costs for research and development amounted to 5 389 (4 125).

8. Financial income and expenses

Financial income and expenses	2022	2021
Interest income:		
– cash and cash equivalents	108	22
– derivatives	165	136
Capital gain:		
– other assets	6	51
Change in fair value – other assets	37	29
Foreign exchange gain, net	27	5
Financial income	**343**	**243**
Interest expenses:		
– borrowings	–394	–348
– pension provisions, net	–30	–34
– deferred considerations	–15	–10
Change in fair value – other liabilities and borrowings	–22	–
Impairment loss	–54	–
Financial expenses	**–515**	**–392**
Financial expenses, net	**–172**	**–149**

Foreign exchange gain/loss, net includes foreign exchange gains of 712 (545) on financial assets at fair value through profit or loss and foreign exchange losses of –685 (–540) on other liabilities.

9. Taxes

Income tax expense	2022
Current taxes	–7 262
Deferred taxes	700
Total	**–6 562**

The following is a reconciliation of the companies' weighted aver[…] on the nominal tax for the country as compared to the actual tax […]

	2022
Profit before tax	**30 044**
Weighted average tax based on national rates	–6 927
in %	*23.1*
Tax effect of:	
– non-deductible expenses	–278
– withholding and other taxes on dividends	–349
– tax-exempt income	893
Adjustments from prior years:	
– current taxes	146
– deferred taxes	–45
Effects of tax losses/credits utilized	8
Change in tax rate, deferred tax	10
Tax losses not recognized	20
Other items	–40
Income tax expense	**–6 562**
Effective tax in %	21.8

The effective tax rate was 21.8% (22.5). Withholding and other tax[…] dends of –349 (–322) relate to provisions on retained earnings in c[…] where Atlas Copco incur withholding and other taxes on dividend[…] income of 893 (686) refers to income that is not subject to taxation[…] to reduced taxation under local law in various countries. Adjustme[…] prior years – current tax includes the net from tax issues, tax disput[…] one-time positive tax effects in different countries and amounted […]

In 2022, effects of income tax rate changes have affected the re[…] (–151).

9. Taxes, continued

European Commission's decision on Belgium's tax rulings

On January 11, 2016, the European Commission announced its decision that Belgian tax rulings granted to companies regarding "Excess Profit" shall be considered as illegal state aid and that unpaid taxes shall be reclaimed by the Belgian state. Atlas Copco had such tax ruling since 2010.

Following the European Commission decision, Atlas Copco has paid, in total MEUR 313 (MSEK 2 952). During 2015, Atlas Copco made a provision of MEUR 300 (MSEK 2 802) and paid MEUR 239 (MSEK 2 250) in 2016. In the second quarter of 2017, Atlas Copco paid the remaining amount of MEUR 68 (MSEK 655). During 2017, MEUR 13 (MSEK 125) was expensed as an interest cost.

The Belgian government, as well as Atlas Copco, appealed the decision to the General Court of the European Union (EGC) in Luxembourg and on February 14, 2019, the EGC annulled the decision taken by the European Commission on January 11, 2016. On May 3, 2019, the European Commission appealed the EGC's annulment. Following a decision by the European Court of Justice in 2021, the annulment was incorrect, and the case has again been referred to the General Court for judgement.

In September 2020, the European Commission also published individual opening decision stating that the specific decisions granted by Belgium between 2005 and 2014 regarding tax rulings granted to multinationals regarding "Excess Profit" violated the EU rules for state aid. One of these individual decisions concerns Atlas Copco.

It is likely several years before final decisions are made.

The following table reconciles the net asset balance of deferred taxes at the beginning of the year to the net asset at the end of the year:

Change in deferred taxes	2022	2021
Opening balance net, Jan. 1	–435	–252
Business acquisitions	–657	–173
Charges to profit for the year	700	96
Tax on amounts recorded to other comprehensive income	–65	–90
Translation differences	–95	–16
Closing balance net, Dec. 31	**–552**	**–435**

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following:

Deferred tax assets and liabilities	2022			2021	
	Assets	Liabilities	Net balance	Assets	Liabilities
Intangible assets	595	5 195	–4 600	460	4 088
Property, plant and equipment [1]	250	1 115	–865	222	850
Other financial assets	43	227	–184	33	131
Inventories	2 525	37	2 488	1 705	25
Current receivables	321	364	–43	169	274
Operating liabilities	979	29	950	821	11
Provisions	340	10	330	344	8
Post-employment benefits	509	24	485	788	14
Borrowings [1]	1 140	21	1 119	598	15
Loss/credit carry-forwards	194	–	194	233	–
Other items [2]	22	448	–426	3	395
Deferred tax assets/liabilities	**6 918**	**7 470**	**–552**	**5 376**	**5 811**
Netting of assets/liabilities	–4 725	–4 725	–	–3 586	–3 586
Net deferred tax balances	**2 193**	**2 745**	**–552**	**1 790**	**2 225**

[1] The gross amount of deferred tax assets and liabilities relating to right-of-use assets and lease liabilities are included in Property, plant and equipment and Borrowings. The net amount of these items is not material.
[2] Other items primarily include tax deductions which are not related to specific balance sheet items.

Deferred tax assets regarding tax loss carry-forwards are reported to the extent that realization of the related tax benefit through future taxable results is probable. At December 31, the Group had total tax loss carry-forwards of 2 404 (2 345), of which deferred tax assets were recognized for 934 (881). The tax value of reported tax loss carry-forwards totals 189 (231). There is no expiration date for utilization of the major part of the tax losses carry-forwards for which deferred tax assets have been recognized.

Tax loss carry-forwards for which no deferred tax have been recognized expire in accordance with below table:

	2022	2021
Expires after 1–2 years	82	111
Expires after 3–4 years	31	69
Expires after 5–6 years	12	29
No expiry date	1 345	1 255
Total	**1 470**	**1 464**

Changes in temporary differences during the year that are recogn… income statement are attributable to the following:

	2022
Intangible assets	249
Property, plant and equipment	–134
Other financial assets	8
Inventories	635
Current receivables	–72
Operating liabilities	71
Provisions	–33
Post-employment benefits	–11
Borrowings	115
Other items	–28
Changes due to temporary differences	**800**
Loss/credit carry-forwards	–100
Charges to profit for the year	**700**

Atlas Copco

10. Other comprehensive income

Other comprehensive income for the year	2022			2021	
	Before tax	Tax	After tax	Before tax	Tax
Attributable to owners of the parent					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plans	1 550	–420	1 130	808	–160
Items that may be reclassified subsequently to profit or loss					
Translation differences:					
– on foreign operations	8 112	174	8 286	4 568	26
Hedge of net investments in foreign operations	–1 328	273	–1 055	–342	71
Cash flow hedges	13	–2	11	–102	19
Total other comprehensive income	**8 347**	**25**	**8 372**	**4 932**	**–44**
Attributable to non-controlling interests					
Translation differences on foreign operations	–	–	–	3	–
Total other comprehensive income	**8 347**	**25**	**8 372**	**4 935**	**–44**

11. Earnings per share

Amounts in SEK	Basic earnings per share		Diluted earnings per share	
	2022	2021 [1]	2022	2021 [1]
Earnings per share	4.82	3.72	4.81	3.71

The calculation of earnings per share presented above is based on profits and number of shares as detailed below.

Profit for the year attributable to owners of the parent	2022	2021
Profit for the year	23 477	18 130

Average number of shares outstanding	2022	2021 [1]
Basic weighted average number of shares outstanding	4 868 350 241	4 870 932 992
Effect of employee stock options	7 577 524	11 149 822
Diluted weighted average number of shares outstanding	4 875 927 765	4 882 082 814

[1] Earnings per share and number of shares are adjusted for share split.

Potentially dilutive instruments
As of December 31, 2022, Atlas Copco had seven outstanding em option programs. For the 2020 program, no options were issued a target for the Group was not met. The exercise price including adj remaining vesting costs for the 2021 and 2022 programs exceede age share price for series A shares, SEK 117.86 per share. These pro therefore considered anti-dilutive and not included in the calcula diluted earnings per share. If the average share price after adjust the above, exceeds the strike price in the future, these options wil which is the case for the 2016, 2017, 2018 and 2019 programs.

Atlas Copco

12. Intangible assets

Impairment tests for cash-generating units with goodwill and for intangible assets with indefinite useful lives

Impairment tests (including sensitivity analyses) are performed as per September 30 each year and when there is an indication of impairment.

Current goodwill is monitored for internal management purposes at business area level which also represents the Group's operating segments. The goodwill has therefore been tested for impairment at business area level.

The recoverable amounts of the cash generating units have been calculated as value-in-use based on management's five-year forecast for net cash flows where the most significant assumptions are revenues, operating profits, working capital, and capital expenditures.

All assumptions for the five-year forecast are estimated individually for each of the business areas based on their particular market position and the characteristics and development of their end-markets. The forecasts represent management's assessment and are based on both external and internal sources. The perpetual growth for the period after five years is estimated at 2% (2).

The Group's average weighted cost of capital in 2022 was 8% (8) after tax (approximately 10.5% (10.5) before tax) and has been used in discounting the cash flows to determine the recoverable amounts. The business areas are all relatively diversified and have similar geographical coverage, similar organization and structure and, to a large extent, an industrial customer base. Specific risks, if any, have affected projected cash flows. The same discount rate has therefore been used for all business areas. All business areas are expected to generate a return well above the values to be tested, including sensitivity analyses/worst-case scenarios.

The following table presents the carrying value of goodwill and trademarks with indefinite useful lives allocated by business area:

	2022		2021	
	Trademarks	Goodwill	Trademarks	Goodwill
Compressor Technique	–	7 132	–	5 580
Vacuum Technique	3 008	14 683	2 640	12 047
Industrial Technique	–	14 884	–	13 124
Power Technique	–	7 600	–	1 362
Total	**3 008**	**44 299**	**2 640**	**32 113**

The trade names of Edwards, Leybold, CTI and Polycold in the Vacuum Technique business area represent strong trade names that have been used for a long time in their industries. Management's intention is that these trade names will be used for an indefinite period of time. Apart from the assessment of future customer demand and the profitability of the business, future marketing strategy decisions involving the trade names, can affect the carrying value of these intangible assets.

Amortization and impairment of intangible assets are recognized in the following line items in the income statement:

	2022			2021		
	Internally generated	Acquired	Total	Internally generated	Acquired	Total
Cost of sales	32	43	75	41	36	77
Marketing expenses	20	1 131	1 151	15	911	926
Administrative expenses	110	47	157	94	96	190
Research and development expenses	670	624	1 294	498	560	1 058
Total	**832**	**1 845**	**2 677**	**648**	**1 603**	**2 251**

Impairment charges on intangible assets totaled 61 (104) of which 0 (8) was classified as cost of sales, 52 (64) was classified as research and development expenses, and 9 (32) as administrative expenses. Of the impairment charges, 19 (30) was due to capitalized development costs relating to projects discontinued.

Atlas Copco

12. Intangible assets, continued

	Internally generated intangible assets		Acquired intangible assets					
2022	Product development	Other technology and contract based	Product development	Trademarks	Marketing and customer related	Other technology and contract based	Goodwill	**Total**
Cost								
Opening balance, Jan. 1	6 720	1 774	610	4 866	11 226	8 506	32 144	65 846
Investments	1 049	209	–	–	8	105	–	1 371
Business acquisitions	–	–	14	447	1 977	1 339	7 838	11 615
Disposals	–186	–264	–	–30	–70	–27	–	–577
Reclassifications	–13	29	–4	–	–34	30	7	15
Translation differences	427	127	76	606	1 397	990	4 349	7 972
Closing balance, Dec. 31	**7 997**	**1 875**	**696**	**5 889**	**14 504**	**10 943**	**44 338**	**86 242**
Amortization and impairment losses								
Opening balance, Jan. 1	3 620	1 128	101	1 418	5 305	3 895	31	15 498
Amortization for the period	615	157	10	160	977	697	–	2 616
Impairment charge for the period	52	8	–	–	–	1	–	61
Disposals	–176	–264	–	–30	–70	–27	–	–567
Reclassifications	–	1	–	–	–34	30	7	4
Translation differences	219	77	4	140	699	423	1	1 563
Closing balance, Dec. 31	**4 330**	**1 107**	**115**	**1 688**	**6 877**	**5 019**	**39**	**19 175**
Carrying amounts at Jan. 1	3 100	646	509	3 448	5 921	4 611	32 113	50 348
Carrying amounts at Dec. 31	**3 667**	**768**	**581**	**4 201**	**7 627**	**5 924**	**44 299**	**67 067**

	Internally generated intangible assets		Acquired intangible assets					
2021	Product development	Other technology and contract based	Product development	Trademarks	Marketing and customer related	Other technology and contract based	Goodwill	**Total**
Cost								
Opening balance, Jan. 1	5 414	1 565	469	4 501	9 768	7 858	28 904	58 479
Investments	1 106	192	1	–	–	90	–	1 389
Business acquisitions	–	–	–	66	855	228	1 418	2 567
Disposals	–12	–25	–14	–3	–19	–51	–	–124
Reclassifications	50	–5	110	–	–	–150	–	5
Translation differences	162	47	44	302	622	531	1 822	3 530
Closing balance, Dec. 31	**6 720**	**1 774**	**610**	**4 866**	**11 226**	**8 506**	**32 144**	**65 846**
Amortization and impairment losses								
Opening balance, Jan. 1	3 041	975	43	1 219	4 207	3 123	31	12 639
Amortization for the period	447	137	3	141	783	636	–	2 147
Impairment charge for the period	51	13	–	–	–	40	–	104
Disposals	–12	–25	–14	–3	–19	–51	–	–124
Reclassifications	24	–5	60	–	–	–78	–	1
Translation differences	69	33	9	61	334	225	–	731
Closing balance, Dec. 31	**3 620**	**1 128**	**101**	**1 418**	**5 305**	**3 895**	**31**	**15 498**
Carrying amounts at Jan. 1	2 373	590	426	3 282	5 561	4 735	28 873	45 840
Carrying amounts at Dec. 31	**3 100**	**646**	**509**	**3 448**	**5 921**	**4 611**	**32 113**	**50 348**

Other technology and contract based
assets include computer software, pa
contract based rights such as licenses
chise agreements. Marketing and cus
related intangible assets include inter
names, customer lists, customer cont
relationships with customers. All inta
assets other than goodwill and trader
indefinite useful lives are amortized.

For information regarding principle
amortization and impairment, see r

See note 2 for information on busin
acquisitions.

13. Property, plant and equipment

2022	Buildings and land	Machinery and equipment	Construction in progress and advances	Total	Rental equipment
Cost					
Opening balance, Jan. 1	6 757	13 184	1 204	21 145	5 961
Investments	91	839	2 734	3 664	884
Business acquisitions	501	302	5	808	13
Disposals	–75	–499	–	–574	–314
Reclassifications	431	1 275	–1 668	38	–21
Translation differences	645	1 199	143	1 987	764
Closing balance, Dec. 31	**8 350**	**16 300**	**2 418**	**27 068**	**7 287**
Depreciation and impairment losses					
Opening balance, Jan. 1	2 842	9 307	5	12 154	3 619
Depreciation for the period	278	1 283	–	1 561	775
Impairment charge for the period	–	–	–	–	4
Disposals	–52	–465	–	–517	–242
Reclassifications	32	16	–	48	–21
Translation differences	275	827	–	1 102	463
Closing balance, Dec. 31	**3 375**	**10 968**	**5**	**14 348**	**4 598**
Carrying amounts at Jan. 1	3 915	3 877	1 199	8 991	2 342
Carrying amounts at Dec. 31	**4 975**	**5 332**	**2 413**	**12 720**	**2 689**

2021	Buildings and land	Machinery and equipment	Construction in progress and advances	Total	Rental equipment
Cost					
Opening balance, Jan. 1	6 355	11 710	670	18 735	5 223
Investments	51	607	1 312	1 970	510
Business acquisitions	82	29	–	111	228
Divestment of business	–13	–1	–	–14	–
Disposals	–215	–444	–8	–667	–324
Reclassifications	145	671	–825	–9	–25
Translation differences	352	612	55	1 019	349
Closing balance, Dec. 31	**6 757**	**13 184**	**1 204**	**21 145**	**5 961**
Depreciation and impairment losses					
Opening balance, Jan. 1	2 636	8 210	–	10 846	2 982
Depreciation for the period	247	1 087	–	1 334	707
Impairment charge for the period	3	19	5	27	–
Disposals	–181	–422	–	–603	–278
Reclassifications	–4	–	–	–4	–12
Translation differences	141	413	–	554	220
Closing balance, Dec. 31	**2 842**	**9 307**	**5**	**12 154**	**3 619**
Carrying amounts at Jan. 1	3 719	3 500	670	7 889	2 241
Carrying amounts at Dec. 31	**3 915**	**3 877**	**1 199**	**8 991**	**2 342**

For information regarding principle depreciation and impairment, see n

See note 2 for information on busin acquisitions.

14. Investments in associated companies and joint ventures

Accumulated capital participation	2022	2021
Opening balance, Jan. 1	931	931
Dividends	–40	–36
Profit for the year after income tax	29	36
Translation differences	19	0
Closing balance, Dec. 31	**939**	**931**

The tables below are based on the most recent financial reporting available from associated companies and joint ventures. ISRA Immobilie Berlin GmbH was sold during 2022 and is no longer an associated company within Atlas Copco.

2022

Summary of financial information for associated companies and joint ventures	Country	Assets [1]	Liabilities [1]	Equity [1]	Revenues [1]	Profit for the year [1]	Group's share, % [2]	Carrying value Dec. 31
Associated companies								
Qingdao Qianshao Pneumatic Tool Manufacturing Tech Ltd.	China	73	29	44	46	1	25	11
Reintube S.L.	Spain	9	4	5	13	1	47	0
Joint ventures								
Toku-Hanbai Group	Japan	443	182	261	1 273	11	50	128
Ulvac Cryogenics Inc.	Japan	1 237	415	822	718	48	50	800
Total								**939**

[1] Presented amounts for associated companies and joint ventures are for 100% of the company.
[2] The Atlas Copco percentage share of each holding represents both ownership interest and voting power.

2021

Summary of financial information for associated companies and joint ventures	Country	Assets [1]	Liabilities [1]	Equity [1]	Revenues [1]	Profit for the year [1]	Group's share, % [2]	Carrying value Dec. 31
Associated companies								
Qingdao Qianshao Pneumatic Tool Manufacturing Tech Ltd.	China	59	18	41	31	–7	25	10
Reintube S.L.	Spain	9	5	4	14	0	47	1
ISRA Immobilie Berlin GmbH	Germany	74	80	–6	6	1	49.99	0
Joint ventures								
Toku-Hanbai Group	Japan	419	183	236	883	16	50	118
Ulvac Cryogenics Inc.	Japan	1 260	430	830	716	59	50	802
Total								**931**

[1] Presented amounts for associated companies and joint ventures are for 100% of the company.
[2] The Atlas Copco percentage share of each holding represents both ownership interest and voting power.

15. Other financial assets

The fair value of financial instruments under other financial assets to their carrying value.

	2022
Non-current	
Pension and other similar benefit assets (note 23)	1 423
Financial assets at fair value through OCI	1
Financial assets at fair value through profit or loss	86
Financial assets measured at amortized cost:	
– lease receivables	67
– other financial receivables	91
Closing balance, Dec. 31	**1 668**
Current	
Financial assets at fair value through profit or loss	591
Financial assets measured at amortized cost:	
– lease receivables	27
– other financial receivables	271
Closing balance, Dec. 31	**889**

See note 22 for information on leases and note 27 for information credit risk.

16. Inventories

	2022	2021
Raw materials	5 260	3 052
Work in progress	5 524	3 553
Semi-finished goods	7 623	4 963
Finished goods	8 812	6 233
Closing balance, Dec. 31	**27 219**	**17 801**

Provisions for obsolescence and other write-downs of inventories recorded as cost of sales amounted to 560 (553). Reversals of write-downs which were recognized in earnings totaled 35 (71). Previous write-downs have been reversed as a result of improved market conditions in certain markets.

Inventories recognized as expense amounted to 60 607 (46 717).

17. Trade receivables

The fair value for trade receivables corresponds to their carrying value. Trade receivables are measured at amortized cost.

Expected credit losses, trade	2022	2021
Opening balance, Jan. 1	745	780
Business acquisitions and divestments	99	42
Provisions recognized for potential losses	367	268
Amounts used for established losses	–118	–172
Release of unnecessary provisions	–191	–222
Translation differences	74	49
Closing balance, Dec. 31	**976**	**745**

Trade receivables of 29 910 (21 954) are reported net of expected credit losses and other impairments amounting to 976 (745).

Expected credit losses and impairment losses recognized in the income statement totaled 147 (–10).

For credit risk information, see note 27.

18. Other receivables

The fair value of financial instruments included in other receivables corresponds to their carrying value.

	2022	2021
Derivatives:		
– at fair value through profit or loss	34	9
Financial assets measured at amortized cost:		
– other receivables	4 085	2 922
– contract assets	4 738	3 545
Prepaid expenses	1 174	943
Closing balance, Dec. 31	**10 031**	**7 419**

Other receivables consist primarily of VAT claims and advances to suppliers. Contract assets relate mainly to service and construction projects. Impairment losses recognized on contract assets were insignificant. Prepaid expenses include items such as insurance, IT and employee costs.

See note 27 for information on the Group's derivatives.

19. Cash and cash equivalents

The fair value of cash and cash equivalents corresponds to their carrying value. Cash and cash equivalents are measured at amortized cost.

	2022	2021
Cash	10 016	17 863
Cash equivalents	1 238	1 127
Closing balance, Dec. 31	**11 254**	**18 990**

Cash and cash equivalents includes cash in Russia, amounting to 257 MSEK, which is not immediately available for use by the Group. Cash in Russia can mainly be used to cover costs of operations. Since these have dropped significantly, there is excess cash.

During the year, cash and cash equivalents had an estimated average effective interest rate of 0.71% (0.15). The committed, but unutilized, credit lines were MEUR 1 640 (1 640), which equaled to MSEK 18 277 (16 788).

See note 27 for additional information.

20. Equity

Shares outstanding	2022 A shares	2022 B shares	2022 Total	2021 A shares	2021 B shares	2021 Total
Opening balance, Jan. 1	839 394 096	390 219 008	1 229 613 104	839 394 096	390 219 008	1
Share split	3 357 576 384	1 560 876 032	4 918 452 416	–	–	
	4 196 970 480	**1 951 095 040**	**6 148 065 520**	**839 394 096**	**390 219 008**	**1**
Redemption of shares	–799 996 017	–390 219 008	–1 190 215 025	–	–	
Redemption of shares held by Atlas Copco	–39 398 079	–	–39 398 079	–	–	
Total number of shares, Dec. 31	**3 357 576 384**	**1 560 876 032**	**4 918 452 416**	**839 394 096**	**390 219 008**	**1**
– of which held by Atlas Copco	–50 095 451	–	–50 095 451	–11 422 736	–	
Total shares outstanding, Dec. 31	**3 307 480 933**	**1 560 876 032**	**4 868 356 965**	**827 971 360**	**390 219 008**	**1**

At December 31, 2022 Atlas Copco AB's share capital amounted to SEK 786 008 190 distributed among 4 918 452 416 shares, each with a quota value of approximately SEK 0.16 (0.64). Series A shares entitle the holder to one voting righ shares entitle the holder to one-tenth of a voting right per share. In the below table the transactions for year 2022 shows the actual number of shares repurchased and divested. A share split was conducted during Q2 2022.

	Number of shares held by Atlas Copco						Cost value affecting
Repurchases/Divestment of shares	**2022**	AGM mandate 2022 Apr.–Dec.	AGM mandate 2021 Jan.–Mar.	**2021**	AGM mandate 2021 Apr.–Dec.	AGM mandate 2020 Jan.–Mar.	**2022**
Opening balance, Jan. 1	11 422 736			13 420 451			3 386
Repurchase of A shares	1 870 000	1 270 000	600 000	700 000	700 000		864
Divestment of A shares	–2 595 364	–130 993	–2 464 371	–2 697 715	–2 039 772	–657 943	–243
Share split	39 398 079	–	–	–	–	–	–
Closing balance, Dec. 31	**50 095 451**			**11 422 736**			**4 007**
Percentage of shares outstanding	1.0%			0.9%			

The 2022 AGM approved a mandate for the Board of Directors to repurchase and sell series A shares on Nasdaq Stockholm in order to fulfill the obligations under the performance stock option plan. The mandate is valid until the next AGM and allows:

- The purchase of not more than 3 000 000 series A shares, whereof a maximum 2 400 000 may be transferred to personnel stock option holders under the performance stock option plan 2022.
- The purchase of not more than 15 000 series A shares, later to be sold on the market in connection with payment to board members who have opted to receive synthetic shares as part of their board fee.
- The sale of not more than 15 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of maximum 8 800 000 series A shares in order to cover the obligations under the performance stock option plans 2016, 2017, 2018 and 2019.

The 2021 AGM approved a mandate for the Board of Directors to repurchase and sell series A shares and series B shares on Nasdaq Stockholm in order to fulfill the obligations under the performance stock option plan. The mandate is valid until the next AGM and allows:

- The purchase of not more than 2 450 000 series A shares, whereof a maximum 2 000 000 may be transferred to personnel stock option holders under the performance stock option plan 2021.
- The purchase of not more than 15 000 series A shares, later to be sold on the market in connection with payment to board members who have opted to receive synthetic shares as part of their board fee.
- The sale of not more than 15 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of maximum 6 800 000 series A and B shares in order to cover the obligations under the performance stock option plans 2016, 2017 and 2018.
- Repurchases and sales are subject to market conditions, regulatory restrictions, and the capital structure at any given time. During 2022, 1 870 000 series A shares were repurchased while 2 595 364 series A shares were divested in accordance with mandates granted by the 2021 and 2022 AGM. Further information regarding repurchases and sales in accordance with AGM mandates is presented in the table above. The series A shares are held for possible delivery under the 2016–2022 personnel stock option programs.

The series A shares held can be divested over time to cover costs related to the personnel stock option programs, including social insurance charges, cash settlements or performance of alternative incentive solutions in countries where allotment of employee stock options are unsuitable. The total number of shares of series A and series B held by Atlas Copco is presented in the table above.

Reserves

Consolidated equity includes certain reserves which are described below:

Hedging reserve comprises the effective portion of net changes in fair value for certain cash flow hedging instruments.

Translation reserve comprises all exchange differences arising from the translation of the financial statements of foreign operations, the translation of intra-group receivables from or liabilities to foreign operations that in substance are part of the net investment in the foreign operations, as well as from the translation of liabilities that hedge the company's net investments in foreign operations.

Non-controlling interest amounts to 50 (1). In the third quarter c the Group acquired LEWA GmbH and subsidiaries, one of the s LEWA Pumps Dalian Co. Ltd. there is non-controlling interest. Sub this acquisition, there are six subsidiaries that have non-controlli The non-controlling interests are not material to the Group.

Appropriation of profit

The Board of Directors proposes a dividend of SEK 2.30 (1.90 adju split) per share, totaling SEK 11 197 221 020 if shares held by the c December 31, 2022 are excluded.

Retained earnings including reserve for fair value	124
Profit for the year	32
	156
The Board of Directors proposes that these earnings be appropriated as follows:	
To the shareholders, a dividend of SEK 2.30 per share	11
To be retained in the business	145
Total	**156**

The proposed dividend for 2021 amounted of SEK 1.90 per share v approved by the AGM on April 26, 2022 and was paid accordingly Copco AB. Total dividend paid amounted to SEK 9 258 490 688.

21. Borrowings

	Maturity	Repurchased nominal amount	2022 Carrying amount	2022 Fair value	2021 Carrying amount	2021 Fair value
Non-current						
Medium Term Note Program MEUR 500	2023	MEUR 186	3 497	3 500	5 114	5 283
Medium Term Note Program MEUR 500	2026		5 568	5 063	5 114	5 226
Medium Term Note Program MEUR 300	2029		3 324	2 656	3 050	3 019
Medium Term Note Program MEUR 500	2032		5 513	4 316	–	–
Bilateral borrowings EIB MEUR 200	2022	MEUR 100	–	–	1 024	1 026
Bilateral borrowings NIB MEUR 200	2024		2 229	2 257	2 047	2 078
Bilateral borrowings EIB MEUR 200	2027		2 229	1 958	2 047	2 051
Bilateral borrowings EIB MEUR 100	2028		1 114	959	1 024	1 024
Other bank loans			283	282	167	167
Less current portion of long-term borrowings			–3 524	–3 527	–1 045	–1 026
Total non-current bonds and loans			**20 233**	**17 464**	**18 542**	**18 848**
Lease liabilities			3 505	3 505	2 328	2 328
Other financial liabilities			32	32	23	23
Total non-current borrowings			**23 770**	**21 001**	**20 893**	**21 199**
Current						
Current portion of long-term borrowings			3 524	3 527	1 045	1 026
Short-term loans			7 725	7 735	1 915	1 915
Lease liabilities			1 314	1 314	1 021	1 021
Total current borrowings			**12 563**	**12 576**	**3 981**	**3 962**
Closing balance, Dec. 31			**36 333**	**33 577**	**24 874**	**25 161**

The difference between carrying value and fair value relates to the measurement method as certain liabilities are reported at amortized cost and not at fair value. Changes in interest rates and credit margins create the difference between fair value and amortized cost. See additional information about the Group's exposure to interest rate risk and foreign currency risk in note 27.

In February 2022, Atlas Copco issued a 10-year MEUR 500 public bond with a coupon of 0.75% and repurchased MEUR 186 of a MEUR 500 public bond with maturity February 2023. In December 2022, MEUR 100 of a maturing loan from the European Investment Bank (EIB) was repaid. During the year, short-term bank facilities of MEUR 750 were put in place. MEUR 500 of these facilities were drawn at December 31.

Short term loans include supply chain financing contracts with remaining payment terms exceeding 180 days.

Atlas Copco's long-term and short-term debt is rated by Standard & Poor's and Fitch with the long-/short-term rating A+/A- and A+/F1+, respectively.

The Group's credit facilities are specified in the table below.

Credit facilities	Nominal amount	Maturity
Commercial papers [1,2]	MSEK 10 000	
Credit-line	MEUR 640	2026
Credit-line	MEUR 1 000	2025
Equivalent in SEK	**MSEK 28 277**	

[1] Interest is based on market conditions at the time when the facility is utilized. Maturity is set when the facility is utilized.
[2] The maximum amounts available under these programs total MSEK 10 000 (14 095).

The Group's short-term and long-term borrowings are distributed among the currencies detailed in the tab

Currency	2022 Local currency (millions)	2022 MSEK	2022 %	2021 Local currency (millions)	2021 MSEK
EUR	2 877	32 062	88	2 165	22 166
SEK	620	620	2	184	184
USD	110	1 153	3	81	734
Others	–	2 498	7	–	1 790
Total		**36 333**	**100**		**24 874**

The following table shows the maturity structure of the Group's borrowings.

Maturity	Fixed	Floating [1]	Carrying amount
2023	4 024	8 539	12 563
2024	1 040	2 229	3 269
2025	697	–	697
2026	6 081	–	6 081
2027	2 618	–	2 618
2028	1 392	–	1 392
2029	3 547	–	3 547
2030	173	–	173
2031 and after	5 993	–	5 993
Total	**25 565**	**10 768**	**36 333**

[1] Floating interest in the table corresponds to borrowings with fixings shorter or equal to six months.

21. Borrowings, continued

2022

Reconciliation of liabilities from financing activities	Opening balance, Jan. 1	Cash changes: Financing cash flows	Cash changes: Business acquisitions	Non cash changes: Lease additions	Lease deductions	Business acquisitions and divestments	Change in fair value through P/L	Change in fair value through equity	FX change	Reclassification	Other
Non-current											
Non-current bonds and loans	18 542	3 409	–	–	–	27	14	587	541	–2 887	–
Lease liabilities	2 328	–	–	1 397	–35	252	28	–	223	–688	–
Other financial liabilities	23	–667	–	–	–	648	2	–	20	6	–
Total non-current liabilities	**20 893**	**2 742**	**–**	**1 397**	**–35**	**927**	**44**	**587**	**784**	**–3 569**	**–**
Current											
Current portion of long-term borrowings	1 045	–1 118	–	–	–	9	–	700	2	2 886	–
Short-term loans	1 915	4 616	–	–	–	762	–	–	430	2	–
Lease liabilities	1 021	–1 469 [1]	–	883	–72	117	56	–	97	681	–
Total current liabilities	**3 981**	**2 029**	**–**	**883**	**–72**	**888**	**56**	**700**	**529**	**3 569**	**–**
Total	**24 874**	**4 771**	**–**	**2 280**	**–107**	**1 815**	**100**	**1 287**	**1 313**	**–**	**–**

[1] Includes paid interest on lease liabilities.

2021

Reconciliation of liabilities from financing activities	Opening balance, Jan. 1	Cash changes: Financing cash flows	Cash changes: Business acquisitions	Non cash changes: Lease additions	Lease deductions	Business acquisitions and divestments	Change in fair value through P/L	Change in fair value through equity	FX change	Reclassification	Other
Non-current											
Non-current bonds and loans	19 250	–136	–	–	–	86	8	300	81	–1 038	–9
Lease liabilities	2 400	–	–	447	–94	81	20	–	128	–654	–
Other financial liabilities	19	4	–4	–	–	2	1	–	1	–	–
Total non-current liabilities	**21 669**	**–132**	**–4**	**447**	**–94**	**169**	**29**	**300**	**210**	**–1 692**	**–9**
Current											
Current portion of long-term borrowings	1	–14	–	–	–	–	–	–	–	1 058	–
Short-term loans	1 793	95	–	–	–	24	–	–	35	–20	–12
Lease liabilities	969	–1 214 [1]	–	565	–75	25	48	–	49	654	–
Total current liabilities	**2 763**	**–1 133**	**–**	**565**	**–75**	**49**	**48**	**–**	**84**	**1 692**	**–12**
Total	**24 432**	**–1 265**	**–4**	**1 012**	**–169**	**218**	**77**	**300**	**294**	**–**	**–21**

[1] Includes paid interest on lease liabilities.

Cash flow from financing activities also includes net "Settlement of CSA" (Credit Support Annex) of MSEK –24 (–440) which is not included in the tables above.

22. Leases

Group as a lessee

Atlas Copco's lease portfolio consists mainly of leased buildings such as offices and warehouses, vehicles and production equipment. There are several lease contracts with extension options and variable lease payments. Carrying amounts and movements of the right-of-use asset are presented in the tables below:

Right-of-use assets, 2022	Buildings and land	Machinery and equipment	Rental equipment	Total
Cost				
Opening balance, Jan. 1	4 117	1 776	34	5 927
Additions	1 679	599	–	2 278
Business acquisitions	311	39	–	350
Deductions	–401	–501	–23	–925
Reclassifications	–8	–	–	–8
Translation differences	411	173	2	586
Closing balance, Dec. 31	**6 109**	**2 086**	**13**	**8 208**
Depreciation and impairment losses				
Opening balance, Jan. 1	1 738	920	25	2 683
Depreciation and impairment for the period	827	499	4	1 330
Deductions	–335	–461	–22	–818
Reclassifications	–4	–	–	–4
Translation differences	172	92	1	265
Closing balance, Dec. 31	**2 398**	**1 050**	**8**	**3 456**
Carrying amounts, Jan. 1	2 379	856	9	3 244
Carrying amounts, Dec. 31	**3 711**	**1 036**	**5**	**4 752**

Right-of-use assets, 2021	Buildings and land	Machinery and equipment	Rental equipment	Total
Cost				
Opening balance, Jan. 1	3 491	1 510	38	5 039
Additions	583	434	–	1 017
Business acquisitions and divestments	84	19	7	110
Deductions	–246	–245	–12	–503
Reclassifications	–11	–13	–	–24
Translation differences	216	71	1	288
Closing balance, Dec. 31	**4 117**	**1 776**	**34**	**5 927**
Depreciation and impairment losses				
Opening balance, Jan. 1	1 080	674	24	1 778
Depreciation and impairment for the period	701	438	8	1 147
Divestments	–	–1	–	–1
Deductions	–109	–218	–7	–334
Reclassifications	–15	–8	–	–23
Translation differences	81	35	–	116
Closing balance, Dec. 31	**1 738**	**920**	**25**	**2 683**
Carrying amounts, Jan. 1	2 411	836	14	3 261
Carrying amounts, Dec. 31	**2 379**	**856**	**9**	**3 244**

The following amounts have been recognized in profit or loss:

Leasing in income statement	**2022**
Depreciation and impairment expense on right-of-use assets	–1 330
Interest expense on lease liabilities	–85
Expense relating to leases of low value assets	–74
Expense relating to short-term leases	–155
Expense relating to variable lease payments	–24
Income from subleasing right-of-use assets	6
Total amount recognized in profit or loss	**–1 662**

For cash outflows related to leases, the principal payment amoun
(1 154) and the interest portion of lease payments to 67 (60). The p
ment is recognized as cash flow from financing activities and the i
tion of the lease payment as cash flow from operating activities, n
items paid. For further information, see consolidated statements
and note 21.

Lease contracts that include extension options are mainly relat
ises, machinery and equipment. Management uses significant jud
determining whether these extension options are reasonably cer
exercised. Extension options reasonably certain to be exercised a
the lease term. Future cash outflow relating to extension options
to be exercised amounts to 137 (175). For leases that have not yet c
the future cash outflow amounts to 86 (48).

For carrying amounts and movements of lease liabilities related the right-of-use assets, see note 21.

The maturity analysis of lease liabilities is disclosed in note 27.

22. Leases, continued

Group as a lessor
As a lessor, the Group has finance and operating lease contracts, see note 1 for further information.

Finance leases – lessor
Atlas Copco has equipment which is leased to customers under finance leases. Future payments to be received fall due as follows:

	2022		2021	
	Gross investment	Present value of minimum lease payments	Gross investment	Present value of minimum lease payments
Less than one year	28	27	31	29
Between one and five years	64	60	67	61
More than five years	4	3	9	6
Total	**96**	**90**	**107**	**96**
Unearned finance income	–	2	–	6
Unguaranteed residual value	–	4	–	5
Total	**96**	**96**	**107**	**107**

Operating leases – lessor
Atlas Copco has equipment which is leased to customers under operating leases. Future payments for non-cancellable operating leasing contracts fall due as follows:

	2022	2021
Less than one year	117	117
Between one and five years	222	235
More than five years	52	47
Total	**391**	**399**

Contingent rent recognized as income amounted to 1 (1).

23. Employee benefits

Post-employment benefits

Atlas Copco provides post-employment defined benefit pensions and other long-term employee benefits in most of its major locations. The most significant countries in terms of size of plans are Belgium, Germany, Sweden, the United Kingdom and the United States. Some plans are funded in advance with certain assets or funds held separately from the Group for future benefit payment obligations. Other plans are unfunded and the benefits from those plans are paid by the Group as they fall due.

The plans in Belgium cover early retirement, jubilee, and termination indemnity. These plans are unfunded.

The plans in Germany cover pensions, early retirements and jubilee. The plans are funded.

There are three defined benefit pension plans in Sweden. The ITP plan is a final salary pension plan covering the majority of white-collar employees in Sweden. Atlas Copco finances the benefits through a pension foundation. The second plan relates to a group of employees earning more than ten income base amounts that has opted out from the ITP plan. This plan is insured. The third defined benefit pension plan relates to former senior employees now retired. In Sweden, in addition to benefits relating to retirement pensions, Atlas Copco has obligations for family pensions for many of the Swedish employees, which are funded through a third-party insurer, Alecta. This plan is accounted for as a defined contribution plan as sufficient information for calculating the net pension obligation is not available.

In the United Kingdom, there is a final salary pension plan. This plan is funded. In 2010, the plan was converted to a defined contribution plan for future services.

In the United States, Atlas Copco provides a pension plan, a post-retirement medical plan, and a number of supplemental retirement pension benefits for executives. The pension plan is funded while the other plans are unfunded.

The Group identifies a number of risks in investments of pension plan assets. The main risks are interest rate risk, market risk, counterparty risk, liquidity and inflation risk, and currency risk. The Group is working on a regular basis to handle the risks and has a long-term investment horizon. The investment portfolio should be diversified, which means that multiple asset classes, markets and issuers should be utilized. An asset and liability management assessment should be conducted periodically. The study should include a number of elements. The most important elements are the duration of the assets and the timing of liabilities, the expected return of the assets, the expected development of liabilities, the forecasted cash flows and the impact of a shift in interest rates on the obligation.

The net obligations for post-employment benefits and other long-term employee benefits have been recorded in the balance sheet as follows:

	2022	2021
Financial assets (note 15)	–1 423	–781
Post-employment benefits	2 380	3 114
Other provisions (note 25)	93	91
Closing balance, net	**1 050**	**2 424**

The tables below show the Group's obligations for post-employment benefits and other long-term employee benefits, the assumptions used to dete
obligations and the assets relating to these obligations for employee benefits, as well as the amounts recognized in the income statement and the ba
The net amount recognized in the balance sheet amounted to 1 050 (2 424). The weighted average duration of the obligation is 12.5 (15.8) years.

Post-employment benefits

2022	Funded pension plans	Unfunded pension plans	Other funded plans	Other unfunded plans
Present value of defined benefit obligations	8 017	1 428	71	151
Fair value of plan assets	–8 743	–	–94	–
Present value of net obligations	**–726**	**1 428**	**–23**	**151**
Effect of asset ceiling	175	–	–	–
Other long-term service obligations	–	–	45	–
Net amount recognized in the balance sheet	**–551**	**1 428**	**22**	**151**

Post-employment benefits

2021	Funded pension plans	Unfunded pension plans	Other funded plans	Other unfunded plans
Present value of defined benefit obligations	10 350	1 451	76	153
Fair value of plan assets	–9 586	–	–85	–
Present value of net obligations	**764**	**1 451**	**–9**	**153**
Effect of asset ceiling	25	–	–	–
Other long-term service obligations	–	–	40	–
Net amount recognized in the balance sheet	**789**	**1 451**	**31**	**153**

Plan assets consist of the following:	**2022**		
	Quoted market price	Unquoted market price	**Total**
Debt instruments	863	274	1 137
Equity instruments	771	387	1 158
Property	1 040	831	1 871
Assets held by insurance companies	125	1 501	1 626
Cash	396	–	396
Investment funds	682	574	1 256
Derivatives	675	6	681
Others	287	425	712
Closing balance, Dec. 31	**4 839**	**3 998**	**8 837**

Atlas Copco

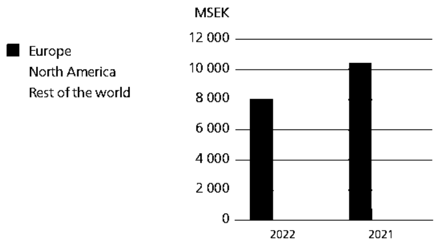
23. Employee benefits, continued

Movements in plan assets	2022	2021
Fair value of plan assets at Jan. 1	9 671	8 321
Business acquisitions	24	–
Interest income	139	107
Remeasurement – return on plan assets	–1 526	991
Settlements	–	–12
Employer contributions	188	100
Plan members contributions	16	13
Administrative expenses	–15	–14
Benefit paid by the plan	–274	–312
Translation differences	614	477
Fair value of plan assets, Dec. 31	**8 837**	**9 671**

The plan assets are allocated among the following geographic areas:	2022	2021
Europe	7 664	8 556
North America	615	682
Rest of the world	558	433
Total	**8 837**	**9 671**

Asset ceiling	2022	2021
Asset ceiling at Jan. 1	25	–
Interests	1	–
Remeasurements – asset ceiling	135	24
Translation differences	14	1
Asset ceiling, Dec. 31	**175**	**25**

The defined benefit obligations for employee benefits consist of plans in the following geographic areas:



Movements in present value of the obligations for defined benefits	2022	2021
Defined benefit obligations at Jan. 1	12 030	11 376
Current service cost	374	356
Past service cost	–10	–7
Interest expense (+)	168	141
Actuarial gains (–)/ losses (+) arising from experience adjustments	423	–11
Actuarial gains (–)/ losses (+) arising from financial assumptions	–3 540	215
Actuarial gains (–)/ losses (+) arising from demographic assumptions	–99	–46
Business acquisitions	62	3
Settlements	–	–24
Benefits paid from plan or company assets	–533	–544
Translation differences	792	571
Defined benefit obligations, Dec. 31	**9 667**	**12 030**

Remeasurements recognized in other comprehensive income amounted to –1 550 (–808) and –5 (–1) in profit and loss. The Group expects to pay 429 (384) in contributions to defined benefit plans in 2022.

Expenses recognized in the income statement	2022	2021
Current service cost	374	356
Past service cost	–10	–7
Net interest cost	29	34
Employee contribution/ participant contribution	–16	–13
Remeasurement of other long-term benefits	–5	–1
Administrative expenses	15	10
Total	**387**	**379**

The total benefit expense for defined benefit plans amounted to 387 (379), whereof 358 (345) have been charged to operating expenses and 29 (34) to financial expenses. Expenses related to defined contribution plans amounted to 1 189 (941).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages in %)	2022
Discount rate	
Europe	3.73
North America	5.41
Future salary increases	
Europe	2.53
Medical cost trend rate	
North America	4.50

The Group has identified discount rate, future salary increases, an as the primary actuarial assumptions for determining defined ber tions. Changes in those actuarial assumptions affect the present v net obligation. The discount rate is determined by reference to m the balance sheet date using, if available, high quality corporate b or AA) matching the duration of the pension obligations. In count corporate bonds are not available, government bonds are used to the discount rate. In Sweden in line with prior years, mortgage bo for determining the discount rate.

Atlas Copco's mortality assumptions are set by country, based o recent mortality studies that are available. Where possible, gener mortality assumptions are used, meaning that they include expec ments in life expectancy over time.

The table below shows the sensitivity analysis for discount rate in life expectancy and describes the potential effect on the preser defined pension obligation.

Sensitivity analysis	Europe
Change in discount rate +0.5%	498
Change in discount rate –0.5%	524
Increase in life expectancy, +1 year	239

23. Employee benefits, continued

Share value based incentive programs
In 2016–2021, the Annual General Meeting decided on performance-based personnel stock option programs based on a proposal from the Board on an option program for the respective years. In 2022, the Annual General Meeting decided on a performance-based personnel stock option program for 2022 similar to the 2016–2021 programs.

Option programs 2016–2022
At the Annual General Meeting 2016–2022 respectively, it was decided to implement performance-based personnel stock option programs. The decision to grant options was made in April each year and the options were issued in March the following year (issue date). The number of options issued for each program year depended on the value creation in the Group, measured as Economic Value Added (EVA, defined as the sum of adjusted operating profit and interest income less tax expenses and cost of capital), for the respective program year. For the 2022 option program, the number of options varies on a linear basis within a preset EVA interval. The size of the plan and the limits of the interval have been established by the Board and have been approved by the Annual General Meeting and are compatible with the long-term business plan of the Group.

In connection to the issue, the exercise price was calculated as 110% of the average trading price for series A shares during a ten-day period following the date of the publishing of the fourth quarter report. The options were issued without compensation paid by the employee and the options remain the property of the employee only to the extent that they are exercisable at the time employment is terminated. The 2016–2022 programs have a term of seven years. The options in the 2016–2022 programs are not transferable and become exercisable at 100% three years after grant.

The 2016–2022 programs include a requirement for Group Management and division presidents to purchase Atlas Copco A shares for 10% of their gross base salary in order to be granted options. A lower amount of investment will reduce the number of options proportionately. Further, Group Management and division presidents who have invested in Atlas Copco A shares will have the right (a "matching option") to purchase one share per each share purchased at a price equal to 75% of the average trading price for series A shares during a ten-day period following the date of the publishing of the fourth quarter report. This right applies from three years after grant until the expiration of the stock option program.

The Board had the right to decide to implement an alternative incentive solution (SARs) for key persons in such countries where the grant of personnel stock options was not feasible.

The Black-Scholes model is used to calculate the fair value of the options/SARs in the programs at issue date. For the programs in 2021 and 2022, the fair value of the options/SARs was based on the following assumptions:

Key assumptions	2022 Program (Dec. 31, 2022)	2021 Program (at issue date) [3]
Expected exercise price	SEK 136/93 [1]	SEK 590/402 [1,2]
Expected volatility	30%	30%
Expected options life (years)	4.3	4.1
Expected share price	SEK 124.06	SEK 467.20
Expected dividend (growth)	2.0 (6%)	7.6 (6%)
Risk free interest rate	1.9%	1.2%
Expected average grant value	SEK 24.41/40.39	SEK 64.40/122.00
Maximum number of options	9 421 164	1 920 585
– of which forfeited	–128 000	–16 668
Number of matching options	88 920	23 301

[1] Matching options for Group Management and division presidents.
[2] Actual.
[3] Issue date was prior to share split in 2022.

The expected volatility has been determined by analyzing the his[...] opment of the Atlas Copco A share price as well as other shares o[...] market.

When determining the expected option life, assumptions have [...] made regarding the expected exercising behavior of different cat[...] optionees.

For the stock options in the 2016–2022 programs, the fair value i[...] as an expense over the following vesting periods:

Program	Vesting period		Exercise p[...]
Stock options	From	To	From
2016	May 2016	April 2019	May 2019
2017	May 2017	April 2020	May 2020
2018	May 2018	April 2021	May 2021
2019	May 2019	April 2022	May 2022
2020 [1]	N/a	N/a	N/a
2021	May 2021	April 2024	May 2024
2022	May 2022	April 2025	May 2025

[1] No options issued as the EVA target for the Group was not met.

For the 2022 program, a new valuation of the fair value has been r[...] be made at each reporting date until the issue date.

Timeline 2022 long term incentive program

Annual General Meeting	Information of grant	Group Management's and division presidents' own investments	Exercise price set	Issue of options		
	Vesting period					Options and matching optio[...] exercisabl[...]
April 2022	May 2022	June 2022	February 2023	March 2023	May 1, 2025	

Atlas Copco

23. Employee benefits, continued

For SARs and the options classified as cash-settled, the fair value is recognized as an expense over the same vesting period; the fair value is, however, remeasured at each reporting date and changes in the fair value after the end of the vesting period continue to be recognized as a personnel expense.

In accordance with IFRS 2, the expense in 2022 for all share-based incentive programs, excluding social costs, amounted to –27 (459) of which 89 (212) refer to equity-settled options. The related costs for social security contributions are accounted for in accordance with the statement from the Swedish Financial Reporting Board (UFR classified as personnel expenses.

In the balance sheet, the provision for share appreciation rights and stock options classified as cash-settl December 31 amounted to 221 (391). Atlas Copco shares are held by the Parent Company in order to cover c under the programs 2016–2022, see also note 20.

Summary of share value based incentive programs

Program	Initial number of employees	Initial number of options	Additional number of options, share split and redemption 2022	Expiration date	Exercise price, SEK	Type of share	Fair value at issue date [1]	Intrinsic value for vested SARs
Stock options								
2016	256	7 279 231	22 388 660	Apr. 30, 23	56.48	A	66.70	–
2017	262	3 046 532	9 370 156	Apr. 30, 24	70.37	A	64.20	–
2018	269	2 401 107	7 384 959	Apr. 30, 25	64.77	A	58.70	–
2019	267	3 343 789	10 284 315	Apr. 30, 26	96.42	A	56.50	–
2021	289	1 694 091	5 210 460	Apr. 30, 28	144.76	A	64.40	–
Matching options								
2016	27	41 048	126 238	Apr. 30, 23	38.61	A	106.20	–
2017	34	36 743	112 994	Apr. 30, 24	48.00	A	108.40	–
2018	29	41 616	127 983	Apr. 30, 25	44.16	A	92.80	–
2019	30	27 622	84 942	Apr. 30, 26	65.76	A	98.20	–
2020	31	28 840	88 989	Apr. 30, 27	87.59	A	176.43	–
2021	32	23 301	71 650	Apr. 30, 28	98.63	A	122.00	–
Share appreciation rights								
2016	64	1 586 550	4 879 732	Apr. 30, 23	56.48	A	–	66.62
2017	61	606 994	1 866 920	Apr. 30, 24	70.37	A	–	52.73
2018	57	434 055	1 334 997	Apr. 30, 25	64.77	A	–	58.33
2019	62	652 550	2 007 002	Apr. 30, 26	96.42	A	–	26.68
2021	44	209 826	645 355	Apr. 30, 28	144.76	A	–	–

[1] The numbers have not been adjusted for the effect of the distribution of Epiroc and the share splits in 2018 and 2022.

Number of options/rights 2022 [1]

Program	Outstanding Jan. 1	Additional number of options, share split and redemption 2022	Exercised	Expired/ forfeited	Outstanding Dec. 31	–of which exercisable	Time to expiration, in months
Stock options							
2016	565 015	1 696 902	788 077	–	1 473 840	*1 473 840*	4
2017	723 529	2 120 070	198 033	–	2 645 566	*2 645 566*	16
2018	1 510 610	4 608 684	527 861	31 035	5 560 398	*5 560 398*	28
2019	3 374 947	10 295 410	967 930	42 896	12 659 531	*12 659 531*	40
2021	1 694 091	5 210 460	–	168 696	6 735 855	–	64
Matching options							
2016	8 973	27 590	9 253	–	27 310	*27 310*	4
2017	14 161	43 533	15 597	–	42 097	*42 097*	16
2018	32 560	100 132	11 904	–	120 788	*120 788*	28
2019	26 945	82 860	8 179	–	101 626	*101 626*	40
2020	28 149	86 558	–	3 325	111 382		52
2021	23 301	71 650	–	–	94 951		64
Share appreciation rights							
2016	348 764	955 936	416 912	–	887 788	*887 788*	4
2017	288 197	879 007	114 049	–	1 053 155	*1 053 155*	16
2018	157 206	483 487	5 591	–	635 102	*635 102*	28
2019	463 100	1 359 582	258 530	–	1 564 152	*1 564 152*	40
2021	209 826	645 355	–	–	855 181	–	64

[1] All numbers have been adjusted for the effect of the distribution of Epiroc and the share splits in 2018 and 2022 in line with used by NASDAQ Stockholm to adjust exchange-traded options contracts.

Atlas Copco

23. Employee benefits, continued

Number of options/rights 2021 [1]

Program	Outstanding Jan. 1	Issued	Conversion options/rights [2]	Exercised	Expired/ forfeited	Outstanding Dec. 31	*–of which exercisable*	Time to expiration, in months	Average stock price for exercised options, SEK
Stock options									
2016	1 074 763	–	–148 564	361 184	–	565 015	*565 015*	16	525
2017	1 332 678	–	–203 538	405 611	–	723 529	*723 529*	28	531
2018	2 309 690	–	92 010	875 860	15 230	1 510 610	*1 510 610*	40	544
2019	3 312 214	–	168 400	–	105 667	3 374 947	–	52	–
2021	–	1 694 091	–	–	–	1 694 091	–	76	–
Matching options									
2016	10 999	–	–	2 026	–	8 973	*8 973*	16	506
2017	22 739	–	–	8 578	–	14 161	*14 161*	28	508
2018	40 102	–	–	7 542	–	32 560	*32 560*	40	547
2019	27 622	–	–	–	677	26 945	–	52	–
2020	28 840	–	–	–	691	28 149	–	64	–
2021	–	23 301	–	–	–	23 301	–	76	–
Share appreciation rights									
2016	347 613	–	148 564	147 413	–	348 764	*348 764*	16	521
2017	276 939	–	203 538	192 280	–	288 197	*288 197*	28	496
2018	418 825	–	–92 010	169 609	–	157 206	*157 206*	40	539
2019	652 550	–	–168 400	–	21 050	463 100	–	52	–
2021	–	209 826	–	–	–	209 826	–	76	–

[1] All numbers have been adjusted for the effect of the distribution of Epiroc and share split in 2018 in line with the method used by Nasdaq Stockholm to adjust exchange-traded options contracts.

[2] Change in Sweden and China with reference to the terms and conditions.

24. Other liabilities

Fair value of other liabilities corresponds to carrying value.

Other current liabilities	**2022**	**2021**
Derivatives:		
– at fair value through profit and loss	205	163
– at fair value through OCI	82	59
Other financial liabilities:		
– other liabilities	3 091	2 206
– accrued expenses	9 906	8 182
Prepaid income other	52	40
Contract liabilities:		
– advances from customers	8 597	5 114
– deferred revenues construction contracts	925	429
– deferred revenues service contracts	2 536	1 951
Closing balance, Dec. 31	**25 394**	**18 144**

Accrued expenses include items such as social costs, vacation pay liability, accrued interest, and accrued operational expenses. See note 27 for information on the Group's derivatives.

The amounts included in contract liabilities at the beginning of the year have been recognized as revenue during the year except for 579 (447). The main reason for revenues not recognized during the year is that they are related to performance obligations that will be performed in future periods.

As of the end of 2022, transaction price allocated to remaining performance obligations was 20 261 (14 296) and the majority will be recognized as revenue over the next three years. The transaction price does not include consideration that is constrained.

25. Provisions

2022	Product warranty	Restructuring	Other	**Total**
Opening balance, Jan. 1	1 261	271	1 780	3 312
During the year:				
– provisions made	1 409	80	437	1 926
– provisions used	–1 090	–113	–279	–1 482
– provisions reversed	–261	–117	–387	–765
Business acquisitions	40	–	16	56
Translation differences	113	16	54	183
Closing balance, Dec. 31	**1 472**	**137**	**1 621**	**3 230**
Non-current	257	33	1 187	1 477
Current	1 215	104	434	1 753
Total	**1 472**	**137**	**1 621**	**3 230**

2021	Product warranty	Restructuring	Other	**Total**
Opening balance, Jan. 1	1 217	411	1 500	3 128
During the year:				
– provisions made	1 219	100	926	2 245
– provisions used	–918	–242	–407	–1 567
– provisions reversed	–330	–12	–268	–610
Reclassification	–	10	2	12
Translation differences	73	4	27	104
Closing balance, Dec. 31	**1 261**	**271**	**1 780**	**3 312**
Non-current	224	100	1 362	1 686
Current	1 037	171	418	1 626
Total	**1 261**	**271**	**1 780**	**3 312**

Maturity 2022	Product warranty	Restructuring	Other	**Total**
Less than one year	1 215	104	434	1 753
Between one and five years	245	28	946	1 219
More than five years	12	5	241	258
Total	**1 472**	**137**	**1 621**	**3 230**

Other provisions consist primarily of amounts related to share-based payments including social fees, other long-term employee benefits (see note 23), and asset restoration obligations.

26. Assets pledged and contingent liabilities

Assets pledged for debts to credit institutions and other commitments	**2022**
Inventory	31
Endowment insurances	199
Total	**230**

Contingent liabilities	**2022**
Notes discounted	8
Sureties and other contingent liabilities	259
Total	**267**

Sureties and other contingent liabilities relate primarily to pensio ments and commitments related to customer claims and various l

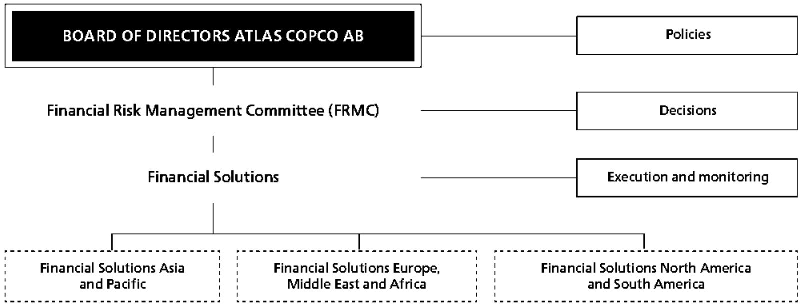
27. Financial exposure and principles for control of financial risks

FINANCIAL RISKS

The Group is exposed to various financial risks in its operations. These financial risks include: Funding and liquidity risk, Interest rate risk, Currency risk, Credit risk and Other market and price risks.

The Board of Directors establishes the overall financial policies and monitors compliance with the policies. The Group's Financial Risk Management Committee (FRMC) manages the Group's financial risks within the mandate given by the Board of Directors. The members of the FRMC are the CEO, CFO and Group Treasurer. The FRMC meets on a quarterly basis or more often if circumstances require.

Financial Solutions has the operational responsibility for financial risk management in the Group. Financial Solutions manages and controls financial risk exposures, ensures that appropriate financing is in place through loans and committed credit facilities, and manages the Group's liquidity.

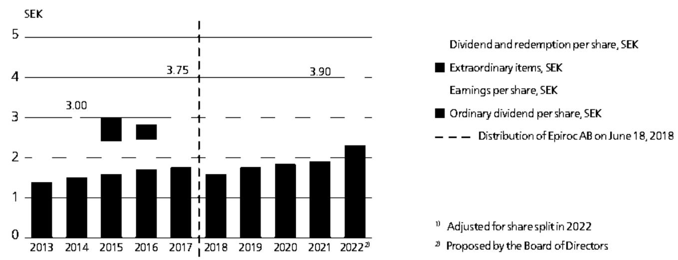


Capital management

Atlas Copco defines capital as borrowings and equity, which at December 31 totaled MSEK 116 359 (92 508). The Group's policy is to have a capital structure to maintain investor, creditor and market confidence and to support future development of the business. The Board's ambition is that the annual dividend shall correspond to about 50% of earnings per share. In recent years, the Board has sometimes also proposed, and the Annual General Meeting has approved, distributions of "excess" equity to the shareholders through share redemptions and share repurchases.

There are no external capital requirements imposed on the Group.

EARNINGS AND DISTRIBUTION PER SHARE [1]



[1] Adjusted for share split in 2022
[2] Proposed by the Board of Directors

Funding and liquidity risk

Funding risk is the risk that the Group does not have access to adequate financing on acceptable terms at an point in time. Liquidity risk is the risk that the Group does not have access to its funds, when needed, due to p liquidity.

Policy
The Group's policy refers to Atlas Copco AB and Atlas Copco Finance DAC as external borrowings mainly ha held in these entities.

- The Group should maintain minimum MSEK 8 000 committed credit facilities to meet operational, strate rating objectives.
- The average tenor, time to maturity, of the Group's external debt, shall be at least three years.
- No more than MSEK 8 000 of the Group's external debt may mature within the next 12 months. In Octob the board approved to temporarily increase the amount to MSEK 12 000.
- Adequate funding at subsidiary level shall at all times be in place.

Status at year end
As per December 31, there were no deviations from the Group's policy.

Funding and liquidity risk	2022
Committed credit facilities	18 277
Cash and cash equivalents	11 254
Average tenor, years	4.0
Short-term external debt	3 524

The overall liquidity of the Group is strong considering the maturity profile of the external borrowings, the b cash and cash equivalent as of year end, and available back-up credit facilities from banks. Please refer to no information on utilized borrowings, maturity, and back-up facilities.

The following cash flow table shows the maturity structure of the Group's financial liabilities. The figures sh tractual undiscounted cash flows based on contracted date when the Group is liable to pay, including both i nominal amounts. The short-term assets are well matched with the short-term liabilities in terms of maturit more, the Group has back-up facilities with maturity 2025 and 2026 to secure liquidity.

Financial instruments	Up to 1 year	1–3 years	3–5 years
Bonds and loans	–	2 378	7 882
Lease liabilities	–	1 691	871
Other financial liabilities	3	3	11
Other liabilities	129	79	21
Non-current financial liabilities	**132**	**4 151**	**8 785**
Bonds and loans	7 927	–	–
Lease liabilities	1 331	–	–
Current portion of interest-bearing liabilities	3 524	–	–
Derivatives	287	–	–
Other accrued expenses	9 906	–	–
Trade payables	19 145	–	–
Other liabilities	3 091	–	–
Current financial liabilities	**45 211**	–	–
Financial liabilities	**45 343**	**4 151**	**8 785**

27. Financial exposure and principles for control of financial risks, continued

Interest rate risk

Interest rate risk is the risk that the Group is negatively affected by changes in the interest rate levels.

Policy
The Group's policy states that the average interest duration (i.e. period for which interest rates are fixed) should be a minimum of 6 months and without a maximum limit.

Status at year end
The Group's borrowings have a mix of fixed and floating rates. No interest rate swaps are used to convert interest. For more information about the Group's borrowings, see note 21.

Interest risk	2022	2021
Effective interest rate on bonds and loans	1.2%	0.9%
Effective interest rate on lease liabilities	1.8%	2.0%
Duration (months)	46	45

27% (16) of the Group's bonds and loans have floating interest rates. A shift of one percentage point upward of all floating rates would impact the Group's interest net with MSEK –78 (–31). Same shift downwards would impact the Group's interest net with MSEK 78 (0).

The book value of the Group's bonds and loans are not exposed to market interest rate risk at year end as all bonds and loans are reported at amortized cost, compared to if borrowings were reported at fair value where cash flows are discounted using market interest rate.

Currency risk

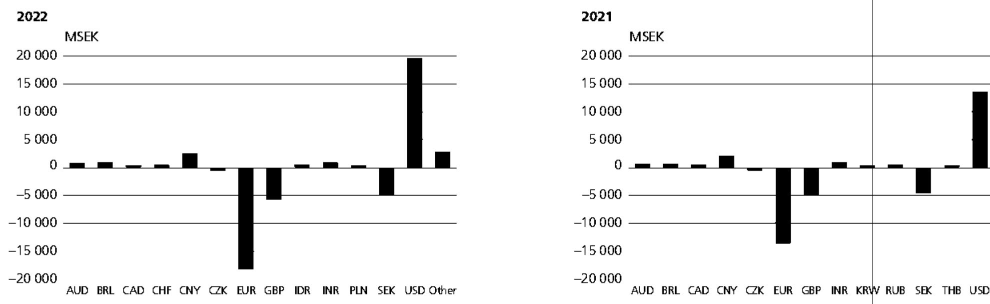
The Group is present in various geographical markets and undertakes transactions denominated in foreign currencies and is consequently exposed to exchange rate fluctuations. The exposure occurs in relation to payments in foreign currency (transaction exposure) and when translating foreign subsidiaries' balance sheets and income statements into SEK (translation exposure).

Transaction exposure risk

Transaction exposure risk is the risk that profitability is negatively affected by changes in exchange rates, affecting cash flows in foreign currencies in the operations. Due to the Group's global presence, there are inflows and outflows in different currencies. As a normal part of business, net surpluses or deficits in specific currencies emerge. The values of these net positions fluctuate subject to changes in currency rates and, thus, render transaction exposure for the Group.

Policy
The Group's policy states that exposure shall be reduced by matching in- and outflows of the same currencies. Business area and divisional management are responsible for maintaining readiness to adjust their operations (price and cost) to compensate for adverse currency movements. Based on the assumption that hedging does not have any significant effect on the Group's long-term result, the policy recommends to leave transaction exposures unhedged on an ongoing basis. In general, business areas and divisions shall not hedge currency risks. The FRMC can decide to hedge part of the transaction exposure. Transactions shall then qualify for hedge accounting in accordance with IFRS and hedging beyond 18 months is not allowed. Financial transaction exposure is substantially hedged.

GRAPH 1 Estimated operational transaction exposure in the Group's most important currencies*



* Without adjustments for onetime effects.

Status at year end
The Group has continued to manage transaction exposures primarily by matching in- and outflows in the same currencies. Graph 1 shows the net of in- and outflows per currency for currencies which have the largest surplus or deficit. The operational transaction exposure is defined as the net operational cash flow exposure and amounts to MSEK –5 091 (–4 678). The estimated amounts are based on the Group's operational external payments from customers and to suppliers.

The transaction exposure sensitivity analysis is based on the operational transaction exposure. It shows how the cash flow and profit before tax would theoretically be impacted by a five percentage point change in SEK, USD or EUR, against all other currencies. The analysis is based on the assumption that no hedging transaction has been undertaken and is done before any impact of offsetting price adjustments or similar measures.

As an example, the net transaction exposure of in-and outflow payments in EUR is a deficit as shown in graph 1. A strengthening in the EUR currency rate against all other currencies with +5% would have a negative impact on the cash flow and profit before tax of MSEK –914, and a weakening would have a positive impact of MSEK 914.

Transaction exposure sensitivity	2022	2021
SEK exchange rate + 5%	–255	–234
USD exchange rate + 5%	980	682
EUR exchange rate + 5%	–914	–681

Outstanding derivative instruments related to transaction exposure	2022 Nominal amount, net in transaction currency	Nominal transa
Foreign exchange forwards		
GBP	3	
USD	6	

The FRMC has decided to hedge part of the GBP/USD transaction with foreign exchange forward contracts. The net nominal amou 73/MUSD –96 (MGBP 269/MUSD –368). All contracts mature wit The fair value of the outstanding contracts is MSEK 2 (–55)

Translation exposure risk

Translation exposure risk is the risk that the value of the Group's n ments in foreign currencies is negatively affected by changes in ex rates. The Group's global presence creates currency effects when financial statements with functional currencies other than SEK ar to SEK in the Group's consolidated financial statements. Translati iaries' profit affects the Group's profit and balance sheet translati other comprehensive income. The translation exposure is measur of assets and liabilities in a specific currency.

Policy
The Group's policy states that translation exposure should be red matching assets and liabilities in the same currencies. The FRMC c hedge part or all remaining translation exposure. Any hedge of tr exposure shall qualify for hedge accounting in accordance with IF

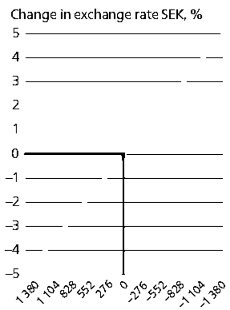
27. Financial exposure and principles for control of financial risks, continued

Status at year end

Graph 2 shows the Group's sensitivity to currency translation effects when earnings of foreign subsidiaries are translated to SEK. A five percentage points upward change in SEK would impact the Group's profit before tax with MSEK –1 380 (–1 110).

GRAPH 2

Translation effect on profit before tax



The Group has hedged part of the translation exposure using loans and foreign exchange forward contracts. The hedges have reduced the exposure on net investments in EUR in the consolidated financial statements and the exchange rate risk related to net assets in subsidiaries. The hedges are designated as net investment hedges in the consolidated financial statements.

The financial instruments shown in the table below are used to hedge EUR-denominated net assets.

Outstanding financial instruments related to translation exposure	2022 Effect in OCI	2022 Nominal amount	2021 Effect in OCI	2021 Nominal amount
Derivatives	–	–	MSEK –5	MEUR 100
Loans in EUR [1]	MSEK –658	MEUR 1 314	MSEK –993	MEUR 1 600

[1] In the balance sheet, loans designated as net investment hedges are reported at amortized cost and not at fair value.

Most of the Group´s bonds and loans are designated as net investments hedges, and movements in currency rates are accounted for in other comprehensive income. A five percentage points upward change in EUR against SEK would affect other comprehensive income with MSEK 580 (689), see also note 1, Significant accounting principles, Financial assets and liabilities – financial instruments.

Credit risk

Credit risk can be divided into operational and financial credit risk. These risks are described further in the following sections.

Operational credit risk

Operational credit risk is the risk that the Group's customers do not meet their payment obligations.

Policy

The Group's operational credit risk policy is that business areas, divisions and individual business units are responsible for the commercial risks arising from their operations. The operational credit risk is measured as the net aggregate value of receivables on a customer.

Status at year end

The table below shows the total credit risk exposure related to assets classified as financial instruments as per December 31.

Credit risk	2022	2021
Receivables at amortized cost:		
– trade receivables	29 971	22 020
– lease receivables	94	101
– other financial receivables	362	290
– other receivables	3 314	2 560
– contract assets	4 738	3 545
– cash and cash equivalents	11 254	18 990
Financial assets at fair value through OCI	1	16
Financial assets at fair value through profit or loss	677	624
Derivatives	34	9
Total	**50 445**	**48 155**

Since the Group's sales are dispersed among many customers, of whom no single customer represents a significant share of the Group's commercial risk, the monitoring of commercial credit risks is primarily done at the business area, divisional or business unit level. Each business unit is required to have an approved commercial risk policy.

Provision for credit risks

The business units establish provisions for their expected credit losses in respect of trade and other receivables. The IFRS 9 expected credit loss (ECL) model is forward looking and a loss allowance is recognized when there is an exposure to credit risk. For assets such as trade receivables, lease receivables, contract assets and certain other financial receivables, the simplified model is applied. The main components of this provision are specific loss provisions corresponding to individually significant exposures as well as historical loss rates in combination with forward looking considerations. Lease receivables, certain other financial receivables and cash and cash equivalents are impaired by a rating method, where ECL is measured by the product of the probability of default, loss given default, and exposure at default. At year end 2022, the provision for bad debt amounted to 3.2% (3.3) of gross total customer receivables.

The following table presents the gross value of trade receivables, b and non-current, by maturity, together with the related impairme

Trade receivables	2022 Gross	2022 Impairment	2 Gross
Not past due	23 722	5	17 837
Past due but not individually impaired			
0–30 days	3 017	–	2 021
31–60 days	1 215	–	818
61–90 days	764	–	394
More than 90 days	1 892	–	1 408
Past due and individually impaired			
0–30 days	4	1	2
31–60 days	3	2	3
61–90 days	3	3	13
More than 90 days	327	287	269
Collective impairment	–	678	–
Total	**30 947**	**976**	**22 765**

Based on historical default statistics and the diversified customer credit risk is assessed to be limited.

The gross amount of lease receivables amounted to 94 (101), o have been impaired, and the gross amount of other financial rece amounted to 364 (292), of which 2 (2) have been impaired.

There are no significant amounts past due that have not been i

Atlas Copco

27. Financial exposure and principles for control of financial risks, continued

Financial credit risk

Credit risk on financial transactions is the risk that the Group incurs losses as a result of non-payment by counterparts related to the Group's investments, bank deposits or derivative transactions.

Policy

The Group's financial credit risk is measured differently depending on transaction type; investment transactions or derivative transactions.

Investment transactions

Cash and cash equivalent may only be invested with a counterparty if the counterparty rating is above a rating threshold. The threshold for cash and cash equivalent is set at A-/A3 (as rated by Standard & Poor's, Fitch Ratings and Moody's). Investments in structured financial products are not allowed, unless approved by the FRMC. Furthermore, counterparty exposure, tenor and liquidity of the investment are considered before any investment is made. A list of each approved counterparty and its maximum exposure limit is maintained and monitored.

Derivative transactions

Derivative transactions may only be undertaken with approved counterparts for which credit limits are established and with which ISDA (International Swaps and Derivatives Association) master agreements and CSA (Credit Support Annex) agreements are in force. Derivative transactions may only be entered into by Atlas Copco Financial Solutions or in rare cases by another subsidiary, but only with approval from the Group Treasurer. Atlas Copco primarily uses derivatives as hedging instruments and the policy allows only standardized (as opposed to structured) derivatives.

Status at year end

Investment transactions in form of cash and cash equivalents amounted to MSEK 11 254 (18 990) at year end. These consist of cash, short term bank deposits and investments in liquidity funds. At year end, the measured credit risk on derivatives, taking into account the market value and collaterals, amounted to MSEK 27 (29).

The table below presents the reported value of the Group's derivatives.

Outstanding derivative instruments

	2022	2021
Assets	34	9
Liabilities	287	222

No financial assets or liabilities are offset in the balance sheet. The table below shows derivatives covered by master netting agreements.

Outstanding net position for derivative instruments

	Gross	Offset in balance sheet	Net in balance sheet	Master netting agreement	Cash collateral	Net position
Assets						
Derivatives	34	–	34	–287	270	17
Liabilities						
Derivatives	287	–	287	–287	–	–

The positive net position in assets is due to the fact that the exchange of security is done on a weekly basis.

Other market and price risks

Commodity-price risk is the risk that the cost of direct and indirect materials could increase as underlying commodity prices rise in global markets. The Group is directly and indirectly exposed to raw material price fluctuations. Cost increases for raw materials and components often coincide with strong end-customer demand and are compensated for by increased market prices. Therefore, the Group does not hedge commodity-price risks.

Fair value of financial instruments

In Atlas Copco's balance sheet, financial instruments are carried a
or at amortized cost. The fair value is established according to a fa
archy. The hierarchy levels should reflect the extent to which fair v
on observable market data or own assumptions. Below is a descri
level and valuation methods used for each financial instrument.

Level 1

In the Level 1 method, fair value is based on quoted (unadjusted)
active markets for identical assets or liabilities. A market is conside
if quoted prices from an exchange, broker, industry group, pricing
supervisory body are readily and regularly available and those pri
actual and regularly occurring market transactions at arm's lengt

Level 2

In the Level 2 method, fair value is based on models that utilize ob
for the asset or liability other than the quoted prices included wit
that are observable for the asset or liability, either directly (i.e. as p
rectly (i.e. derived from prices). Such observable data may be mar
rates and yield curves.

Level 3

In the Level 3 method, fair value is based on a valuation model, wh
cant input is based on unobservable market data.

Valuation methods

Derivatives

Fair values of forward exchange contracts are calculated based on
markets. Interest rate swaps are valued based on market rates an
value of future cash flows. Discounted cash flow models are used
valuation.

Interest-bearing liabilities

Fair values are calculated based on market rates and present valu
cash flows.

Finance leases and other financial receivables

Fair values are calculated based on market rates for similar contra
present value of future cash flows.

Atlas Copco

27. Financial exposure and principles for control of financial risks, continued

The Group's financial instruments by level

The carrying value for the Group's financial instruments corresponds to fair value in all categories except for borrowings. See note 21 for additional information about the Group's borrowings. The following table includes financial instruments at their fair value and by category.

Financial instruments by fair value hierarchy	2022 Fair value	2022 Level 1	2022 Level 2	2022 Level 3	2021 Fair value	2021 Level 1	2021 Level 2	2021 Level 3
Financial assets	245	86	159	–	184	30	154	–
Other receivables	61	–	61	–	66	–	66	–
Non-current financial assets	**306**	**86**	**220**	–	**250**	**30**	**220**	**–**
Trade receivables	29 910	–	29 910	–	21 954	–	21 954	–
Financial assets	889	0	889	–	847	20	827	–
Other receivables	3 315	–	3 315	–	2 560	–	2 560	–
Derivatives	34	–	34	–	9	–	9	–
Contract assets	4 738	–	4 738	–	3 545	–	3 545	–
Current financial assets	**38 886**	**0**	**38 886**	–	**28 915**	**20**	**28 895**	**–**
Financial assets	**39 192**	**86**	**39 106**	–	**29 165**	**50**	**29 115**	**–**
Bonds and loans	17 491	15 535	1 956	–	18 848	13 528	5 320	–
Other financial liabilities	32	–	32	–	23	–	23	–
Other liabilities	230	–	104	126	174	–	100	74
Non-current financial liabilities	**17 753**	**15 535**	**2 092**	**126**	**19 045**	**13 528**	**5 443**	**74**
Current portion of long-term loans	3 500	–	3 500	–	1 026	–	1 026	–
Short-term loans	7 735	–	7 735	–	1 915	–	1 915	–
Derivatives	287	–	287	–	222	–	222	–
Other accrued expenses	9 906	–	9 906	–	8 182	–	8 182	–
Trade payables	19 145	–	19 145	–	15 159	–	15 159	–
Other liabilities	3 091	–	2 918	173	2 206	–	2 155	51
Current financial liabilities	**43 664**	**–**	**43 491**	**173**	**28 710**	**–**	**28 659**	**51**
Financial liabilities	**61 417**	**15 535**	**45 583**	**299**	**47 755**	**13 528**	**34 102**	**125**

Reconciliation of financial liabilities in Level 3	Opening balance	Business acquisitions	Settlement	Discounting effect	Remeasurement	Translation differences	Closing balance	Result related to liabilities, net
Contingent considerations 2022	125	208	–54	15	–17	22	**299**	2

In other liabilities, MSEK 299 (125) relate to contingent considerations for acquisitions. The fair value of these liabilities has been calculated based on the expected outcome of the targets set out in the contracts, given a discount rate of 10.5%. For information about changes due to acquisitions, see note 2.

Currency rates used in the financial statements	Value	Code	Year-end rate 2022	Year-end rate 2021	Average rate 2022	Average rate 2021
Canada	1	CAD	7.72	7.07	7.73	6.82
China	1	CNY	1.50	1.42	1.50	1.33
EU	1	EUR	11.14	10.24	10.64	10.15
India	1	INR	0.13	0.12	0.13	0.12
South Korea	1 000	KRW	8.27	7.61	7.86	7.50
United Kingdom	1	GBP	12.63	12.19	12.47	11.77
U.S.A.	1	USD	10.46	9.05	10.08	8.57

28. Related parties

Relationships

The Group has related party relationships with the Company's lar
holder, its associates, joint ventures and with its Board members a
Management. The Company's largest shareholder, Investor AB, c
approximately 22% (22) of the voting rights in Atlas Copco.

The subsidiaries that are directly owned by the Parent Compan
sented in note A21 to the financial statements of the Parent Comp
companies and operating subsidiaries are listed in note A22. Infor
about associated companies and joint ventures is found in note 1
tion about Board members and Group Management is presented
55–58.

Transactions and outstanding balances

The Group has not had any transactions with Investor AB during t
than dividends declared and has no outstanding balances with In

Investor AB has controlling or significant influence in compani
Atlas Copco may have transactions within the normal course of b
such transactions are made on commercial terms.

The Group has leasing agreements related to buildings owned
Group's German pension trust. These agreements are on market
liabilities" in the table below represents the outstanding balance
lease term with the Group's German pension trust.

In addition, the Group sold various products and purchased go
certain associated companies and joint ventures on terms genera
those prevailing with unrelated parties.

The following table summarizes the Group's related party transa
with its associates, joint ventures and other related parties:

	2022
Revenues	16
Goods purchased	29
Service purchased	101
At Dec. 31:	
Trade receivables	9
Trade payables	16
Lease liabilities	340

Compensation to key management personnel

Compensation to the Board and to Group Management is disclos

Atlas Copco

Financial statements, Parent Company

Income statement

For the year ended December 31 Amounts in MSEK	Note	2022	2021
Administrative expenses	A2	–733	–764
Other operating income	A3	278	121
Other operating expenses	A3	–9	–1
Operating loss		**–464**	**–644**
Financial income	A4	30 613	3 858
Financial expenses	A4	–342	–394
Profit after financial items		**29 807**	**2 820**
Appropriations	A5	2 946	2 695
Profit before tax		**32 753**	**5 515**
Income tax	A6	–320	–339
Profit for the year		**32 433**	**5 176**

Statement of comprehensive income

For the year ended December 31 Amounts in MSEK	Note	2022	2021
Profit for the year		**32 433**	**5 176**
Other comprehensive income for the year		–	–
Total comprehensive income for the year		**32 433**	**5 176**

Balance sheet

As at December 31 Amounts in MSEK	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets	A7	8	13
Tangible assets	A8	33	34
Financial assets:			
Deferred tax assets	A9	55	63
Shares in Group companies	A10, A21	179 491	163 569
Other financial assets	A11	255	223
Total non-current assets		**179 842**	**163 902**
Current assets			
Income tax receivables		461	610
Other receivables	A12	4 471	9 347
Cash and cash equivalents	A13	0	0
Total current assets		**4 932**	**9 957**
TOTAL ASSETS		**184 774**	**173 859**

As at December 31 Amounts in MSEK	Note	2022
EQUITY		
Restricted equity		
Share capital		786
Legal reserve		4 999
Total restricted equity		**5 785**
Non-restricted equity		
Reserve for fair value		–1 180
Retained earnings		125 264
Profit for the year		32 433
Total non-restricted equity		**156 517**
TOTAL EQUITY		**162 302**
PROVISIONS		
Post-employment benefits	A15	203
Other provisions	A16	501
Total provisions		**704**
LIABILITIES		
Non-current liabilities		
Borrowings	A17	18 532
Total non-current liabilities		**18 532**
Current liabilities		
Borrowings	A17	2 861
Other liabilities	A18	375
Total current liabilities		**3 236**
TOTAL EQUITY AND LIABILITIES		**184 774**

Atlas Copco

Statement of changes in equity

MSEK unless otherwise stated	Number of shares outstanding	Share capital	Legal reserve	Reserve for fair value – translation reserve	Retained earnings
Opening balance, Jan. 1, 2022	1 218 190 368	786	4 999	–1 180	144 771
Total comprehensive income for the year					32 433
Ordinary dividend					–9 250
Share split	4 872 761 472				–
Redemption of shares	–1 223 320 239	–157			–9 575
Increase of share capital through bonus issue		157			–157
Acquisition series A shares	–1 870 000				–864
Divestment series A shares	2 595 364				381
Share-based payment, equity settled:					
– expense during the year					89
– exercise of options					–131
Closing balance, Dec. 31, 2022	**4 868 356 965**	**786**	**4 999**	**–1 180**	**157 697**
Opening balance, Jan. 1, 2021	1 216 192 653	786	4 999	–1 180	147 684
Total comprehensive income for the year					5 176
Ordinary dividend					–8 889
Acquisition series A shares	–700 000				–416
Divestment series A shares	2 697 715				1 451
Share-based payment, equity settled:					
– expense during the year					212
– exercise of options					–447
Closing balance, Dec. 31, 2021	**1 218 190 368**	**786**	**4 999**	**–1 180**	**144 771**

See note A14 for additional information.

Statement of cash flows

For the year ended December 31, MSEK	2022	2021
Cash flows from operating activities		
Operating loss	–464	–644
Adjustments for:		
Depreciation	12	11
Capital gain/loss and other non-cash items	–686	–596
Operating cash deficit	**–1 138**	**–1 229**
Net financial items received	22 834	3 639
Group contributions received	2 695	88
Taxes paid	–309	–210
Cash flow before change in working capital	**24 082**	**2 288**
Change in		
Operating receivables	5 276	9 573
Operating liabilities	30	60
Change in working capital	**5 306**	**9 633**
Net cash from operating activities	**29 388**	**11 921**

For the year ended December 31, MSEK	2022
Cash flow from investing activities	
Investments in tangible assets	–6
Investments in intangible assets	–
Investments in subsidiaries	[illegible]8 186
Repayments/investments in financial assets	–3
Net cash from investing activities	**[illegible]8 195**
Cash flow from financing activities	
Dividends paid	–9 250
Redemption of shares	[illegible]9 732
Repurchase and divestment of own shares	–483
Change in interest-bearing liabilities	–[illegible] 728
Net cash from financing activities	**[illegible] 193**
Net cash flow for the year	**0**
Cash and cash equivalents, Jan. 1	0
Net cash flow for the year	0
Cash and cash equivalents, Dec. 31	**0**

Notes to the Parent Company financial statements

MSEK unless otherwise stated

A1. Significant accounting principles

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group and is headquartered in Nacka, Sweden. Its operations include administrative functions, holding company functions as well as parts of Atlas Copco Financial Solutions (Treasury).

The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2, "Accounting for Legal Entities", hereafter referred to as "RFR 2", issued by the Swedish Financial Reporting Board. In accordance with RFR 2, parent companies that issue consolidated financial statements according to International Financial Reporting Standards (IFRS), as endorsed by the European Union, shall present their financial statements in accordance with IFRS, to the extent these accounting principles comply with the Swedish Annual Accounts Act and may use exemptions from IFRS provided by RFR 2 due to Swedish accounting or tax legislation.

The financial statements are presented in Swedish krona (SEK), rounded to the nearest million. The parent company's accounting principles have been consistently applied to all periods presented unless otherwise stated. The financial statements are prepared using the same accounting principles as described in note 1 in the Group's consolidated financial statements, except for those disclosed in the following sections.

For discussion regarding accounting estimates and judgments, see page 71.

Subsidiaries

Participations in subsidiaries are accounted for by the Parent Company at historical cost. The carrying amounts of participations in subsidiaries are reviewed for impairment in accordance with IAS 36, Impairment of Assets. See the Group's accounting policies, Impairment of financial assets, for further details.

Transaction costs incurred in connection with a business combination are accounted for by the Parent Company as part of the acquisition costs and are not expensed.

Lease contracts

All lease contracts entered into by the Parent Company are expensed continuously on a straight-line basis over the lease term. Leases are not carried as assets, since the risk and rewards associated with ownership of the assets have not been transferred to the Parent Company.

Employee benefits

Defined benefit plans

Defined benefit plans are not accounted for in accordance with IAS 19. In the Parent Company defined benefit plans are accounted for according to the Swedish law regarding pensions, "Tryggandelagen" and regulations issued by the Swedish Financial Supervisory Board. The primary differences as compared to IAS 19 are the way discount rates are fixed, that the calculation of defined benefit obligations is based on current salary levels, without consideration of future salary increases and that all actuarial gains and losses are included in profit or loss as they occur.

Share-based payments

The share-based payments that the Parent Company has granted to employees in the Parent Company are accounted for using the same principle as described in note 1 in the Group's consolidated financial statements.

The share-based payments that the Parent Company has granted to employees in subsidiaries are not accounted for as an employee expense in the Parent Company, but are recognized against Shares in Group companies. This vesting cost is accrued over the same period as in the Group and with a corresponding increase in equity for equity-settled programs and as a change in liabilities for cash-settled programs.

Financial guarantees

Financial guarantees issued by the Parent Company for the benefit of subsidiaries are not valued according to IFRS 9. They are reported as contingent liabilities, unless it becomes probable that the guarantees will lead to payments. In such case, provisions will be recorded.

Hedge accounting

Interest-bearing liabilities denominated in other currencies than SEK, used to hedge currency exposure from investments in shares of foreign subsidiaries are not translated using the foreign exchange rates on the reporting date, but measured based on the exchange rate the day that the hedging relation was established.

Derivatives used to hedge investments in shares in foreign subsidiaries are recognized at fair value and changes therein are recognized in profit or loss. The corresponding fair value change on shares in subsidiaries is recognized in profit or loss, as fair value hedge accounting is applied.

Group and shareholders' contributions

In Sweden, Group contributions are deductible for tax purposes but shareholders' contributions are not. Group contributions are recognized as appropriations in the income statement. Shareholders' contributions are recognized as an increase of Shares in Group companies and tested for impairment.

A2. Employees and personnel expenses and remuneration to auditors

Average number of employees	2022			2021		
	Women	Men	Total	Women	Men	Total
Sweden	67	43	110	64	43	107

Women in Atlas Copco Board and Management, %	Dec. 31, 2022	Dec. 31, 2021
Board of Directors excl. employee representatives	22	22
Group Management	33	13

Salaries and other remunerations	2022		2021	
	Board members and Group Management [1]	Other employees	Board members and Group Management [1]	Other employees
Sweden	84	123	107	107
of which variable compensation	23		20	

[1] Includes 8 (7) board members who receive fees from Atlas Copco AB as well as the President and CEO and 5 (5) positions of the Group Management who are employed by and receive salary and other fees from the Company.

For information regarding remuneration and other fees for members of the Board, the President and CEO, and other members of Group Management, see note 5 of the consolidated financial statements.

Pension benefits and other social costs	2022	2021
Contractual pension benefits for Board members and Group Management	12	12
Contractual pension benefits for other employees	25	23
Other social costs	64	79
Total	**101**	**114**
Pension obligations to former members of Group Management	4	5

Remuneration to auditors

Audit fees and consultancy fees for advice or assistance other than audit, were as follows:

	2022	2021
Ernst & Young		
–audit fee	6	5
– other services, tax	0	0
– other services, other	0	1
Total	**6**	**6**

Audit fee refers to audit of the financial statements and the accounting records. For the Parent Company the audit also includes the administration of the business by the Board of Directors, the President and CEO.

Tax services include tax compliance services. Other services essentially comprise consultancy services.

At the Annual General Meeting Ernst & Young AB was re-elected as the company's auditor until the end of the annual general meeting 2023.

A3. Other operating income and expense

	2022
Commissions received	271
Other operating income	7
Total other operating income	**278**
Exchange-rate differences, net	–9
Other operating expense	–
Total other operating expense	**–9**

A4. Financial income and expenses

Financial income and expenses	2022
Interest income:	
– cash and cash equivalents	1
– receivables from Group companies	38
– derivatives	–
Dividend income from Group companies	30 536
Capital gain	–
Change in fair value:	
– other assets	31
Foreign exchange gain, net	7
Financial income	**30 613**
Interest expense:	
– borrowings	–168
– liabilities to Group companies	–101
Change in fair value:	
– other liabilities	–61
Foreign exchange loss, net	–4
Impairment loss:	
– write-down of shares in Group companies	–8
Financial expenses	**–342**
Financial income, net	**30 271**

Following table presents the net gain or loss by category of financia

Net gain/loss on	2022
– loans and receivables, incl. bank deposits	–126
– other assets	31
– other liabilities	–162
Profit from shares in Group companies	30 528
Total	**30 271**

Profit from shares in Group companies mainly refers to dividend inco sidiaries and capital gains from transfer of shares in subsidiaries. Th tions are eliminated in the Group accounts since they are internal. For mation about the hedges, see note 27 of the consolidated financia

Atlas Copco

A5. Appropriations

	2022	2021
Group contributions paid	–3	–9
Group contributions received	2 949	2 704
Total	**2 946**	**2 695**

A6. Income tax

	2022	2021
Current tax	–312	–219
Deferred tax	–8	–120
Total	**–320**	**–339**
Profit before taxes	32 753	5 515
The Swedish corporate tax rate, %	20.6	20.6
National tax based on profit before taxes	–6 747	–1 137
Tax effects of:		
– non-deductible expenses	70	–39
– tax exempt income	6 290	793
– deductible expenses, not recognized in Income statement	3	26
– deductible income, not recognized in Income statement	7	–
– tax financial net	26	48
– controlled foreign company taxation	–27	–24
– adjustments from prior years	58	–6
Total	**–320**	**–339**
Effective tax in %	**1.0**	**6.1**

The Parent Company's effective tax rate of 1.0% (6.1) is primarily affected by non-taxable income such as dividends from Group companies.

A7. Intangible assets

	Capitalized expenditures for computer programs	
	2022	2021
Accumulated cost		
Opening balance, Jan. 1	72	67
Investments	–	5
Disposals	–38	–
Closing balance, Dec. 31	**34**	**72**
Accumulated depreciation		
Opening balance, Jan. 1	59	55
Depreciation for the year	5	4
Disposals	–38	–
Closing balance, Dec. 31	**26**	**59**
Carrying amount		
Opening balance, Jan. 1	13	12
Closing balance, Dec. 31	**8**	**13**

A8. Property, plant and equipment

	2022			2021	
	Buildings and land	Machinery and equipment	**Total**	Buildings and land	Machinery and equipment
Accumulated cost					
Opening balance, Jan. 1	48	68	116	46	67
Investments	0	6	6	2	[illegible]
Disposals	–	–14	–14	–	[illegible]
Closing balance, Dec. 31	**48**	**60**	**108**	**48**	**68**
Accumulated depreciation					
Opening balance, Jan. 1	19	63	82	16	59
Depreciation for the year	3	4	7	3	4
Disposals	–	–14	–14	–	0
Closing balance, Dec. 31	**22**	**53**	**75**	**19**	**63**
Carrying amount					
Opening balance, Jan. 1	29	5	34	30	8
Closing balance, Dec. 31	**26**	**7**	**33**	**29**	**5**

Buildings and land relates to improvements in leased properties. Depreciation is accounted for under administrative expenses in the Income Statement.

The leasing costs for assets, such as rented premises, cars and office equipment are reported among administrative expenses and amounted to 62 (58). Future payments for non-cancelable leasing contracts amounted to 611 (175) and fall due as follows in the table beside.

	2022
Less than one year	65
Between one and five years	258
More than five years	288
Total	**611**

A9. Deferred tax assets and liabilities

	2022 Assets	2022 Liabilities	2022 Net balance	2021 Assets	2021 Liabilities	2021 Net balance
Post-employment benefits	42	–	42	42	–	42
Other provisions	13	–	13	21	–	21
Total	**55**	–	**55**	**63**	–	**63**

The following reconciles the net balance of deferred taxes at the beginning of the year to that at the end of the year:

	2022	2021
Net opening balance, Jan. 1	63	183
Charges to profit for the year	–8	–120
Net closing balance, Dec. 31, net	**55**	**63**

A10. Shares in Group companies

	2022	2021
Accumulated cost		
Opening balance, Jan. 1	243 324	240 808
Investments	3	282
Net investment hedge	450	128
Shareholders' contribution	15 477	2 106
Closing balance, Dec. 31	**259 254**	**243 324**
Accumulated write-up		
Opening balance, Jan. 1	600	600
Closing balance, Dec. 31	**600**	**600**
Accumulated write-down		
Opening balance, Jan. 1	–80 355	–80 180
Write-down	–8	–175
Closing balance, Dec. 31	**–80 363**	**–80 355**
Total	**179 491**	**163 569**

For further information about Group companies, see note A21.

A11. Other financial assets

	2022	2021
Endowment insurances	199	201
Financial assets measured at amortized cost:		
– other financial receivables	56	22
Closing balance, Dec. 31	**255**	**223**

Endowment insurances relate to defined contribution pension plans and are pledged to the pension beneficiary (see note A15 and A20).

A12. Other receivables

	2022	2021
Receivables from Group companies	4 396	9 288
Financial assets measured at amortized cost:		
– other receivables	17	16
Prepaid expenses and accrued income	58	43
Closing balance, Dec. 31	**4 471**	**9 347**

A13. Cash and cash equivalents

	2022
Cash and cash equivalents measured at amortized cost:	
– cash	0
Closing balance, Dec. 31	**0**

The Parent Company's guaranteed, but unutilized, credit lines eq
7 133 (6 551).

A14. Equity

For information on share transactions and mandates approved by
General Meeting and proposed dividend for 2022, see note 20 in
dated financial statements.

Reserves
The Parent Company's equity includes certain reserves which are
as follows:

Legal reserve
The legal reserve is a part of the restricted equity and not availa
distribution.

Reserve for fair value – Translation reserve
The reserve comprises translation of intragroup receivables from
to foreign operations that in substance are part of the net investm
foreign operations, as well as cash flow hedges to convert variabl
rates to fixed interest rates.

A15. Post-employment benefits

	2022			2021		
	Defined contribution pension plans	Defined benefit pension plans	Total	Defined contribution pension plans	Defined benefit pension plans	Total
Opening balance, Jan. 1	201	4	205	183	5	188
Provision made	26	1	27	42	–	42
Provision used	–28	–1	–29	–24	–1	–25
Closing balance, Dec. 31	**199**	**4**	**203**	**201**	**4**	**205**

The Parent Company has endowment insurances of 199 (201) relating to defined contribution pension plans. The insurances are recognized as other financial assets, and pledged to the pension beneficiary.

Description of defined benefit pension plans
The Parent Company has two defined benefit pension plans. The ITP plan is a final salary pension plan covering the majority of salaried employees in Atlas Copco AB which benefits are secured through the Atlas Copco pension trust. The second plan relates to retired former senior employees. These pension arrangements are provided for.

	2022			2021		
	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations	172	4	176	150	5	155
Fair value of plan assets	–625	–	–625	–672	–	–672
Present value of net obligations	**–453**	**4**	**–449**	**–522**	**5**	**–517**
Not recognized surplus	453	–	453	522	–	522
Net amount recognized in balance sheet	**0**	**4**	**4**	**–**	**5**	**5**

	2022			2021		
Reconciliation of defined benefit obligations	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations at Jan. 1	150	5	155	147	5	152
Service cost	4	0	4	4	–	4
Interest expense	4	0	4	5	–	5
Benefits paid from plan	–8	–1	–9	–8	–1	–9
Other changes in obligations	22	0	22	2	1	3
Defined benefit obligations at Dec. 31	**172**	**4**	**176**	**150**	**5**	**155**

	2022			2021		
Reconciliation of plan assets	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Fair value of plan assets at Jan. 1	672	–	672	460	–	460
Return on plan assets	–39	–	–39	220	–	220
Payments/Renumeration of plan assets	–8	–	–8	–8	–	–8
Fair value of plan assets at Dec. 31	**625**	**–**	**625**	**672**	–	**672**

	2022
Pension commitments provided for in the balance sheet	
Costs excluding interest	16
Total	**16**
Pension commitments provided for through insurance contracts	
Service cost	25
Total	**25**
Net cost for pensions, excluding taxes	**41**
Special employer's contribution	7
Total	**48**

Pension expenses excluding taxes for the year, included within ad expenses amounted to 41 (38) of which the Board members and G Management 12 (12) and others 29 (26).

The Parent Company's share in plan assets fair value in the Atlas C pension trust amounts to 625 (672) and is allocated as follows:

	2022
Equity securities	61
Bonds	38
Real estate	–
Alternative investments	260
Cash and cash equivalents	266
Total	**625**

The plan assets of the Atlas Copco pension trust are not included i financial assets of the Parent Company.
The return on plan assets in the Atlas Copco pension trust amo –6.91% (47.7) inclusive of MSEK 8.1 (7.7) paid remuneration.
The Parent Company adheres to the actuarial assumptions use The Swedish Pension Registration Institute (PRI) i.e. discount rate The Parent Company estimates MSEK 13 will be paid to defined be pension plans during 2023.

A16. Other provisions

	2022	2021
Opening balance, Jan. 1	813	478
During the year:		
– provisions made	–245	496
– provisions used	–67	–161
Closing balance, Dec. 31	**501**	**813**

Other provisions include primarily provisions for costs related to employee option programs accounted for in accordance with IFRS 2 and UFR 7.

A17. Borrowings

	Maturity	Repurchased nominal amount	2022 Carrying amount	2022 Fair value	2021 Carrying amount
Non-current					
Medium Term Note Program MEUR 500	2023	MEUR 186	2 861	3 500	4 552
Medium Term Note Program MEUR 500	2026		5 076	5 063	5 074
Bilateral borrowings EIB MEUR 200	2022	MEUR 100	–	–	926
Bilateral borrowings NIB MEUR 200	2024		2 100	2 257	2 100
Bilateral borrowings EIB MEUR 200	2027		2 030	1 958	2 030
Bilateral borrowings EIB MEUR 100	2028		1 012	959	1 012
Non-current borrowings from Group companies			8 314	9 614	7 427
Less current portion of long-term borrowings			–2 861	–3 500	–926
Total non-current borrowings			**18 532**	**19 851**	**22 195**
Current					
Current portion of long-term borrowings			2 861	3 500	926
Total current borrowings			**2 861**	**3 500**	**926**
Closing balance, Dec. 31			**21 393**	**23 351**	**23 121**
Whereof external borrowings			**13 079**	**13 737**	**15 694**

The difference between carrying value and fair value relates to the measurement method as certain liabilities are reported at amortized cost and not a
Changes in interest rates and credit margins create the difference between fair value and amortized cost. In 2022, Atlas Copco AB reduced its externa
In February, MEUR 186 of a MEUR 500 public bond with maturity February 2023 was repurchased and in December MEUR 100 of a maturing EIB loan w

The following table shows the maturity structure of the Parent Company's external borrowings.

Maturity	Fixed	Floating[1]	Carrying amount	Fair value
2023	2 861	–	2 861	3 500
2024	–	2 100	2 100	2 257
2026	5 076	–	5 076	5 063
2027	2 030	–	2 030	1 958
2028	1 012	–	1 012	959
Total	**10 979**	**2 100**	**13 079**	**13 737**

[1] Floating interest in the table is borrowings with fixings shorter or equal to six months.

A18. Other liabilities

	2022	2021
Accounts payable	15	16
Liabilities to Group companies	90	64
Other financial liabilities:		
– other liabilities	38	16
Accrued expenses and prepaid income	232	248
Closing balance, Dec. 31	**375**	**344**

Accrued expenses include items such as social costs, vacation pay liability, and accrued interest.

A19. Financial exposure and principles for control of financial risks

Parent Company borrowings
Atlas Copco AB had MSEK 13 079 (15 694) of external borrowings and MSEK 8 314 (7 427) of internal borrowings at December 31, 2022. Derivative instruments are used to manage the currency and interest rate risk in line with policies set by the Financial Risk Management Committee, see note 27 in the consolidated financial statements.

Hedge accounting
The Parent Company hedges shares in subsidiaries through loans of MEUR 2 392 (2 291) and derivatives of MEUR 0 (100). The deferral hedge accounting of the loans is based on a RFR 2 exemption. The derivative is an internal contract with Atlas Copco Finance DAC resulting with MSEK 0 (–4) to Receivables from Group companies in below table.

Financial credit risk
Credit risk on financial transactions is the risk that the Parent Company incurs losses as a result of non-payment by counterparts related to the Parent Company's investments, bank deposits or derivative transactions. For further information regarding investment and derivative transactions, see note 27 of the consolidated financial statements. The table below shows the actual exposure of financial instruments as per December 31.

Financial credit risk	2022	2021
Cash and cash equivalents	0	0
Receivables from Group companies	4 396	9 288
Other	131	81
Total	**4 527**	**9 369**

Fair value hierarchy
Fair values are based on observable market prices or, in the case that such prices are not available, on observable inputs or other valuation techniques. Amounts shown in other notes are unrealized and will not necessarily be realized. For more information about fair value hierarchy, see note 27 of the consolidated financial statements. There are no level 3 instruments in the Parent Company.

Valuation methods
Derivatives
Fair values of forward exchange contracts are calculated based on prevailing markets. Interest rate swaps are valued based on market rates and present value of future cash flows.

Interest-bearing liabilities
Fair values are calculated based on market rates and present value of future cash flows.

The Parent Company's financial instruments by category
The carrying value for the Parent Company's financial instruments corresponds to fair value in all categories except for borrowings. See A17 for additional information.

A20. Assets pledged and contingent liabilities

	2022
Assets pledged for pension commitments	
Endowment insurances	199
Total	**199**
Contingent liabilities	
Sureties and other contingent liabilities:	
– for external parties	3
– for Group companies	10 063
Total	**10 066**

Sureties and other contingent liabilities include bank and comme tees and performance bonds. The increase compared to last year derives from the issuance of an EMTN bond for the total amount c and Parent Company Guarantees provided by Atlas Copco AB on l subsidiaries.

Atlas Copco

A21. Directly owned subsidiaries

	2022			2021		
	Number of shares	Percent held	Carrying value	Number of shares	Percent held	Carrying value
Directly owned product companies						
Atlas Copco Airpower n.v., Wilrijk	76 416	100	46 744	76 415	100	46 806
Directly owned customer centers						
AGRE Kompressoren GmbH, Steyr	200 000	100	7	200 000	100	7
ALUP Kompressoren AG, Oftringen	3 500	100	25	3 500	100	25
ALUP Kompressoren Polska sp. z.o.o., Janki	9 000	100	14	9 000	100	14
Atlas Copco (Cyprus) Ltd., Nicosia	99 998	100	0	99 998	100	0
Atlas Copco (India) Ltd., Pune	21 731 917	100	898	21 731 917	100	874
Atlas Copco (Ireland) Ltd., Dublin	250 000	100	28	250 000	100	28
Atlas Copco (Malaysia), Sdn. Bhd., Shah Alam	1 000 000	100	13	1 000 000	100	14
Atlas Copco (Philippines) Inc., Binan	677 980	100	69	677 980	100	69
Atlas Copco (Schweiz) AG, Studen	8 000	100	64	8 000	100	63
Atlas Copco (South East Asia) Pte.Ltd., Singapore	4 500 000	100	35	4 500 000	100	35
Atlas Copco (Thailand) Limited, Bangkok	1	0/100 [1]	0	–	–/100 [1]	–
Atlas Copco Argentina S.A.C.I., Buenos Aires	5 120 025	93/100 [1]	84	5 120 025	93/100 [1]	84
Atlas Copco Brasil Ltda, Barueri	70 358 841	100	255	70 358 841	100	257
Atlas Copco Canada Inc., Toronto	6 946	100	2 185	6 946	100	2 185
Atlas Copco Chile SpA, Santiago	24 998	100	7	24 998	100	6
Atlas Copco Compressor AB, 556155-2794, Nacka	60 000	100	36	60 000	100	36
Atlas Copco Eastern Africa Limited, Nairobi	482 999	100	40	482 999	100	40
Atlas Copco Equipment Egypt S.A.E., Cairo	5	0/100 [1]	5	5	0/100 [1]	4
Atlas Copco GmbH, Vienna	1	100	43	1	100	43
Atlas Copco Indoeuropeiska AB, 556155-2760, Nacka	3 500	100	20	3 500	100	20
Atlas Copco KK, Tokyo	100 000	100	39	100 000	100	39
Atlas Copco Kompressorteknik A/S, Albertslund	4 000	100	5	4 000	100	5
Atlas Copco Maroc SA, Casablanca	3 960	99	6	3 960	99	6
Atlas Copco Polska Sp. z o.o., Warsaw	4 000	100	80	4 000	100	80
Atlas Copco Services Middle East OMC, Manama	500	100	24	500	100	27

	2022			2021	
	Number of shares	Percent held	Carrying value	Number of shares	Perc h
Atlas Copco Ukraine LLC, Kiev	10 000 000	100	3	10 000 000	1
Atlas Copco Venezuela SA, Valencia	1 592	100	9	25 812 000	1
Sociedade Atlas Copco Portugal Unipessoal Ld, Porto Salvo	1	100	15	1	1
Directly owned holding companies and others					
AB Atlas Diesel, 556019-1610, Nacka	1000	100	0	1 000	1
Atlas Copco A/S, Langhus	2 500	100	45	2 500	1
Atlas Copco Beheer B.V., Zwijndrecht	15 712	100	76	15 712	1
Atlas Copco Finance Belgium BVBA, Wilrijk	1	0/100 [1]	0	1	0/10
Atlas Copco Finance DAC, Dublin	5 162 000 001	100	54 878	5 162 000 001	1
Atlas Copco France Holding S.A., Cergy Pontoise	278 255	100	321	278 255	1
Atlas Copco Holding GmbH, Essen	2	100	9 377	2	1
Atlas Copco Internationaal B.V., Zwijndrecht	10 002	100	27 455	10 002	1
Atlas Copco Järla Holding AB, 556062-0212, Nacka	95 000	100	716	95 000	1
Atlas Copco Nacka Holding AB, 556397-7452, Nacka	100 000	100	12	100 000	1
Atlas Copco Sickla Holding AB, 556309-5255, Nacka	1 000	100	35 590	1 000	1
Econus S A, Montevideo	21 582 605	100	17	21 582 605	1
Industria Försäkringsaktiebolag, Industria Insurance Company Ltd 516401-7930, Nacka	300 000	100	30	300 000	1
JSC Atlas Copco, Moscow	2 644	100	185	2 644	1
Oy Atlas Copco Ab, Vantaa	150	100	33	[illegible]	1
Power Tools Distribution n.v., Hoeselt	1	0/100 [1]	3		0/10
Saltus Industrial Technique AB, 559053-5455, Nacka	500	100	0	500	1
Carrying amount, Dec. 31			**179 491**		

[1] First figure: percentage held by Parent Company, second figure: percentage held by Atlas Copco Group.

Atlas Copco

A22. Related parties

Relationships

The Parent Company has related party relationships with its largest shareholder, its subsidiaries, its associates, its joint ventures and with its Board members and Group Management.

The Parent Company's largest shareholder, Investor AB, controls approximately 22% (22) of the voting rights in Atlas Copco AB.

The subsidiaries that are directly owned by the Parent Company are presented in note A21 and all directly and indirectly owned operating subsidiaries are listed on the following pages.

Information about Board members and Group Management is presented on pages 55–58.

Transactions and outstanding balances

The Group has not had any transactions with Investor AB during the year other than dividends declared and has no outstanding balances with Investor AB.

Investor AB has controlling or significant influence in companies which Atlas Copco AB may have transactions with in the normal course of business. Any such transactions are made on commercial terms.

The following table summarizes the Parent Company's transactions with Group companies:

	2022	2021
Revenues		
Dividends	30 536	3 849
Group contribution	2 949	2 704
Interest income	38	9
Expenses		
Group contribution	–3	–9
Interest expenses	–101	–29
Receivables	**4 396**	**9 288**
Liabilities	**8 404**	**7 491**
Guarantees	**10 063**	**3 262**

The following details directly and indirectly owned holding and operational subsidiaries (excluding branches), presented by country/area of incorporation.

Country/Area	Company	Location (City)
Algeria	SPA Atlas Copco Algérie	*Algiers*
Angola	Atlas Copco Angola Ltd	*Luanda*
Argentina	Atlas Copco Argentina S.A.C.I.	*Buenos Aires*
Australia	Atlas Copco Australia Pty Ltd	*Blacktown*
	Ausmedi International Pty. Ltd.	*Melbourne*
	LEWA Australia PTY LTD	*East Perth*
	SCS Filtration	*Melbourne*
	Walker Filtration Pty. Australia	*Melbourne*
Austria	AGRE Kompressoren GmbH	*Steyr*
	Atlas Copco GmbH	*Vienna*
	LEWA Austria GmbH	*Vienna*

Country/Area	Company	Location (City)
Austria	Medgas-Technik medical systems GmbH	*Leisach*
Bahrain	Atlas Copco Services Middle East OMC	*Manama*
Bangladesh	Atlas Copco Bangladesh Ltd.	*Dhaka*
Belgium	Atlas Copco Airpower n.v.	*Wilrijk*
	Atlas Copco Belgium n.v.	*Overijse*
	Atlas Copco Finance Belgium bv	*Wilrijk*
	Atlas Copco Rental Europe n.v.	*Boom*
	Atlas Copco Support Services n.v.	*Wilrijk*
	Atlas Copco Vacuum Belgium nv	*Estaimpuis*
	EDMAC Europe n.v.	*Wilrijk*
	Geveke Compressor Technology nv	*Vilvoorde*
	Geveke Process Technology bv	*Vilvoorde*
	International Compressor Distribution n.v.	*Wilrijk*
	MultiAir BELUX nv	*Deinze*
	Power Tools Distribution n.v.	*Hoeselt*
Bolivia	Atlas Copco Bolivia S.A Compresores, Maquinaria y Servicio	*Santa Cruz*
Brazil	Atlas Copco Brasil Indústria e Comércio Ltda.	*Barueri*
	Atlas Copco Brasil Ltda.	*Barueri*
	Chicago Pneumatic Brasil Ltda.	*Barueri*
	Edwards Vacuo Ltda.	*Sao Paulo*
	ISRA VISION Comércio, Serviços, Importação e Exportação Ltda.	*Sao Paulo*
	Itubombas Locação, Comércio, Importação e Exportação Ltda.	*Itu*
	LEWA Brasil Equipamentos Ltda.	*Sao Paulo*
	Leybold do Brasil Ltda.	*Jundiaí*
	Perceptron do Brazil Ltda.	*Sao Paulo*
	Pressure Compressores Ltda.	*Maringa*
Bulgaria	Atlas Copco Bulgaria EOOD	*Sofia*
Canada	Atlas Copco Canada Inc.	*Toronto*
	Chicago Pneumatic Tool Co. Canada Ltd.	*Toronto*
	Class 1 Incorporated	*Cambridge*
	CPC Pumps International Inc.	*Burlington*
	Entreprises Larry Inc.	*Montreal*
	Les Pompes À Vide TECHNI-V-AC Inc.	*Blainville*
	Lucas Drive - 2352341 Ontario Inc.	*Burlington*
	Sutton Drive - 2485283 Ontario Inc.	*Burlington*
Chile	Atlas Copco Chile SpA	*Santiago*
China	Atlas Copco (Wuxi) Compressor Co., Ltd.	*Wuxi*
	Atlas Copco (Shanghai) Equipment Rental Co., Ltd.	*Shanghai*
	Atlas Copco Industrial Technique (Shanghai) Co., Ltd.	*Shanghai*
	Atlas Copco (China) Investment Co., Ltd.	*Shanghai*
	Atlas Copco (Shanghai) Process Equipment Co., Ltd.	*Shanghai*
	Atlas Copco (Shanghai) Trading Co., Ltd.	*Shanghai*
	Bolaite (Shanghai) Trading Co. Ltd.	*Shanghai*
	Bozhong (Shandong) Industrial Equipment Co., Ltd.	*Zibo*
	Chinco Vacuum Technique (Zibo) Co., Ltd.	*Zibo*
	CSK China Co. Ltd.	*Wuxi*

Country/Area	Company
China	CSK Xian China Co. Ltd.
	Edmac (Shanghai) Trading Co., Ltd.
	Edwards Technologies Trading (Shanghai) Company Ltd.
	Edwards Technologies Vacuum Engineering (Qingdao) Company Ltd.
	Edwards Technologies Vacuum Engineering (Shanghai) Company Ltd.
	Edwards Technologies Vacuum Engineering (Xian) Compa
	Factory for Industrial Air Compressors (Jiangmen) Co., Ltd.
	ISRA VISION (Shanghai) Co. Ltd.
	Jinan Meditech Equipment Installation Engineering Co., L
	Kunshan Q-Tech Air System Technologies Ltd.
	LEWA (Dalian) Fluid Technology Co., Ltd.
	LEWA Pumps Dalian Co. Ltd.
	Leybold Equipment (Tianjin) Co., Ltd.
	Leybold (Tianjin) International Trade Co. Ltd.
	Linghein (Shanghai) Gas Technologies Co., Ltd.
	Liutech Machinery Equipment Co., Ltd.
	Liuzhou Tech Machinery Co., Ltd.
	Meditech (Shanghai) Gas Technology Co., Ltd.
	Perceptron Metrology Technology (Shanghai) Co., Ltd.
	Q-Tech (Shanghai) Gas Equipment Co., Ltd.
	Scheugenpflug Resin Metering Technologies co., Ltd.
	Shandong Meditech Technology Co., Ltd.
	Shanghai Beacon Medaes Medical Gas Engineering Consulting Co., Ltd.
	Shanghai Tooltec Industrial Tool Co., Ltd.
	Suzhou Since Gas Technology Co., Ltd.
	Wuxi Pneumatech Air/Gas Purity Equipment Co., Ltd.
	Wuxi Shengda Air/Gas Purity Equipment Co. Ltd.
Colombia	Atlas Copco Colombia Ltda
Cyprus	Atlas Copco (Cyprus) Ltd.
Czech Republic	ALUP CZ spol. S.r.o
	Atlas Copco s.r.o.
	Atlas Copco Services s.r.o.
	Edwards s.r.o.
	Next Metrology Software s.r.o.
	Schneider Airsystems s.r.o.
Denmark	Atlas Copco Kompressorteknik A/S
	Oxymat A/S
	Oxymat Ejendomme ApS
	Oxymat Services A/S
	RENO A/S
Egypt	Atlas Copco Equipment Egypt S.A.E.
	Atlas Copco Service Egypt

Atlas Copco

A22. Related parties, continued

Country/Area	Company	Location (City)
Finland	Oy Atlas Copco Ab	Vantaa
	Oy Atlas Copco Kompressorit Ab	Vantaa
	Oy Atlas Copco Tools Ab	Vantaa
France	ABAC France S.A.S.	Valence
	Atlas Copco Applications Industrielles S.A.S.	Cergy Pontoise
	Atlas Copco Crépelle S.A.S.	Lille
	Atlas Copco France Holding S.A.	Cergy Pontoise
	Atlas Copco France SAS	Cergy Pontoise
	Edwards SAS	Herblay
	ETS Georges Renault S.A.S.	Saint-Herblain
	Exlair S.A.S.	Saint Ouen L'Aûmone
	FITEC	Tarnos
	LEWA France SAS	Neuville-sur-Oise
	Leybold France SAS	Bourg-Les-Valence
	MultiAir France S.A.S	Chambly
	Perceptron EURL	Montigny le Bretonneux
	Seti-Tec S.A.S.	Lognes
Germany	3D-Shape GmbH	Erlangen
	ALUP-Kompressoren GmbH [1]	Reutlingen
	ARPUMA regel- und fördertechnische Geräte GmbH	Kerpen
	Atlas Copco Beteiligungs GmbH [1]	Essen
	Atlas Copco Energas GmbH [1]	Cologne
	Atlas Copco Holding GmbH [1]	Essen
	Atlas Copco IAS GmbH [1]	Bretten
	Atlas Copco Industry GmbH [1]	Essen
	Atlas Copco Kompressoren und Drucklufttechnik GmbH [1]	Essen
	Atlas Copco Power Technique GmbH [1]	Essen
	Atlas Copco Tools Central Europe GmbH [1]	Essen
	Desoutter GmbH [1]	Maintal
	DF Druckluft-Fachhandel GmbH [1]	Herrenberg
	Dipotec GmbH [1]	Neustadt a.d. Donau
	Edwards GmbH	Kirchheim
	Ehrler & Beck Vakuum- und Drucklufttechnik GmbH [1]	Renningen
	GP Inspect GmbH	Neuried
	GP Solar GmbH	Neuried
	ISRA Immobilie Darmstadt GmbH [1]	Darmstadt
	ISRA Immobilie Herten GmbH [1]	Darmstadt
	ISRA PARSYTEC GmbH [1]	Aachen
	ISRA SURFACE VISION GmbH [1]	Herten
	ISRA VISION GmbH [1]	Darmstadt
	ISRA VISION Graphikon GmbH	Berlin
	ISRA VISION LASOR GmbH	Bielefeld
	ISRA VISION PARSYTEC AG [1]	Aachen

[1] For the business year ending December 31, 2022 several German subsidiaries will make use of the §§ 264, 291 Handelsgesetzbuch (German Commercial Code) exemption rules of filing their own (consolidated) financial statements.

Country/Area	Company	Location (City)
Germany	ISRA VISION POLYMETRIC GmbH	Darmstadt
	KDS Kompressoren- und Druckluftservice GmbH [1]	Essen
	LEWA GmbH [1]	Leonberg
	LEWA Deutschland GmbH [1]	Leonberg
	Leybold Dresden GmbH	Dresden
	Leybold GmbH	Cologne
	Leybold Real Estate GmbH [1]	Cologne
	Medgas-Technik GmbH Medical-Technology [1]	Berndroth
	metronom Automation GmbH [1]	Mainz
	nano-purification solutions GmbH [1]	Krefeld
	Perceptron GmbH	Munich
	P-Flow AcquiCo GmbH [1]	Wangen I'm Allgau
	P-Flow HoldCo GmbH [1]	Wangen I'm Allgau
	PMH Druckluft GmbH [1]	Moers
	Pumpenfabrik Wangen GmbH [1]	Wangen I'm Allgau
	QUISS Qualitäts-Inspektionssysteme und Service GmbH [1]	Puchheim
	Scheugenpflug GmbH [1]	Neustadt a.d. Donau
	Schneider Druckluft GmbH [1]	Reutlingen
	soft2tec GmbH [1]	Russelsheim
	Synatec GmbH [1]	Leinfelden-Echterdingen
	Vision Experts GmbH	Karlsruhe
Greece	Atlas Copco Hellas AE	Koropi
Hong Kong	Atlas Copco China/Hong Kong Ltd	Hong Kong
Hungary	Atlas Copco Hungary Kft	Szigetszentmiklós
India	Atlas Copco (India) Ltd.	Pune
	Edwards India Private Ltd.	Pune
	HHV Pumps Private Limited	Bangalore
	ISRA VISION INDIA Private Limited	Mumbai
	LEWA Pumps India Pvt Ltd.	Chennai
	Leybold India Pvt Ltd.	Pune
	Perceptron Non-Contact Metrology Solutions Pvt Ltd.	Chennai
Indonesia	PT Atlas Copco Indonesia	Jakarta
Iraq	Atlas Copco Iraq LLC	Erbil
Ireland	Atlas Copco (Ireland) Ltd.	Dublin
	Atlas Copco Finance DAC	Dublin
	Edwards Vacuum Technology Ireland Ltd	Dublin
	Provac Limited	Wexford
Israel	Edwards Israel Vacuum Ltd	Kiryat Gat
Italy	ABAC Aria Compressa S.r.l	Robassomero
	Atlas Copco BLM S.r.l.	Milan
	Atlas Copco Italia S.r.l.	Milan
	Ceccato Aria Compressa S.r.l	Vicenza
	Desoutter Industrial Tool SrL	Lissone
	DGM S.r.l.	Sovizzo (VI)
	Edwards S.r.l.	Milan
	Eurochiller S.r.l.	Castello d'Agogna (Pv)

Country/Area	Company	Location (City)
Italy	Fiac Professional Air Compressors S.r.l.	
	FIAC S.r.l.	
	LEWA Italy S.r.l.	
	Leybold Italia S.r.l	
	MultiAir Italia S.r.l	C
	SCB S.r.l.	Vill
	STERI Srl	
	Varisco S.r.l.	
Japan	Atlas Copco KK	
	Edwards Japan Ltd	
	Fuji Industrial Technique Co., Ltd.	
	ISRA VISION JAPAN Co., Ltd	
	Leybold Japan Co.Ltd. Shin-Yokohama AK bldg	
Kazakhstan	Atlas Copco AirPower Central Asia LLP	
Kenya	Atlas Copco Eastern Africa Limited	
Latvia	Atlas Copco Baltic SIA	
Lebanon	Atlas Copco Levant S.A.L.	
Luxembourg	Atlas Copco Finance S.á.r.l.	
Malaysia	Atlas Copco (Malaysia) Sdn. Bhd.	
	Bireme group Malaysia SDN BHD	
	Geveke Malaysia Snd. Bhd.	
	Geveke Oil & Gas Sdn. Bhd.	
	Vacuum Technique Malaysia Sdn. Bhd.	
Mexico	Atlas Copco Mexicana S.A. de C.V.	
	Desarrollos Técnologicos ACMSA S.A. de C.V.	
	Desoutter Tools Mexico SA de CV	
	ISRA VISION S. de R.L. de C.V.	
	Vacuum Technique Mexico	
Morocco	Atlas Copco Maroc SA	
Myanmar	Atlas Copco Services Myanmar Co., Ltd.	
Netherlands	Alup Kompressoren BV	
	Atlas Copco Beheer B.V.	
	Atlas Copco Internationaal B.V.	
	Creemers Compressors B.V.	
	Eco Ketelservice Verhuur B.V.	
	Eco Steam Trading & Consultancy B.V.	
	E.K.S. Holding B.V.	
	Geveke BV	
	Geveke Werktuigbouw BV	
	Leybold Nederland B.V.	
	Perceptron B.V.	
New Zealand	Atlas Copco (N.Z.) Ltd.	
	Exlair (NZ) Limited	
Nigeria	Atlas Copco Nigeria Ltd.	
Norway	Atlas Copco A/S	

Atlas Copco

A22. Related parties, continued

Country/Area	Company	Location (City)
Norway	Atlas Copco Kompressorteknikk A/S	Langhus
	Atlas Copco Tools A/S	Langhus
	Berema A/S	Langhus
Pakistan	Atlas Copco Pakistan (Private) Limited	Lahore
Peru	Atlas Copco Perú S.A.C.	Lima
Philippines	Atlas Copco (Philippines) Inc.	Binan
Poland	ALUP Kompressoren Polska sp. z.o.o.	Janki
	Atlas Copco Polska Sp. z o.o.	Warsaw
	Vector Sp. z o.o.	Tarnowo Podgórne
Portugal	Sociedade Atlas Copco de Portugal Unipessoal Lda	Porto Salvo
Romania	Atlas Copco Romania S.R.L.	Bucharest
	Scheugenpflug S.R.L.	Sibiu
Russia	ISRA VISION LLC	Moscow
	JSC Atlas Copco	Moscow
Serbia	Atlas Copco Srbija doo	Belgrade
Singapore	Atlas Copco (South East Asia) Pte. Ltd	Singapore
	Bireme Singapore Pte Ltd	Singapore
	Geveke International Pte Ltd	Singapore
	LEWA Singapore Pte. Ltd.	Singapore
	Leybold Singapore Pte Ltd	Singapore
	Vacuum Technique Singapore Pte Ltd	Singapore
Slovakia	Atlas Copco s.r.o	Bratislava
	ISRA VISION s.r.o.	Bratislava
	Oxymat Slovakia SrO	Vadovce
	Perceptron Slovensko s.r.o.	Bratislava
	Schneider Airsystems s.r.o.	Nitra
Slovenia	Atlas Copco d.o.o.	Trzin
South Africa	Atlas Copco Industrial South Africa (Pty) Ltd	Boksburg
	Rand Air South Africa (Pty) Ltd	Boksburg
South Korea	Atlas Copco Korea Co., Ltd.	Seongnam
	CP Tools Korea Co., Ltd.	Anyang
	CSK Inc.	Yongin
	Edwards Korea Ltd	Cheonan
	ISRA VISION Korea Co. Ltd	Seoul
	LEWA Korea Co., Ltd.	Seoul
	Leybold Korea Ltd	Bundang
Spain	Aire Comprimido Industrial Iberia, S.L.	Madrid
	Atlas Copco S.A.E.	Madrid
	Grupos Electrógenos Europa, S.A.	Zaragoza
	IBVC Vacuum, S.L.U.	Madrid
	LEWA Hispania S.L.	Madrid
	Leybold Hispanica S.A.	Cornellá de Llobregat
	Perceptron Iberica, S.L.	Barcelona
	Photonfocus Spain, S.L.	Barcelona

Country/Area	Company	Location (City)
Sweden	Atlas Copco Compressor AB	Nacka
	Atlas Copco Industrial Technique AB	Nacka
	Atlas Copco Järla Holding AB	Nacka
	Atlas Copco Nacka Holding AB	Nacka
	Atlas Copco Sickla Holding AB	Nacka
	Industria Försäkringsaktiebolag, Industria Insurance Company Ltd	Nacka
Switzerland	ALUP Kompressoren AG	Oftringen
	Atlas Copco (Schweiz) AG	Studen
	LEWA Switzerland AG	Reinach
	Leybold Schweiz AG	Steinhausen
	Medgas-Technik Schweiz AG	Sankt-Gallen
	Photonfocus AG	Lachen
Taiwan	Atlas Copco Taiwan Ltd.	Taoyuan
	CSKT Inc.	Jubei
	Edwards Technologies Ltd	Jhunan
	Leybold Taiwan Ltd	Zhubei
Thailand	Atlas Copco (Thailand) Limited	Bangkok
Türkiye	Atlas Copco Makinalari Imalat AS	Istanbul
	Chicago Pneumatic Endüstriyel Ürünler Ticaret A.Ş	Istanbul
	Dost Kompresör Endüstri Makinaları İmal Bakım ve Ticaret A.Ş	Istanbul
	Ekomak Endüstriyel Kompresör Makine Sanayi ve Ticaret A.Ş	Istanbul
	ISRA VISION Yapay Görme Ve Otomasyon San. Ve Tic. A.ş	Istanbul
	Multiair Endüstriyel Hava Ekipmanları Ticaret A.Ş.	Istanbul
	Tekser Endüstriyel Cihazlar Sanayi ve Ticaret A.Ş.	Istanbul
Ukraine	Atlas Copco Ukraine LLC	Kiev
United Arab Emirates	Atlas Copco Middle East FZE	Dubai
	LEWA Middle East FZE	Sharjah
	LEWA MIDDLE EAST FZE	Dubai
United Kingdom	Air Compressors and Tools Limited	Hemel Hempstead
	Airflow Compressors and Pneumatics Limited	Warington
	Associated Compressor Engineers Limited	Stockport
	Atlas Copco IAS UK Limited	Flintshire
	Atlas Copco Ltd.	Hemel Hempstead
	Atlas Copco UK Holdings Ltd.	Hemel Hempstead
	BeaconMedaes Ltd	Staveley
	C.A.S products Limited	Bolton
	Cooper Freer Ltd	Leicester
	Cooper Freer Holdings Ltd	Leicester
	Edwards High Vacuum International Ltd.	Burgess Hill
	Edwards Ltd.	Burgess Hill
	Glaston Compressor Services Limited	Skelmersdale
	Isocool Limited	Braintree
	ISRA VISION Ltd.	London
	ISRA VISION PARSYTEC Ltd.	Eastleigh
	Leybold UK Ltd.	Chessington

Country/Area	Company
United Kingdom	Nano Purification Solutions Ltd
	Purification Solutions UK Limited
	Perceptron Metrology UK Ltd.
	Precision Pneumatics Ltd
	Tentec Ltd.
	Walker Filtration Ltd. UK
	Wearside Pneumatics Ltd
U.S.A	Air & Gas Solutions LLC
	Atlas Copco Compressors LLC
	Atlas Copco Comptec LLC
	Atlas Copco IAS LLC
	Atlas Copco Mafi-Trench Company LLC
	Atlas Copco North America LLC
	Atlas Copco Rental LLC
	Atlas Copco Tools & Assembly Systems LLC
	Atlas Copco USA Holdings Inc.
	BeaconMedaes LLC
	C H Spencer LLC
	Chicago Pneumatic International Inc.
	Chicago Pneumatic Tool Company LLC
	Dekker Vacuum Technologies Inc
	Edwards Semiconductor Solutions LLC
	Edwards Vacuum, LLC
	Henrob Corporation
	ISRA SURFACE VISION Inc.
	ISRA VISION PARSYTEC Inc.
	LEWA America, Inc.
	Leybold USA Inc.
	Mid-South Engine & Power Systems LLC
	Montana Instruments Corporation
	Nowvac Inc.
	Perceptron Inc.
	Perceptron Global Inc.
	Perceptron Software Technology, Inc.
	Powerhouse Equipment & Engineering Co Inc.
	Power Technique North America LLC
	Quincy Compressor LLC
	Scheugenpflug Inc.
	Vacuum Technique LLC
	Walker Filtration Inc. US
	Wangen America Inc.
Venezuela	Atlas Copco Venezuela SA
Vietnam	Atlas Copco Vietnam Company Ltd.
Zambia	Atlas Copco Industrial Zambia Limited

Atlas Copco

Signatures of the Board of Directors

The Parent Company financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with International Accounting Standards as prescribed by the European Parliament and the Regulation (EC) No 1606/2002 dated July 19, 2002 on the application of International Accounting Standards. The Parent Company financial statements and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results of operations.

The administration report for the Group and Parent Company provides a true and fair overview of the development of the Group's and Parent Company's business activities, financial position and results of operations as well as the significant risks and uncertainties which the Parent Company and its subsidiaries are exposed to.

The Annual Report also contains the Group's and Parent Company's statutory sustainability report in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, see page 19.

Nacka, March 3, 2023, Atlas Copco AB

Hans Stråberg
Chair

Staffan Bohman
Board member

Johan Forssell
Board member

Heléne Mellquist
Board member

Anna Ohlsson-Leijon
Board member

Mats Rahmström
Board member
President and CEO

Gordon Riske
Board member

Peter Wallenberg Jr
Board member

Mikael Bergstedt
Board member
Employee representative

Benny Larsson
Board member
Employee representative

Our audit report was submitted on March 20, 2023,
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Atlas Copco AB is required to publish information included in this annual report in accordance with the Swedish Securities Market Act. The information was made public on March 22, 2023.

Audit report

To the general meeting of the shareholders of Atlas Copco AB (publ), corporate identity number 556014-2720

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Atlas Copco AB (publ) for the year 2022 except for the corporate governance statement on pages 51–60 and the quarterly data on page 80. The annual accounts and consolidated accounts of the company are included on pages 13–39, 44–48 and 61–121 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 December 31, 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 51–60. 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 audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

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

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Accounting for business combinations

Description

In the fiscal year 2022, Atlas Copco made 30 acquisitions for a total consideration of 12.1 billion SEK. The acquired assets and liabilities must be separately identified and valued at fair value at the date of the acquisition. For acquired assets and liabilities for which there is no active market management must apply valuation models and significant estimates in order to determine the fair value.

Disclosures related to the group's accounting principles, significant accounting estimates and judgements are provided in note 1 and note 2 contains disclosures related to the acquisitions made.

Based on the significance of the acquisitions and the high degree of management estimate required to account for these matters, we have assessed the accounting for business combinations as a key audit matter in our audit.

How our audit addressed this key audit matter

As part of our audit we have evaluated the group's processes related to the accounting of business combinations. We have reviewed the purchase agreements and audited the purchase price allocations for all significant acquisitions.

With support from our internal valuation specialists, we have assessed the valuation models applied and the significant estimates used when accounting for the business combinations. The models and estimates have been tested by comparing them to historical outcome, future cash flow forecasts as well as external sources and established valuation techniques. Further we have performed sensitivity analyzes for significant estimates as well as benchmark comparisons.

Finally, we have assessed the appropriateness of the disclosures provided in the annual report.

Valuation of goodwill

Description

At December 31, 2022, the total value of goodwill amounts to 44.3 billion SEK and is allocated to the group's different cash generating units. Goodwill must be tested for impairment at least annually or whenever there are indicators of impairment. The test is carried out by comparing the recoverable amount to the carrying value. To calculate the recoverable amount management apply significant judgment and estimates regarding future cash flows, terminal growth rate and discount rates. The impairment tests for 2022 did not result in any impairment write off.

Disclosures related to the group's accounting principles, significant accounting estimates and judgements are provided in note 1 and disclosures related to goodwill and the impairment test performed are provided in note 12.

Based on carrying value of the goodwill and the high degree of management estimate required to perform the impairment tests, we have assessed the accounting for the valuation of goodwill as a key audit matter in our audit.

How our audit addressed this key audit matter

In the audit, we have evaluated the group's process for conductin
ment tests. Based on established criteria, we have examined how
identifies cash-generating units.

With support from our internal valuation specialists, we have e
valuation methods used. We have assessed the reasonableness o
tions, conducted sensitivity analysis, and compared them to histo
comes as well as external sources and industry benchmarks.

Finally, we have assessed the appropriateness of the disclosure
the annual report.

Revenue recognition

Description

The group recognize revenue from a wide range of geographical
the revenues are generated from product- and product related o
ing from equipment, service and rental to the customers. The app
ing of revenue recognition can vary from a point in time to recogn
time. Judgement may be required in assessing if control has been
to the customer and to determine the satisfaction of performanc

The group's decentralized organization where revenues are ge
a large number of subsidiaries further increases the complexity of
the revenue recognition principles are consistently applied across

Disclosures related to the group's accounting principles, critica
estimates and judgement are provided in note 1 and note 4 provi
sures regarding revenue disaggregated by operating segment an

Based on the above, we have assessed the revenue recognition
audit matter in our audit.

How our audit addressed this key audit matter

In our audit we have assessed the group's processes for revenue r
Further, we have reviewed the group's accounting manual and as
whether the policies for revenue recognition are in accordance w
cable accounting standards.

We have obtained an understanding of the different types of si
revenue contracts and evaluated the identified performance oblig
determinations made regarding when performance obligations a
satisfied. In addition, we have performed detailed revenue transac
and revenue data analytical procedures to assess the revenue reco

We have assessed the appropriateness of the disclosures provi
annual report.

Accounting for income taxes

Description

Atlas Copco is a global group with subsidiaries world-wide. The a
income taxes requires adherence to local tax legislation which of
complex and allow for different interpretations and judgement. T
subsidiaries are regularly subject to tax audits in which the local t
might challenge the group's interpretation of the local legislation

In instances where the tax authorities are of a different opinion
interpret the tax legislation the outcome is often dependent on n
with the local tax authorities or legal proceedings. In order to acc
income taxes in these instances, management may have to apply

Audit report, continued

estimates. Changes to these estimates can have a material effect on the income tax reported.

Disclosures related to the group's accounting principles, critical accounting estimates and judgement are provided in note 1 and disclosures related to taxes are provided in note 9.

Based on the above, we have assessed accounting for income taxes as a key audit matter in our audit.

How our audit addressed this key audit matter
We have evaluated the group's process for accounting for income taxes. We have reviewed communication between Atlas Copco and the tax authorities for significant uncertain income tax matters. Our internal tax specialists have been engaged to evaluate the assessments and interpretations made by the group. We have also assessed the reasonability of the accounting for these matters by comparisons to historical outcome in similar cases and by obtaining assessments from the group's external tax advisors where appropriate.

We have assessed the appropriateness of the disclosures provided in the annual report.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–12, 40–43, 49–50 and 125–148. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding th
information of the entities or business activities within the gro
an opinion on the consolidated accounts. We are responsible f
tion, supervision and performance of the group audit. We rem
responsible for our opinions.

We must inform the Board of Directors of, among other matters, t
scope and timing of the audit. We must also inform of significant a
during our audit, including any significant deficiencies in internal
we identified.

We must also provide the Board of Directors with a statement t
complied with relevant ethical requirements regarding independ
communicate with them all relationships and other matters that r
ably be thought to bear on our independence, and where applica
taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, w
those matters that were of most significance in the audit of the an
accounts and consolidated accounts, including the most importa
risks for material misstatement, and are therefore the key audit m
We describe these matters in the auditor's report unless law or re
precludes disclosure about the matter.

Report on other legal and regulatory requirements
Opinions
In addition to our audit of the annual accounts and consolidated a
have also audited the administration of the Board of Directors and
ing Director of Atlas Copco AB (publ) for the year 2022 and the pro
appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that th
appropriated (loss be dealt with) in accordance with the proposal
tory administration report and that the members of the Board of
the Managing Director be discharged from liability for the financi

Basis for opinions
We conducted the audit in accordance with generally accepted a
standards in Sweden. Our responsibilities under those standards a
described in the Auditor's Responsibilities section. We are indepe
parent company and the group in accordance with professional e
accountants in Sweden and have otherwise fulfilled our ethical re
in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Di
The Board of Directors is responsible for the proposal for appropr
company's profit or loss. At the proposal of a dividend, this include
ment of whether the dividend is justifiable considering the requir
which the company's and the group's type of operations, size and
on the size of the parent company's and the group's equity, conso
requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organi
the administration of the company's affairs. This includes among

Atlas Copco

Audit report, continued

continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report
Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Atlas Copco AB for the financial year 2022.
Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Atlas Copco AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the pur
expressing an opinion on the effectiveness of those internal contr
examination also includes an evaluation of the appropriateness a
ableness of assumptions made by the Board of Directors and the M
Director.

The procedures mainly include a technical validation of the ESE
if the file containing the ESEF report meets the technical specifica
the Commission's Delegated Regulation (EU) 2019/815 and a reco
the ESEF report with the audited annual accounts and consolidate

Furthermore, the procedures also include an assessment of wh
ESEF report has been marked with iXBRL which enables a fair and
machine-readable version of the consolidated statement of finan
mance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statem
The Board of Directors is responsible for that the corporate gover
statement on pages 51–60 has been prepared in accordance with
Accounts Act.

Our examination of the corporate governance statement is co
accordance with FAR´s standard RevR 16 The auditor´s examinat
corporate governance statement. This means that our examinati
porate governance statement is different and substantially less in
an audit conducted in accordance with International Standards o
and generally accepted auditing standards in Sweden. We believ
examination has provided us with sufficient basis for our opinion

A corporate governance statement has been prepared. Disclo
accordance with chapter 6 section 6 the second paragraph point
Annual Accounts Act and chapter 7 section 31 the second paragr
same law are consistent with the other parts of the annual accou
consolidated accounts and are in accordance with the Annual Ac

Ernst & Young AB with Erik Sandström as auditor in charge, Box 7
Stockholm, was appointed auditor of Atlas Copco AB by the gene
of the shareholders on April 26, 2022 and has been the company
since the April 23, 2020.

Stockholm, March 20, 2023
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Atlas Copco

Financial definitions*

Reference is made in the Annual Report to a number of financial performance measures which are not defined according to IFRS. These performance measures provide complementary information and are used to help investors as well as Group Management analyze the company's operations and facilitate an evaluation of the performance. Since not all companies calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as a replacement for measures as defined according to IFRS.

Adjusted operating profit
Operating profit (earnings before interest and tax), excluding items affecting comparability.

Adjusted operating profit margin
Operating profit margin excl. items affecting comparability.

Average number of shares outstanding
The weighted average number of shares outstanding before or after dilution. Shares held by Atlas Copco are not included in the number of shares outstanding. The dilutive effects arise from the stock options that are settled in shares or that at the employees' choice can be settled in shares or cash in the share based incentive programs. The stock options have a dilutive effect when the average share price during the period exceeds the exercise price of the options.

Capital employed
Average total assets less non-interest-bearing liabilities/provisions. Capital employed for the business areas excludes cash, tax liabilities and tax receivables.

Capital employed turnover ratio
Revenues divided by average capital employed.

Capital turnover ratio
Revenues divided by average total assets.

Debt/equity ratio
Net indebtedness in relation to equity, including non-controlling interests.

Dividend yield
Dividend divided by the average share price quoted of the A-share.

Earnings per share
Profit for the period attributable to owners of the parent divided by the average number of shares outstanding.

EBITA – Earnings before Interest, Taxes, and Amortization
Operating profit plus amortization and impairment of intangibles related to acquisitions.

EBITA margin
EBITA as a percentage of revenues.

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization
Operating profit plus depreciation, amortization and impairment.

EBITDA margin
EBITDA as a percentage of revenues.

Equity/assets ratio
Equity including non-controlling interests, as a percentage of total assets.

Equity per share
Equity including non-controlling interests divided by the average number of shares outstanding.

Items affecting comparability
Restructuring costs, capital gains/losses, impairments, changes in provision for share-related long-term incentive program and other items with the character of affecting comparability.

Net cash flow
Change in cash and cash equivalents excluding currency exchange rate effects.

Net debt/EBITDA ratio
Net indebtedness in relation to EBITDA.

Net indebtedness/net cash position
Borrowings plus post-employment benefits minus cash and cash equivalents and other current financial assets, adjusted for the fair value of interest rate swaps.

Net interest expense
Interest expense less interest income.

Operating cash flow
Cash flow from operations and cash flow from investments, excluding company acquisitions/divestments and currency hedges of loans.

Operating cash surplus
Operating profit adding back depreciation, amortization and impairments as well as capital gains/losses and other non-cash items.

Operating profit
Revenues less all costs related to operations, but excluding net financial items and income tax expense.

Operating profit margin
Operating profit as a percentage of revenues.

Organic growth
Sales growth that excludes translation effects from exchange rate differences, and acquisitions/divestments.

Profit margin
Profit before tax as a percentage of revenues.

Return on capital employed (ROCE)
Profit before tax plus interest paid and foreig[n] differences (for business areas: operating pr[ofit] percentage of capital employed.

Return on equity
Profit for the period, attributable to owners [of the] parent as a percentage of average equity, ex[cluding] non-controlling interests.

Total return to shareholders
Share price performance including reinveste[d] dividends and share redemptions.

Weighted average cost of capital (WACC)

interest-bearing liabilities × i
+ market capitalization
interest-bearing liabilities
+ market capitalization

i: An estimated average risk-free interest rat[e] of 4% plus a premium of 0.5%.
An estimated standard tax rate has been a[pplied]
r: An estimated average risk-free interest rat[e] 4% plus an equity risk premium of 5%.

* Atlas Copco has chosen to present the company's alternative performance measures in accordance with the guidance by the European Securities and Markets Authority (ESMA) in a separate appendix. The appendix is published on www.atlascopcogroup.com/en/investor-relations/key-figures/financial-definitions

Introduction
This is Atlas Copco
The year in review
Financials
Other information
Signatures of the Board of Directors
Audit Report
Financial definitions
• **Sustainability notes**
Four years in summary
Contacts

Sustainability notes

Atlas Copco's sustainability report aims to provide stakeholders with relevant information about the Group's economic, environmental and social impact. The sustainability notes include complementary information about our materiality assessment, stakeholder dialogue, governance, performance data and reporting principles.

CONTENTS

Stakeholder dialogue

As a global Group, it is vital for Atlas Copco to ensure accountability for our actual and potential impact on t environment and people. Engaging continually and systematically with key stakeholders helps us understa and manage the impacts of our organization as well as the impacts along our value chain. The engagement to proactively identify stakeholders' concerns and expectations.

Our methods of engagement with key stakeholder groups and the issues and concerns raised by them ar in the table below. Read more about our risks and impacts along the value chain on page 128.

Stakeholder group	Key issues and concerns	Method of engagement
Customers	• Product safety • Product innovation • Product carbon impact • Product resource-efficiency and circularity	• Customer visits • Surveys and interviews • Customer events • Website
Investors, analysts, shareholders	• Growth and profitability • Risk management • Climate and environmental impact • Business ethics • Gender balance	• Investor interaction • Capital market days • Annual general meeting • Website • Financial reports and pres
Employees	• Health and safety • Diversity and inclusion • Working conditions • Competence development • Compensation and benefits	• Yearly appraisal • Employee surveys • Work counc • Employee representative on the Board
Society	• Climate and environmental impact • Social and environmental compliance • Human rights • Labor market issues	• Membership in internati collaboration and indust • Local engagement • Website • Surveys and interviews
Business partners	• Occupational health and safety • Labor conditions • Human rights • Business ethics • Climate and environmental impact	• Collaboration with suppl • On-site evaluation and su • Surveys and interviews

Materiality assessment

A materiality assessment is conducted regularly to identify sustainability risks and opportunities as well as to define the Group's most significant impact from a perspective of economic impacts, the environment and society, including human rights.

In this process, the perspectives of key stakeholders are gained through surveys and interviews where they are asked to prioritize a set of pre-defined issues where Atlas Copco has actual or potential impact on society and the environment through our operations and business relationships. The stakeholders also help identify sustainability risks and opportunities that may affect Atlas Copco's long-term value creation and business performance.

The outcome of the materiality assessment is discussed in internal workshops involving a broad representation of experts and functions, including the specialist safety, health, environment and quality function. It is also reviewed by Group Management and the Board.

Atlas Copco uses the materiality assessment, together with the UN Global Compact's principles, the UN Sustainable Development Goals, and risk and opportunity assessments, in reviewing our sustainability ambitions and focus areas. It also forms the basis of the sustainability targets that apply from 2022 forward, as presented on page 6.

Material sustainability issues

Atlas Copco's most recent materiality assessment was conducted in 2021. In relation to the previous materiality analysis, some issues were deemed to have become more material and a few less material. For example, stakeholders placed increased focus on diversity and inclusion, talent development and retention, and gender balance in leadership positions. Stakeholders also gave higher priority to issues relating to climate change, such as carbon impact, circular business models, and a life-cycle approach to product development. Water use, community engagement and taxes were identified as somewhat less material.

See below the sustainability issues that were identified as most material in the 2021 materiality assessment. They have been categorized as topics that are central to our long-term value creation, to building trust in Atlas Copco and our business, and topics that are central in delivering on our strategy and building business resilience.

More information and details on how the materiality assessment was conducted, including a materiality matrix, are available on the Group's website, www.atlascopcogroup.com.

Value creators

These are topics that are central to long-term value creation. Managing these issues help position Atlas Copco as a leader within sustainability. Our ambitions are expressed through our targets.

Topics
- Business ethics and integrity
- Occupational health, safety & wellbeing
- Product quality and service
- Life-cycle approach to product development
- Product carbon impact

Trust builders

Working with these topics help build trust in Atlas Copco's business. Our ambition is to be transparent and to keep pace with stakeholder expectations.

Topics
- Energy use and efficiency
- Human rights
- Responsible value chain
- Data protection and privacy
- Climate impact along the value chain

Strategic enablers

These are topics that play a central role to deliver on Atlas Copco's business strategy. Working with them should build and ensure business resilience.

Topics
- Diversity and inclusion
- Talent development and retention
- Gender balance in leadership positions
- Circular business models

Sustainability impact and risks along the value chain

Understanding our sustainability impact and risks throughout the value chain helps us choose the right actions to handle them. The table below shows where our impacts occur, the corresponding risks and examples of how we work to minimize them. Read more about our climate-related risks and how we manage them on page 131.

	Business partners	Our own operations	Customers
Impact	Atlas Copco has a large supplier base and purchased components account for about 75% of the product cost. The choice of suppliers is therefore of great importance for our impact from a social and environmental perspective. The collaboration with business partners and the business partner requirements aim to protect Atlas Copco from risks and promote better standards in society.	Atlas Copco's operations is global with employees and manufacturing in a large number of countries. In some of these, there is a high risk of human rights violations, corruption, and non-compliance with laws and Atlas Copco's policies. The impact of our own operations relates mainly to the manufacturing and transport of products, and employees' working conditions, including their health and safety.	Atlas Copco's customers demand innovative, high-quality products that are resource and energy efficient, safe and ergonomic. The main part of the products' climate impact occurs when they are being used.
Risks	– Business partners who do not live up to human rights standards, such as decent working conditions and the freedom of association – Business partners who do not live up to the principles of ethical business, for example regarding corruption – Purchased components that are not produced in a sustainable way, e.g. the presence of conflict minerals, or components with a large carbon footprint – Climate- or environmental-related events causing disruptions in the supply or distribution chain	– Insufficient standards regarding safety and health – Lack of access to skilled and competent employees – Human rights violations, such as discrimination and restrictions on freedom of association – Unethical behavior or corruption – Manufacturing and transport of products lead to greenhouse gas emissions – Environmental impact from waste and emissions – Climate- or environmental-related events causing disruptions in operations or manufacturing	– Customers' impact on the environment, the climate, human rights or other social aspects – Risks of sanctions – Risks of corruption
Mitigating activities	– Risk-based assessment of business partners, including quality and social/environmental responsibility aspects – Requirement that significant direct suppliers must have an approved environmental management system – Requirement that significant business partners must sign and follow the Code of Conduct – Action plans developed together with the supplier to deal with any shortcomings and deviations – Employee training in the Code of Conduct, and a system for reporting violations – Safety, health and environmental training for business partners – Global network of sub-suppliers reducing the dependence on individual suppliers – Promoting international frameworks, such as UN Global Compact – Technology development in collaboration with business partners – Adopting Science-Based Targets for the reduction of greenhouse-gas emissions (scope 3), including action plans by each business area for how to contribute to the targets.	– Regular assessment of sustainability risks, including climate-related risks – Targeted recruiting and competence development – Certification of major operating units according to ISO 9001, ISO 14001 and ISO 45001 – Training for all employees in the Code of Conduct, and a system for reporting violations – Follow-up and control through internal audits – Safety and health trainings for employees – Increased use of renewal energy and efforts to decrease energy consumption – Efforts to decrease waste volumes and to increase the share of reused and recycled waste – Efforts to reduce water consumption – Reduced use of air freight in favor of lower carbon transport modes – Applying international standards and frameworks, such as the UN Global Compact – Adopting Science-Based Targets for the reduction of greenhouse-gas emissions (scope 1 and 2), including action plans by each business area for how to contribute to the targets.	– Continuous development of products with improved ergonomics, safety, energy efficiency and reduced emissions – Employee training in the Code of Conduct, and a system for reporting violations – Evaluation of customers' sustainability work and dialogue with customers in complex markets – Collaborations with customers to develop efficient and safe solutions with reduced environmental impact – Adopting Science-Based Targets for the reduction of greenhouse-gas emissions (scope 3), including action plans by each business area for how to contribute to the targets.

Sustainability governance
The Board of Directors has the overarching responsibility for overseeing Atlas Copco's strategic direction, including the Group's financial and non-financial strategies and targets to ensure a sustainable, profitable growth. The Board approves Atlas Copco's sustainability focus areas, and the related targets. The Group's performance in relation to the targets is reported quarterly to the Board by the CEO. The Board is the owner of the Group's Code of Conduct which regulates how employees, and the Board itself, should act towards each other and in relation to other stakeholders. The Board is also, together with Group Management, responsible for the preparation, reviewal and approval of the sustainability report, including the material topics.

Each member of Group Management is responsible for the implementation and follow-up of strategies and targets although the CEO has the ultimate responsibility. Progress in relation to the targets is part of the variable compensation for members of Group Management as well as for other employees. The Vice President Sustainability is responsible for coordinating the Group's sustainability work and reports to the SVP Chief Communications Officer, who is a member of Group Management.

Implementation is handled mainly by the divisions, which are separate operational units, responsible for delivering results in line with the business area's strategies and targets. The business areas and divisions set quantified targets for delivering on the Group targets. The divisional presidents and general managers are responsible for ensuring that targets are set as a part of the three-year plan, and that progress is followed-up and reported to the Group.

Safety, Health, Environment and Quality (SHEQ) managers support the sustainability work in the operational entities, divisions and business areas. At corporate level, a sustainability team and controller provide coordination and support to the entire organization, working closely with a SHEQ representative from each business area. The Group's SHEQ council is chaired by a division president and consists of the business area SHEQ managers, the Vice President Sustainability, and representatives for HR, Holding and controlling. The SHEQ council comes together quarterly to discuss actions, policies and guidelines to support the organization in reaching set ambitions.

Central policies and guidelines
Atlas Copco's Code of Conduct is the central guiding policy which sets clear requirements to ensure that we conduct business with the highest ethical standards and that we act with integrity, fairness and respect in all operations. All employees, business partners, and the Board of Directors are expected to adhere to the principles in the Code. In cases where the Code of Conduct is stronger than local laws and regulations, the Code should apply.

The Code of Conduct is based on the following international standards:

- United Nations International Bill of Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The United Nations Global Compact
- The OECD Guidelines for Multinational Enterprises
- UN Guiding Principles for Business and Human Rights

The Board of Directors owns the Code of Conduct and reviews it each year. In 2022, the content of the Code of Conduct was updated with new topics including modern slavery, risk management, circularity, data protection and privacy. Atlas Copco's Code of Conduct is supported and complemented by other Group policies and guidelines, such as:

- *SHEQ policy:* global Safety, Health, Environment and Quality policy that ensures robust standards for safety and wellbeing, as well as an environmental and quality perspective on technologies, products and services to make sure these contribute to a sustainable productivity for customers.
- *Human Rights Statement:* expands on the Group's commitment to respect and support human rights and defines procedures to ensure compliance throughout Atlas Copco's operations.
- *Business partner criteria*: significant business partners must commit to following Atlas Copco's Code of Conduct by signing the Business partner criteria which states the Group's expectations regarding business ethics, social, safety, health and environmental performance.
- *The Enterprise Risk Management process*, which is conducted annually on divisional level, and includes sustainability-related risks. The results are aggregated on business area and Group level.

All employees are required to complete a leader-led ethics training every two years and to annually sign a Code of Conduct compliance statement. The Code of Conduct has been translated into more than 30 languages and is available on the Group's website.

Management system standards
Atlas Copco strives for all major operating units to be triple-certified according to the standards ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 45001 (occupational health and safety). All production units with more than 20 employees, and all customer centers and rental companies with more than 70 employees are to be triple-certified. By the end of 2022, the share of required units that were not triple-certified was 10% of the total number of operational units. The same measure for each individual certification was 6% for ISO 9001, 9% for ISO 14001 and 9% for ISO 45001. Some of the non-certified units are acquisitions still within the two-year timeframe to comply, or newly restructured units. Some units which are not yet triple-certified are in the process of becoming so, and a smaller portion has lacked the resources so far to commit to a triple certification.

Grievance mechanism
The Group promotes a culture of integrity through mutual respect, trust, and high ethical standards in all business interactions. Atlas Copco uses an external whistleblowing system called SpeakUp. The system may be used by employees or external stakeholders to report behavior or actions that are, or may be perceived as, violations of laws or the Code of Conduct. It is accessible all day, every day, offering anonymous reporting in more than 70 languages via a message function or local phone number. The Group's legal department handles cases, initiates investigations and the SVP Chief Legal Officer informs the Board regularly about critical concerns (see number of reported cases on page 130).

Human rights assessment
Atlas Copco is a signatory of the UN Global Compact and committed to working with the ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. The Code of Conduct also supports the International Labour Organization Declaration on Fundamental Principles and Rights at Work, as well as the OECD's Guidelines for Multinational Enterprises.

The Group committed to the UN Guiding Principles for Business a[...]
Rights when it was launched in 2011. In accordance with the requ[...]
Atlas Copco has an ongoing process to identify, prevent, mitigate [...]
for the human rights impacts related to Atlas Copco's business an[...]
relations.

The Group strives to work according to the UN Guiding Principl[...]
value chain, covering procurement, human resources, sales, mark[...]
other business processes. The Group's commitment covers all ind[...]
stakeholders who may be impacted by our activities or business r[...]
Human rights are monitored by the Compliance Board, which has [...]
bers of Group Management: the SVP Chief Legal Officer and the S[...]
Communications Officer. The Compliance Board addresses trainin[...]
impact assessment and the action points related to the implemen[...]
UN Guiding Principles.

Human rights due diligence is carried out when deemed releva[...]
cific markets, for instance when Atlas Copco enters a market that [...]
as presenting severe human rights risks. Atlas Copco's whistleblo[...]
can be used to anonymously report perceived human rights viola[...]
Atlas Copco's human rights statement can be found at the Group[...]
www.atlascopcogroup.com.

Training on human rights policies and procedures
Atlas Copco has developed human rights specific training in addi[...]
ing in the Code of Conduct to increase employee awareness. The [...]
available to all employees through the Group's intranet.

External initiatives and membership of associations
Atlas Copco is a signatory to the UN Global Compact, a strategic p[...]
tive for businesses that are committed to aligning their operation[...]
gies with ten universally accepted principles in the areas of huma[...]
labor, environment and anti-corruption.

Atlas Copco is also active in a number of international organiza[...]
industry collaborations and initiatives, such as:

- The Stockholm Chamber of Commerce
- The International Council of Swedish Industry
- The Association of Swedish Engineering Industries
- Transparency International Sweden
- Pneurop – European Association of Manufacturers of Compress[...] Pumps, Pneumatic Tools and Air & Condensate Treatment Equi[...]
- The Responsible Minerals Initiative

While the general objectives of these organizations are in line wit[...]
Copco's interests, there may be differences of opinion regarding [...]
issues. The memberships do not indicate that Atlas Copco endors[...]
or policy statements made by the respective organization.

ECONOMIC IMPACT

Economic performance

Direct economic value generated and distributed

Atlas Copco creates employment and financial stability through subcontracting manufacturing and other activities. The Group's shareholders and creditors provide funds to finance the asset base that is used to create economic value. In return, these stakeholders receive dividend and interest.

Atlas Copco contributes to economic development within the regions where we operate, through payments to pension funds and social security, and payment of taxes, social costs and other duties. Community investments amounted to MSEK 28 (31).

Local purchasing (non-core) is encouraged in order to generate societal value in the communities where Atlas Copco operates, by creating job opportunities as well as generating direct and indirect income. This is mostly carried out by local companies, which also decreases the environmental impact from transport.

Economic value	**2022**	**2021**
Direct economic value	142 233	111 972
Revenues	141 325	110 912
Economic value distributed		
Operating costs	78 094	61 019
Employee wages and benefits, including other social costs	33 580	27 151
Costs for providers of capital	9 765	9 281
Costs for direct taxes to governments	7 262	5 372
Economic value retained	13 532	9 149
– Redemption of shares	9 732	–

Anti-corruption

Atlas Copco has zero tolerance against corruption. The Code of Conduct is the Group's central policy document, accessible to all employees. All employees are required to sign the compliance statement for adherence to the Code of Conduct, and participate in trainings. Division presidents have the ultimate responsibility for the adherence to the Group's values and policies. Internal control is exercised through distribution of responsibility and internal audits. The Compliance Board oversees compliance with the Code of Conduct.

Atlas Copco conducts internal audits of all operational entities using a risk-based approach. Each entity is normally audited at least every five years. All internal audits include an ethical review and an audit of risks related to corruption. In 2022, 99 entities (19% of all entities) were audited and no significant risks related to corruption were identified during these audits.

Reported potential violations, number	**2022**
Fraud	13
Labor relations, including discrimination and harassment	245
Corruption & regulatory breach	28
Conflicts of interest	7
Other	70
Total	**363**

During the year, there were a total of 363 reported potential violations through Atlas Copco's whistleblowing solution, SpeakUp. In 45 cases no evidence of wrongdoing was found, in 51 cases evidence could confirm that no wrongdoing had occurred, in 5 cases disciplinary action, such as a written warning, were taken against one or several employees as a result of an investigation. In 30 cases weaknesses were found in internal processes which were improved as a result. Two cases were settled in court. The remaining cases are under active investigation.

There were no significant fines or non-monetary sanctions for non-competitive behavior or for non-compliance with laws and/or regulations in the social and economic area during the year.

ENVIRONMENTAL IMPACT

Atlas Copco has integrated the most material environmental KPIs strategic work. This drives improvement and efficiency, while red impact on the environment.

Environmental performance is monitored and reported at unit aggregated to Group level. General managers are responsible for the implementation of divisional strategies and targets, including initiatives to increase the proportion of reused, recycled or recove reduce water consumption, to curb energy use and emissions as w increase the proportion of renewable energy used.

Environmental management systems

To minimize the environmental impact and to secure that the pre approach is applied, Atlas Copco has the ambition to implement tal management systems (EMS) in all operations. All production u more than 20 employees should be certified according to ISO 140 product companies are normally certified within a two-year peri

The share of significant direct suppliers with an approved EMS measured, and the target is that the share should increase year-by approved EMS is defined as ISO 14001, or fulfilled EMAS (EU Eco-M and Audit Scheme) requirements. The significant supplier needs t party certified for ISO 14001 or registered in accordance with EMA valid certificate/registration. In 2022, 31% of the Group's significa suppliers had an approved environmental management system a this definition.

Energy consumption within the organization, all operatio

Energy consumption*, MWh
Direct energy, renewable
Direct energy, non-renewable
Indirect energy, renewable (incl. renewable of mix)
Indirect energy, non-renewable

* The calculation of indirect energy, i.e. energy purchased externally by the c includes electricity (95%) and district heating (5%) used at the sites. Atlas C report cooling or steam separately. The calculation of direct energy, i.e. en ed by the company for its own production or operation, comprises all fuels sites, including diesel, oil, bio-fuel, gasoline, solar, geothermal, propane an

Environmental compliance

Atlas Copco follows applicable environmental laws in all countrie Group operates. Incidents or fines are reported for non-complian ronmental legislation, as well as incidents involving chemical, oil c ages. In 2022, there was 1 (0) accident resulting in adverse enviror effects, related to an antifreeze spill at a production unit in the US total clean-up costs relating to adverse environmental effects am KSEK 379 (0). Monetary sanctions for non-compliance in the Grou to KSEK 171 (0).

Two Swedish operations, involving machining and assembly of nents, require permits based on Swedish environmental regulatio mits relate to areas such as use of cutting fluids, process oils and h emissions to water and air, and noise pollution. None of the perm under revision in 2022.

Atlas Copco

CLIMATE-RELATED RISKS AND OPPORTUNITIES

There are a growing number of voluntary reporting standards, initiatives and regulations concerning climate, such as the Taskforce on Climate-related Financial Disclosures (TCFD). Atlas Copco takes inspiration from the guidelines and seeks to develop our reporting continuously and address major areas of information sought.

Governance

The Board of Directors is responsible for Atlas Copco's overall strategy, organization, administration and management. This includes climate-related risks and opportunities. The Board of Directors have approved the science-based targets that were adopted by Atlas Copco in 2021 and against which the Group's climate-related work will be measured from 2022 onwards. Climate-related issues concern several functions and areas of expertise in the organization. At an operational level, risks and opportunities are governed by Group Management and the divisional presidents. Read more about corporate governance on pages 51–54.

Strategy

Atlas Copco assesses climate-related risks and opportunities that have an actual and potential impact on our business and strategy. The process for identification of risks and opportunities is centered at the divisions. The Group has identified and assessed the following market, regulatory and physical risks related to climate change:

- ***Market risks***
  Market shifts toward a low-carbon economy may impact the viability of certain sectors and products. Atlas Copco's continuous work to increase the energy efficiency of our products helps mitigate these risks. This shift also represents an opportunity to continue developing more energy-efficient products and may give rise to new businesses and business models. For instance, an increased generation of renewable energy, such as solar panels and wind mills, and the surge in production of electrical vehicles, present opportunities since Atlas Copco provides products and services to these industries.

- ***Regulatory risks***
  Climate and energy policy will gradually be sharpened and favor companies that deliver energy-efficient products and comply with sustainable practices. Among the risks are increased energy prices and taxes, and regulations related to CO_2 or other greenhouse-gas emissions. As the Group invests in innovative products via research and development, more strict regulations will likely offer opportunities for Atlas Copco.

- ***Physical risks***
  Changing weather patterns may pose a physical risk to operational units or suppliers in areas in risk of rising sea levels, water scarcity or violent storms that could result in disruptions in the production or logistics chain. The physical risk is assessed at site level and safety measures are taken if needed, as part of the loss prevention program. Atlas Copco has a global network of suppliers, which provides resilience to local or regional disruptions.

Risk management

Climate-related risks, such as physical risks for operational entities or market risks connected to products, and the related financial implications are assessed at the divisional level and, when deemed relevant, included in the annual Enterprise Risk Management process. An aggregated analysis of the identified risks is presented annually to Group Management. Read more about the risk management process on page 44.

Metrics and targets

Since 2021, Atlas Copco implements science-based targets covering the entire value-chain. Our greenhouse gas emission reduction targets are approved by the Science-based Target initiative as being aligned with the Paris Agreement.

Read more about the targets and the progress made on pages 34–35, 42, 130 and 144.

Value chain impact assessment

In 2021, Atlas Copco conducted a value-chain impact assessment, which formed the baseline for our Science-Based targets and the starting point for our commitment to reduce the Group's carbon dioxide equivalent emissions in line with the Paris agreement. A common Group methodology was used with 2019 as the baseline year.

The direct climate impact from energy used by our entities (scope 1 and 2) was initially calculated by using actual data from the reporting entities and estimating the impact from remaining entities. In 2022, all entities have reported their actual carbon dioxide equivalent emissions from energy used in companies, and vehicles' use. The performance on scope 1 and 2 is monitored and reported at unit level and aggregated to Group level.

To calculate the product-related value chain part of the scope 3 emissions, a Group-comm been developed – The Product Carbon Footp (PCF). The tool is updated yearly and covers t used in the product, the estimated service re energy used at the production site as well as use phase based on an estimation of how th are used by our customers.

Considering the different characteristics o ucts, the business areas' plans and efforts to climate-impact of their products differ. How have in common that the development and a renewable energy sources in customers' ma critical to their ability to achieve the Group's scope 3 emissions.

Business area	Calculation method	Efforts to reduce products' clima
Compressor Technique	Scope 3 emissions have been calculated by applying the PCF tool to a set of reference products selected by the business area.	The scope 3 target will be achieved improving the efficiency of our pro optimizing the compressor room b controls and variable speed.
Vacuum Technique	Scope 3 emissions have been calculated by applying the PCF tool methodology to the products sold to global markets. Estimations have been made regarding the electricity consumption by applying a standard load factor. Other aspects through the lifecycle of the products have been standardized including the lifecycle itself.	The scope 3 target will be achieved improving product performance, i smart technology to optimize the e required, and by leveraging our ser to deploy product upgrades, which product lifecycles.
Power Technique	Scope 3 emissions for the years 2019–2022 have been calculated manually based on a set of reference products selected by the business area. The emissions for 2022 have been extrapolated based on the previous year's result and increase in cost of goods sold. A factor for reduction based on identified levers and their potential to reduce emissions has also been used.	The scope 3 target will be achieved providing electrified alternatives fo product, improving fuel efficiency internal combustion engines, and s customers' and rental customers' u by offering solutions to make HVO on the construction sites.
Industrial Technique	Scope 3 emissions have been calculated by applying the PCF tool to a set of reference products selected by the business area.	The scope 3 target will be achieved developing and providing electric for the pneumatic product ranges, energy efficiency in the current pro range and optimizing use of the pr by customers.

Our ambition is that the data we report should be as realistic as possible to reflect the products' actual emissions. However, due to the complexity of the area and the number of assumptions and estimates underlying the calculations, we realize that the data is associated with significant uncertainties. We will therefore work g develop and improve the quantification proc tools we use over time, to increase their accu practicable and minimize uncertainties.

Atlas Copco

SOCIAL IMPACT

Employment

Information on employees and other workers

Atlas Copco is a significant employer on the global market. The Group reports the number of employees as full time equivalents (FTE) per geographical spread and per professional category, as well as divided between white-collar and blue-collar employees. For geographical spread of Atlas Copco employees and employees by professional category, see note 5, page 83.

Additional workforce by region, at year end, %	2022
North America	16
South America	1
Europe	47
Africa/Middle East	1
Asia/Oceania	35
Total	**100**

Additional workforce by professional category, at year end, %	2022
Production	52
Marketing	2
Service	15
Administration	14
Research & development	17
Total	**100**

New employee hires and employee turnover

The total number and rate of external new employee hires in 2022 was 8 524 (6 524) which constitutes 18.6% (15.8) of the total average number of employees during the year. The percentage of externally recruited female employees was 27% (27). The total number of resignations was 3 667 (2 833), which constitutes 8.0% (6.9) of the total average number of employees during the year.

The Group's KPIs for employee satisfaction and engagement measure how employees perceive the company culture and their opportunities to grow in the company. The targets for both KPIs are to be above and to continuously increase in relation to the employee engagement survey provider's proprietary benchmark for global companies. The benchmark is based on anonymized data from the survey provider's customer base with tens of millions of respondents in more than 150 countries, as well as input from industry panel studies to produce robust and unbiased normative data.

Freedom of association and collective bargaining

Atlas Copco views trade unions and employee representatives as a valuable support for its employees, and fosters relationships based on mutual respect and constructive dialogue. Labor practices and employee rights, such as collective bargaining, are covered in the Code of Conduct. In 2022, 29% (32) of all employees were covered by collective bargaining agreements.

As a decentralized organization, the engagement and dialogue with labor unions take place at a local level. In case of operational changes that may significantly affect employees or result in giving notice, the local laws and regulations as well as collective bargaining agreements are respected and complied to. The need for transition assistance programs is assessed at local level and the support provided through such programs are adapted to the situation at hand and to local market conditions. The Group's internal job market is available to all employees and provides opportunities for internal mobility.

In countries where no independent labor unions exist, Atlas Copco has taken measures to establish forums for employer/employee relations, through environment and safety committees.

Labor relations are followed up regularly on the operational level and reviewed by internal audit. Significant suppliers' compliance to our Code of Conduct, which is based on international guidelines and frameworks such as the UN Global Compact and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, is audited regularly.

Occupational health and safety

Safety and wellbeing are key priorities for Atlas Copco due to the importance of a sound working environment to employees' health and motivation, as well as to the Group's productivity and competitiveness. The Group's global Safety, Health and Environmental policy ensures that there are robust standards for safety and wellbeing in the workplace.

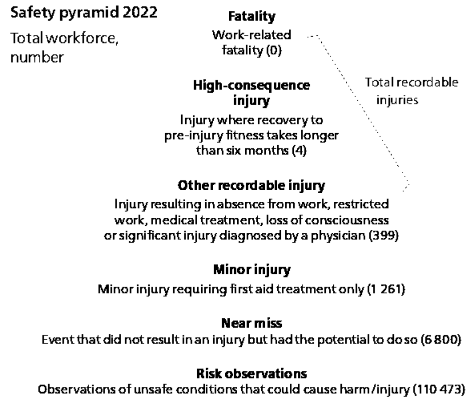
Each division sets targets and makes action plans to increase awareness and improve behavior, policies and processes with the purpose of offering a safe and healthy work environment and to identify and address risks. Targets and key performance indicators on safety and wellbeing are continuously monitored by local management and followed up by Group Management in connection with the quarterly reporting of sustainability data.

Occupational health and safety management system

Group companies must have an Atlas Copco-verified Safety, Health, Environment, and Quality management system, which is documented, implemented and updated on an ongoing basis. Customer companies and rental companies with more than 70 employees, and product companies with more than 20 employees shall be certified according to ISO 45001. The system involves regular risk assessments and follow-up on conditions and safety-related processes of both our own workplaces and those of contractors.

Safety pyramid 2022

Total workforce, number



Employees covered by ISO 45001*, 2022	Number (FTE)
Atlas Copco employees	32 754
Additional workforce	2 650
Total	**35 404**

* Based on units required by Atlas Copco to be certified according to ISO 450 certificates are audited both internally and externally.

Work-related injuries

In order to decrease risks and prevent injuries in the workforce, At uses a safety pyramid for the Group's reporting. The method supp parent reporting, risk-averse behavior and behavior change. The different severity of incidents and injuries are aligned with interna dards. The number and rate of incidents and injuries cannot be co the years before 2019, as this was the first year the reporting tool

The Group's safety-related target is to have a balanced safety p means more reports of risk observations than near misses, more than minor injuries, and more or equal reports of minor injuries re recordable injuries.

See the results of the 2022 reporting in the table below and illu above. Over the last few years, the major hazards reported for hig quence injuries have been slips and trips, lone working and manu of equipment. Examples of common injuries were cuts or other in operating machines. Among the actions to mitigate hazards are a training and risk assessment of working environment, inspection handling aids, and ensuring safe access to equipment.

Total recordable injuries, 2022	Per million working hours
Recordable injuries, total workforce	**4.2**
Recordable injuries, Atlas Copco employees	4.3
Recordable injuries, additional workforce	3.6
Fatalities, total workforce	0
Fatalities, Atlas Copco employees	0
Fatalities, additional workforce	0
High-consequence injuries, total workforce	0.04
High-consequence injuries, Atlas Copco employees	0.05
High-consequence injuries, additional workforce	0.0

Diversity and inclusion

Atlas Copco's Diversity and Inclusion guideline states that we striv sity and inclusion in every aspect of our operations. Atlas Copco b having an inclusive culture, which means that all of our employee fairly and with respect, are able to make a professional career, are heard, and have the opportunity to thrive and grow. We provide e tunity to all applicants and employees and do not discriminate ba ethnicity, religion, gender, age, nationality, disability, sexual orie political opinion. The diversity and inclusion guideline covers all Atlas Copco companies establish local diversity policies and guide ment with the Group policy, local laws and regulations, and local Anti-harassment and non-discrimination are addressed in the Gro tory ethics training.

The Diversity and Inclusion Council is chaired by President and CEO Mats Rahmström, and consists of representatives from all business areas, along with the corporate communications, human resources and accounting and controlling functions. The council meets regularly to follow up on action plans and results in the operations.

Atlas Copco strives to increase the share of women in the organization, and the target is that by 2030, there should be 30% women in the Group. At year end 2022, the share of women in the workforce was 21.6% (20.9). The Board of Directors (excluding worker representatives) constituted of 6 men and 2 women (25% women) and Group Management were 7 men and 2 women (22% women).

Atlas Copco has managers on international assignments coming from 46 countries and working in 46. In 2022, a total of 80% (77%) of all senior managers were locally employed. 46 (42) nationalities were represented among the 631 (509) most senior managers in the Group.

Taxes

The Group recognizes the key role that tax plays in advancing economic development and considers it vital to combat corruption and support sound business practices in order to create most value for society. Atlas Copco believes in good corporate practice in the area of tax management, balancing the interests of various stakeholders, including customers, investors as well as the governments and communities in the countries in which the Group operates. Atlas Copco does not engage in aggressive tax planning but instead takes care to pay the correct taxes in its countries of operation. Atlas Copco's tax policy can be found at the Group's website www.atlascopcogroup.com. See note 9 of the consolidated financial statements for the details of taxes paid, reported according to the international financial reporting standards.

Disclosing tax by country

Atlas Copco openly discloses the Group's corporate income tax cost including the Group effective corporate tax rate in the annual report. The Group reports revenues, corporate tax costs and other key figures via country-by-country reporting to tax authorities globally.

At present, there is no established international standard for publicly reporting taxes paid by country and the resulting data is therefore not comparable between different companies. Considering various initiatives on openly disclosing corporate tax costs, including the EU Directive on public country-by-country reporting, we expect corporate tax cost on regional or country level to be disclosed for the Atlas Copco Group within the coming years.

Responsibility throughout the value chain

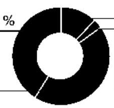
Working with business partners who share Atlas Copco's high standards regarding quality, business ethics, the environment and resource efficiency is necessary to effectively manage risks, and to enhance productivity in the value chain. The ambition is to work with suppliers and distributors who share these standards and who comply with the Code of Conduct.

Business partner	Role in the value chain	Primary responsible for risk management and compliance
Suppliers, subcontractors	Provide key parts as well as manufacturing services	Purchasing councils
Joint ventures	Partly owned companies that provide complementary products and services	Division presidents
Agents, distributors	Sell and distribute products to customers on the Group's behalf	Marketing councils

Suppliers

Atlas Copco has a large international supplier base. Around 75% of product cost stems from purchased components. Atlas Copco's purchasing strategies are decentralized to give the organization higher flexibility and to ensure the right competence. Purchasing councils oversee supply chain management at divisional level, and come together as a part of the Group purchasing council to develop central policies and tools that impact all operations. Local purchasing is encouraged.

Geographical spread of suppliers



Evaluation process

Suppliers are evaluated during and after selection by product companies, primarily by personnel in the purchasing function. Internal training on how to carry out supplier evaluations is published in the internal handbook of policies and guidelines *The Way We Do Things*.

The supplier evaluation process examines:

- Business partners' record of governance, ethics and stance against corruption
- Labor issues: Rejection of forced, compulsory or child labor, elimination of discrimination, safeguarding employee health and safety, collective bargaining rights
- Environmental performance: Managing waste, minimizing emissions, and reducing the use of natural resources
- Human rights issues: Responsible sourcing and respect for human rights in operations

At times, self-assessment checklists are sent to suppliers and on-site evaluations are conducted regularly or when deemed necessary. These result in a report with concrete suggestions in the form of an action plan or improvements to be followed up on at an agreed time. Atlas Copco can provide experience and know-how to suppliers who need support in order to comply with the minimum standards set forth in the business partner compliance document. However, suppliers who fail to meet the criteria and do not show a willingness to improve are rejected.

Suppliers´ commitment	2022
Significant suppliers, number	6 214
Suppliers audited on safety, health, social, and environmental issues[1]	922
Suppliers approved (no need to follow up)	880
Suppliers conditionally approved (monitored)	41
Suppliers rejected (relationship ended)[2]	1
Suppliers asked on commitment to the Code of Conduct, number	6 029
Significant suppliers that have confirmed their commitment to the Code, %	93

[1] Audits are conducted by Atlas Copco teams directly at the suppliers' sites.

[2] Reasons for rejection relate to safety in the workplace, labor conditions, e issues, or non compliance of laws. Suppliers are rejected if they do not me Copco's requirements and are not willing to improve. In 2022, one busine was rejected due to environmental, health and safety issues.

Definition of significant suppliers:

All external suppliers of goods and services, direct and indirect, w ing value above a set threshold, based on 12-month values from C previous year to September current year.

For suppliers in countries with heightened risk for human right environmental risks or corruption etc., the purchasing threshold i (approximately 13% of set value).

Responsible sourcing of minerals

Responsible sourcing of minerals is essential to Atlas Copco and th Group does not procure directly from smelters/refineries, some p supply chain do. Atlas Copco is not in the scope of Dodd-Frank Ac regulation 2017/821, but based on concerns of violations of huma including forced labor, human trafficking and child labor, and to s customers' obligation to these Acts, the Group has measures to d prevent the use of conflict minerals in its supply chain.

Atlas Copco requires its direct suppliers to commit to responsib of all minerals included in parts and products they sell to us. This c is exercised through minerals data collection and due diligence, in every year. Moreover, all our significant suppliers must sign the C duct that includes an article on responsible sourcing requirement is described in detail on the Group's website www.atlascopcogro

Atlas Copco has a comprehensive program to investigate the p conflict minerals in components used in Atlas Copco products. Th ensures responsible sourcing of tin, tantalum, tungsten and gold. added to the program in 2020, and data collection and due dilige the Responsible Minerals Initiative (RMI) guidelines and Cobalt Re Template (CRT) will be rolled out continuously.

As a member of the RMI, Atlas Copco adheres to its guidelines l ing suppliers to source from smelters verified by a third party such Responsible Minerals Assurance Process (RMAP), and commits to by submitting reporting templates to customers about smelters i chain and collaborates with stakeholders.

Distributors
Atlas Copco has a large international distributor base. Atlas Copco's sales strategies are set by the divisions on a global level and are tuned for local market needs by the customer centers. These sales strategies include the choice of sales channels and distributor management. The marketing councils ensure cross-divisional alignment and develop central policies and tools that impact all operations.

Starting in 2019, the percentage of significant distributors that sign the Atlas Copco business criteria is measured as a Group KPI. In 2022, 92% of all significant distributors signed the business partner criteria. 100% of the significant distributors were asked to sign the criteria.

***Definition of significant distributors*:**
All external distributors, including agents and resellers with sales of the Group's goods and services for a value above a set threshold, based on 12-month values from October previous year to September current year. For distributors, agents and resellers in countries with a heightened risk for human rights violations, environmental risks or corruption etc., the sales threshold is set to include all active distributors.

Product responsibility
Atlas Copco strives to follow all applicable laws and regulations regarding safety, health and environmental aspects, product information, safety information and labeling. The information required by the Group's procedures for product and service information and labeling covers aspects such as sourcing of components, substances of concern, safe use and disposal of the product. Customer training is included when relevant, to secure safe handling of the products.

In general, all electrically driven Atlas Copco products sold into the EU fall under the EU Waste Electrical and Electronic Equipment (WEEE) Directive. This includes compressors, vacuum pumps, handheld electric tools and monitoring control instruments. Atlas Copco is responsible for, and arranges with customers, the correct disposal of products that fall under the directive.

Atlas Copco maintains lists of substances which are either prohibited or must be declared due to their potential negative impact on health or the environment. Prohibited substances are not allowed in the Group's products or processes. Items containing declarable substances are avoided or replaced whenever possible.

Via a dedicated Atlas Copco communication platform all our suppliers can be swiftly informed about upcoming legislative changes. A team of experts then follow up with our suppliers to ensure our business partners around the world understand and acknowledge the importance of adhering to the Atlas Copco policy. The Atlas Copco Prohibited and Declarable list is under continuous revision according to applicable legislations worldwide. This includes REACH, RoHS, U.S. State of California Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) and Japanese Chemical Substance Control Law (CSCL). The lists on prohibited and declarable substances are also published on the Group's website www.atlascopcogroup.com.

Incidents of non-compliance
No (0) cases have been filed in 2022 for non-compliance with such laws and regulations concerning the provision and use of such products and services.

EU Taxonomy regulation disclosures

The European Union (EU) taxonomy aims to provide guidance and over time a comprehensive classification system for sustainability, structured into different economic activities that companies can perform. It consists of six environmental objectives of which two are relevant for the financial year 2022: climate change mitigation and climate change adaptation.

Atlas Copco develops and offers a wide range of products for different end markets and applications. Atlas Copco strives to provide the most energy efficient products for each specific application to support its customers in minimizing their energy consumption and reducing their climate impact.

Guidance from the EU issued in 2022 emphasizes that the term "eligibility" does not require adherence to any reporting criteria other than fulfilling the activity description for the products or services offered. Atlas Copco has therefore revised its conservative approach to eligibility of 2021 when only products with high likeliness of also becoming aligned were included. As a result, revenue eligibility has increased.

During 2022, each business area has identified one pilot product to be assessed for revenue alignment rather than evaluating the entire product range of Atlas Copco. A comprehensive assessment to evaluate the taxonomy reporting criteria for Do No Significant Harm and Minimum Safeguards has been completed, including Group-wide reporting of relevant capital expenditures (CapEx) and operating expenditures (OpEx).

Atlas Copco deems its existing policies and procedures overall adequate to conclude that no significant harm is caused to any environmental objective and that the company complies with the social aspects of conducting business in a responsible manner. However, recent EU taxonomy guidance, particularly in relation to the Minimum Safeguards, indicates a restrictive compliance interpretation. Therefore, Atlas Copco reports 0% alignment on all three KPIs. Atlas Copco follows the development closely and may adjust its reporting in the future.

Doing no significant harm

Taxonomy alignment requires positive contribution to at least one of the taxonomy environmental objectives while doing no significant harm to any of the other objectives. The taxonomy specifies specific criteria as to what constitutes doing harm and what type of assessment a company should perform to evaluate such potential harmdoing.

Atlas Copco has assessed its operations against the taxonomy's appendixes A, B, C and D as well as the requirements for not harming the transition to a circular economy. The conclusion is that no significant harm is done. Improvements may be implemented to certain existing policies and procedures. Atlas Copco is reporting 0% alignment and therefore no detailed review of each aspect of the criteria is shared at this stage.

Meeting the minimum safeguards

The EU taxonomy references adherence to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Atlas Copco has assessed compliance against the Minimum Safeguards requirements. In principle, company policies align with the criteria, but as recent guidance from the EU particularly in relation to the Minimum Safeguards, indicates a restrictive compliance interpretation, Atlas Copco reports 0% alignment. For this reason, no detailed review of each aspect of the criteria is shared at this stage.

Revenue KPI

Based on the current EU taxonomy delegated act for climate change mitigation and climate change adaptation, Atlas Copco is eligible for climate change mitigation under section 3.6 with the activity description *"Manufacture of technologies aimed at substantial greenhouse gas emission reductions in other sectors of the economy"*.

Atlas Copco defines eligibility as technologies which aim to enable substantial energy savings and/or other means to avoid, reduce, remove, or store greenhouse gas emissions compared to alternative technologies commonly used on the market. This includes products and services that: 1) prevent the venting of environmentally hazardous gases directly into the atmosphere, or 2) enable substantial energy savings compared to available technologies commonly used on the market by either use optimization, in and of themselves, by enabling the shift to electric/battery power, or by introducing new solutions on the market.

Following clarifications by the EU during 2022, eligible technologies now include:

- Energy efficient products and services which now or over time are expected to meet the alignment criteria.
- Products and services which are aimed at being phased out and replaced by aligned products.

In 2021, Atlas Copco included eligible revenues within customer segments referenced in the taxonomy where Atlas Copco products and solutions play a critical role in the manufacturing process. As there are no clear instructions how enabling activities shall be assessed, Atlas Copco only reports under the taxonomy section 3.6 in 2022. Atlas Copco follows the development closely and may adjust its reporting subject to clarification.

Eligible technologies

The mapping of eligible technologies is an ongoing process and may result in revisions in future reports as reporting practice develops. For the 2022 reporting the following have been included:

Within the Compressor Technique business area, a majority of products and solutions are eligible and developed with the aim to lower customers' energy consumption. This is predominately done through energy efficient variable speed drive compressors but also fixed speed compressors are manufactured with the aim of offering energy efficiencies. Additional eligible products and solutions include e.g. on-site industrial gas generators, blowers, boosters, and dryers as well as optimizing service solutions such a
for optimal air distribution.

Within the Vacuum Technique business area, abatement exh
agement solutions are eligible as they eliminate toxic and global w
gases which would otherwise create a climate impact. Also includ
are vacuum pump solutions which demonstrate market leading le
energy efficiency achieved by initiatives such as e.g. high-perform
sources or IoT technology to optimize energy demand.

Within the Industrial Technique business area, a majority of p
and solutions aim to reduce customers' energy consumption and
deemed eligible. This includes all products and solutions that sup
transition from pneumatic to electric power, as well as use optimi
pneumatic products, making them as energy efficient as possible
replaced by an electrical option.

Within the Power Technique business area, all electric or batt
products are deemed eligible, supporting the shift from diesel to
battery power. This includes the electric rental fleet. Also diesel-d
ucts are considered eligible because when necessary infrastructu
solutions is lacking, diesel-driven machinery is required in the ma
Atlas Copco offers very energy efficient solutions. Still, the aim is t
diesel-driven products with electric alternatives when possible. A
a majority of the business area's product and solutions are eligible
Revenue KPI. Due to practical limitations, applicable to the rental
the electric rental fleet is included in the OpEx and CapEx reportin

The taxonomy eligible revenues include both products and ser
excludes sales to oil and gas extraction industries. Sales to distribu
rental companies have been excluded. Both Compressor Techniqu
Technique have included revenues related to refurbishment, that
energy efficiency through a circular business model.

Technical screening criteria assessment

The 3.6 section demands that emission savings are calculated in a
and that these calculations need to be verified by a third party. In
Copco has certified its existing product carbon footprint (PCF) too
14067:2018. Each business area identified one pilot product to be
alignment and an independent certification body has verified the
emission calculations of these pilot products. All pilot products pa
review and thereby the taxonomy's technical screening criteria fo
under section 3.6.

Result

Revenue eligibility is 60% which is higher than the previous year. F
ance from the EU, particularly in relation to the Minimum Safegua
a restrictive compliance interpretation. Therefore, Atlas Copco rep
alignment. Atlas Copco follows the development closely and may
reporting in the future.

Atlas Copco

CapEx KPI
The CapEx reporting has been extended and more clearly linked to the specific economic activities in the taxonomy compared to the previous year. Atlas Copco utilizes all types of taxonomy listed capital expenditure for the CapEx numerator, listed below:

- "CapEx related to assets or processes that are associated with taxonomy-aligned activities": Used for investments in factories that enable production of products relating to taxonomy section 3.6.
- "A CapEx Plan to increase the proportion of taxonomy-aligned products": Used for the reporting of R&D capital expenditure relating to taxonomy section 3.6.
- "The purchase of output of taxonomy-aligned products": Used for taxonomy product additions into Atlas Copco's hire fleet relating to taxonomy section 3.6.
- "Individual measures" to lower Atlas Copco's own greenhouse gas emissions: Used for installations of energy efficiency equipment, installations of charging stations for electric vehicles, installations controlling building energy performance, installations of renewable energy technologies, and investments related to the company vehicle fleet (relating to taxonomy sections 6.5, 7.3, 7.4, 7.5, and 7.6).

The CapEx denominator used for the taxonomy KPI calculation consists of additions to tangible and intangible assets (including right of use assets) during the financial year, considered before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments, and excluding fair value changes. The denominator also includes additions to tangible and intangible assets resulting from business combinations.

No significant climate change adaptation investments have been made during the year.

Result
CapEx eligibility is 7% which is in line with the previous year, however, both the numerator and the denominator value are significantly higher. Recent guidance from the EU, particularly in relation to the Minimum Safeguards, indicates a restrictive compliance interpretation. Therefore, Atlas Copco reports 0% alignment and 0 MSEK in regards to the CapEx plan to expand its proportion of taxonomy-aligned products within R&D (both for this reporting period and the full time period of the plan). Atlas Copco follows the development closely and may adjust its reporting in the future.

OpEx KPI
As of 2022, the OpEx numerator only includes OpEx that is material to the company business model, i.e. expenditures in R&D and the own hire fleet (relating to taxonomy section 3.6). The denominator however includes expenditures for R&D and hire fleet as well as maintenance costs for buildings, equipment, and own vehicle fleet.

Result
OpEx eligibility is 22% which is slightly higher than the previous y[...]
guidance from the EU, particularly in relation to the Minimum Saf[...]
cates a restrictive compliance interpretation. Therefore, Atlas Cop[...]
0% alignment. Atlas Copco follows the development closely and [...]
reporting in the future.

Concluding comments
An increased revenue eligibility is reported in 2022 in line with cla[...]
issued by the EU, allowing a less conservative approach to eligibili[...]
to 2021. The company has conducted a comprehensive assessme[...]
and prepare for taxonomy alignment reporting. In principle, Atla[...]
pany policies and procedures correspond with taxonomy require[...]
ever, as recent guidance from the EU, particularly in relation to the[...]
Safeguards, indicates a restrictive compliance interpretation Atla[...]
reports 0% alignment on all three KPIs.

As the taxonomy reporting practice and guidelines develop, a[...]
scope evolves with four additional environmental objectives, Atla[...]
reevaluate its current approach. Clarification in how to report ena[...]
ties is also likely to impact the taxonomy mapping as many of the [...]
products and solutions are essential in specific manufacturing pr[...]
which are included in the taxonomy.

Revenue

	Economic activities	Code	Absolute revenue (MSEK)	Proportion of revenues (%)	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems	DNSH criteria (Does Not Significantly Harm): Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems	**Minimum safeguards**	Taxonomy-aligned proportion of revenues, year N	Taxonomy-aligned proportion of revenues, year N-1	Catego[ry] (enablin[g] activity)
A.	**TAXONOMY-ELIGIBLE ACTIVITIES**			**60.28%**																
A1.	**Environmentally sustainable activities (Taxonomy-aligned)**																			
	Revenue from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.00%**	**100%**													**0.00%**		
A2.	**Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
	Manufacture of other low-carbon technologies	3.6	85 193.0	60.28%																
	Revenue from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**85 193.0**	**60.28%**																
	Total (A.1 + A.2)		**85 193.0**	**60.28%**																
B.	**TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
	Revenue from Taxonomy-non-eligible activities (B)		**56 132.2**	**39.72%**																
	Total (A+B)		**141 325.2**	**100.00%**																

CapEx

					Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
	Economic activities	Code	Absolute CapEx (MSEK)	Proportion of CapEx (%)	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems	**Minimum safeguards**	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Catego (enablin activity)
A.	**TAXONOMY-ELIGIBLE ACTIVITIES**			**7.34%**																
A1.	**Environmentally sustainable activities (Taxonomy-aligned)**																			
	CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.00%**	**100%**													**0.00%**		
A2.	**Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
	Manufacture of other low-carbon technologies	3.6	560.5	4.26%																
	Transport of motorbikes, passenger cars and light commercial vehicles	6.5	377.9	2.87%																
	Installation of energy efficiency equipment	7.3	13.1	0.10%																
	Installation of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	3.2	0.02%																
	Installation of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0.4	0.00%																
	Installation of renewable energy technologies	7.6	9.9	0.08%																
	CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**964.9**	**7.34%**																
	Total (A.1 + A.2)		**964.9**	**7.34%**																
B.	**TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
	CapEx of Taxonomy-non-eligible activities (B)		**12 181.1**	**92.66%**																
	Total (A + B)		**13 146.0**	**100.00%**																

OpEx

					Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
	Economic activities	Code	Absolute OpEx (MSEK)	Proportion of OpEx (%)	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems	**Minimum safeguards**	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Catego (enablin activity)
A.	**TAXONOMY-ELIGIBLE ACTIVITIES**			**21.79%**																
A1.	**Environmentally sustainable activities (Taxonomy-aligned)**																			
	OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.00%**	**100%**													**0.00%**		
A2.	**Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
	Manufacture of other low-carbon technologies	3.6	1 185.7	21.79%																
	OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1 185.7**	**21.79%**																
	Total (A.1 + A.2)		**1 185.7**	**21.79%**																
B.	**TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
	OpEx of Taxonomy-non-eligible activities (B)		**4 256.5**	**78.21%**																
	Total (A + B)		**5 442.2**	**100.00%**																

About the sustainability report

Sustainability is an integral part of Atlas Copco's business model and the Group therefore reports financial and non-financial data in an integrated annual report. The sustainability report includes information regarding issues where Atlas Copco has a significant impact on the economy, environment and people, including human rights.

Atlas Copco publishes a sustainability report annually. This year's report has been prepared in accordance with GRI Standards 2021 and applies to the period January 1, 2022 through December 31, 2022, which is in line with the Group's financial reporting. This sustainability report was published on March 22, 2023.

Additional disclosures in 2022

Our ambition is to present an overview of our impact that is as comprehensive and transparent as possible, as well as how we manage the impact. Therefore, we continuously strive to develop our reporting in areas relevant to our impact and value creation. During the year, through an internal process, we identified and added a number of disclosures linked to our material sustainability topics. These are disclosures that we believe contribute to increased transparency and a better understanding of our impact and processes, or information that has been requested by our stakeholders. The disclosures that have been added to this year's report are marked with* in the GRI index on pages 139–142.

Report boundary

Environmental data covers all operations from year 2022 if nothing else is stated. These figures are therefore not comparable to previous years' sustainability reports. CO_2e emissions data covers all operations from 2019. Other environmental data up until 2022 covers production units and distribution centers, and is presented separately in the table to the right on page 144. Supplier data covers production units and distribution centers, while distributor data covers all applicable units. Employee data covers all operations.

Operations divested during the year are excluded, while acquired units are included. This may at times cause changes in reported performance.

Data collection

Reported facts and figures in the sustainability report have been verified in accordance with Atlas Copco's procedures for internal control. Data collection is integrated into the Group reporting consolidation systems and collected on a quarterly basis. Reported values are normally not corrected retroactively. When a restatement of historically reported numbers is made, this can be due to a change of calculation method or scope, see Report boundary.

Responsibility for reporting rests with the general manager of each company. Data is reported at local operating unit level, aggregated to division/ business area and Group level. For certain Science Based Target categories data is reported at division level. Data verification is performed at each level before submitted to external auditors for verification.

SASB standards

To accommodate stakeholders that are more familiar with the Sustainability Accounting Standards Board (SASB), Atlas Copco has published a table with cross-references to information in the annual report on page 143. Information relating to the SASB standards for 'Industrial machinery and goods' is disclosed for relevant aspects where data is available. However, Atlas Copco does not claim adherence to, or compliance with, the SASB reporting standards.

Scope and content of the sustainability report

Sustainability information in the annual report is primarily presented on pages 5–12, 33–42 and 126–145.

External assurance

Atlas Copco's external auditors, Ernst & Young, have performed a limited review of the sustainability report according to the GRI Standards, see the Auditor's report on page 146.

For questions regarding the sustainability report, please contact

Anna Sjörén, Vice President Sustainability
sustainability@atlascopco.com

GRI content index

Statement of use	Atlas Copco has reported in accordance with the GRI Standards for the period 1 January, 2022 to 31 December, 2022.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	**Disclosure**		**Location**	**Comments and omissions**
General disclosures	Nr	Description		
GRI 2: General Disclosures 2021	2-1	Organizational details		
	2-2	Entities included in the organization's sustainability reporting	119–122, 138	
	2-3	Reporting period, frequency and contact point	138	
	2-4	Restatements of information	42, 138, 144–145	
	2-5	External assurance	138	
	2-6	Activities, value chain, and other business relationships	Inside cover, 7–10, 21–33	For information on significant acquisitions and divestments, see p
	2-7	Employees	80, 83, 132	*Omission:* Atlas Copco reports aggregate number of full-time equ The figures broken down into full-time/part-time employees, and workforce by gender, are currently not available in the Group's HF and can therefore not be reported.
	2-8	Workers who are not employees	132	*Omission:* Additional workforce may be temporary or permanent, employed by a third party. Additional workforce by gender or by t contracutal relationship is currently not available in the Group's H and can therefore not be reported.
	2-9	Governance structure and composition	52–53, 129	
	2-10	Nomination and selection of the highest governance body	53	
	2-11	Chair of the highest governance body	55	The chair of the board is not a senior executive of Atlas Copco.
	2-12	Role of the highest governance body in overseeing the management of impacts	53, 129	
	2-13	Delegation of responsibility for managing impacts	129	
	2-14	Role of the highest governance body in sustainability reporting	129	
	2-15	Conflicts of interest	53	Atlas Copco operates in compliance with the Swedish Companies includes rules and procedures applicable to conflicts of interest.
	2-16	Communication of critical concerns	53, 129–130	
	2-17	Collective knowledge of the highest governance body	53	
	2-18	Evaluation of the performance of the highest governance body	53	
	2-19	Remuneration policies	82–83	
	2-20	Process to determine remuneration	53–54	
	2-21	Annual total compensation ratio		*Omission:* Not reported at Group-level. Atlas Copco is committed sustainable remuneration policy, both to stay competitive as an e from an internal equity perspective. We are currently not able to r disclosure in a meaningful manner, but remain committed to tran this regard.
	2-22	Statement on sustainable development strategy	3–4, 54	
	2-23	Policy commitments	129	

GRI content index

GRI Standard	Disclosure		Location	Comments and omissions
	2-24	Embedding policy commitments	40–41, 51, 129	
	2-25	Processes to remediate negative impacts	129	
General disclosures	Nr	Description		
	2-26	Mechanisms for seeking advice and raising concerns	40, 129	
	2-27	Compliance with laws and regulations	130	
	2-28	Membership associations	129	
	2-29	Approach to stakeholder engagement	126	
	2-30	Collective bargaining agreements	132	
Material topic disclosures				
GRI 3: Material topics 2021	3-1	Process to determine material topics	127	See more information on www.atlascopcogroup.com
	3-2	List of material topics	127	
	3-3	Management of material topics	6, 129	

ECONOMIC IMPACT				
Economic performance				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 129–130	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	130, 145	
	201-2	Financial implications and other risks and opportunities due to climate change *	46, 131	*Omission:* The assessment of climate-related risks and their financ implications has started at divisional level. However, the outcome consolidated and disclosed in quantitative terms outside the orga
Anti-corruption				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 40–41, 129–130	
GRI 201: Economic performance 2016	205-1	Operations assessed for risks related to corruption *	130	
	205-2	Communication and training about anti-corruption policies and procedures *	40–41, 145	*Omission:* A new mandatory training in the Code of Conduct will b in 2023, and data for employees is therefore not available. Data o suppliers are not broken down by type or region.
	205-3	Confirmed incidents of corruption and actions taken	130	
Anti-competitive behavior				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 40–41, 129–130	
GRI 201: Economic performance 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	130	

ENVIRONMENTAL IMPACT				
Energy				
GRI 3: Material topics 2021	3-3	Management of material topics	43–44, 129–131	

* The disclosure has been added in this years' report

GRI content index

GRI Standard	Disclosure		Location	Comments and omissions
GRI 302: Energy 2016	302-1	Energy consumption within the organization	130, 144	
	302-3	Energy intensity	144	
Emissions				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 43–44, 129–131	
GRI 305: Emissions 2016	305-1	Direct greenhouse gas emissions (Scope 1)	6, 42, 144	
	305-2	Energy indirect greenhouse gas emissions (Scope 2)	6, 42, 144	
	305-3	Other indirect greenhouse gas emissions (Scope 3)	6, 42, 144	
	305-4	Greenhouse gas emissions intensity	6, 42, 144	
Supplier environmental assessment				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 43, 133	
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	133	Significant suppliers, both new and existing, are identified using a approach. *Omission:* Data for new suppliers is not specifically disc Environmental and social screening is conducted and reported joi
	308-2	Negative environmental impacts in the supply chain and actions taken *	133	*Omission:* Supplier audits cover both environmental and social as the data is not broken down into these categories.

SOCIAL IMPACT				
Employment				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 38–39, 129	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	132, 145	*Omission:* Atlas Copco does not report turnover by age group and
Occupational health and safety				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 39, 129, 132	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	39, 129, 132	
	403-2	Hazard identification, risk assessment, and incident investigation	129, 132	
	403-3	Occupational health services	39, 129	
	403-4	Worker participation, consultation, and communication on occupational health and safety	39	
	403-5	Worker training on occupational health and safety	39, 132	
	403-6	Promotion of worker health	39	
	403-7	Prevention/mitigation of occupational health/safety impacts directly linked by business relationships	132	
	403-8	Workers covered by an occupational health and safety management system *	132	Calculation based on units required to be ISO 45001 certified
	403-9	Work-related injuries	132	

* The disclosure has been added in this years' report

GRI content index

GRI Standard	Disclosure		Location	Comments and omissions
Training and education				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 37–38, 129	
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee *	145	*Omission:* Atlas Copco does not have data broken down by gende
	404-2	Programs for upgrading employee skills and transition assistance programs *	37, 132	
	404-3	Percentage of employees receiving regular performance and career development reviews	145	*Omission:* Atlas Copco does not have data broken down by gende employee category.
Diversity and inclusion				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 37–38, 129, 132	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	6, 53, 55–58, 133	*Omission:* Atlas Copco does not, unless required for compliance w laws and regulations, gather data on diversity from employees or governance bodies, such as belonging to a minority or vulnerable
Non-discrimination				
GRI 3: Material topics 2021	3-3	Management of material topics	40–41, 129	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	130	
Supplier social assessment				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 40–41, 133	
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	133	Significant suppliers, both new and existing, are identified using a approach. *Omission:* Data for new suppliers is not specifically discl Environmental and social screening is conducted and reported joi
	414-2	Negative social impacts in the supply chain and actions taken *	133	*Omission:* Supplier audits cover both environmental and social asp the data is not broken down into these categories.
Customer health and safety				
GRI 3: Material topics 2021	3-3	Management of material topics	41, 128–129, 134	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	134	
Marketing and labeling				
GRI 3: Material topics 2021	3-3	Management of material topics	129, 134	
GRI 417: Marketing and labeling 2016	417-2	Incidents of non-compliance concerning products and service information and labeling	134	

* The disclosure has been added in this years' report

SASB Index

Table 1. Sustainability disclosure topics and accounting metrics

Topic	Metric	Code	Comment	Page
Energy management	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable energy	RT-IG-130a.1	Total energy is reported in MWh, not in gigajoules. Percentage of grid electricity is not reported.	130
Employee health & safety	1. Total recordable incident rate (TRIR) 2. Fatality rate 3. Near-miss frequency rate (NMFR)	RT-IG-320a.1		132, 145
Fuel economy and emissions in use-phase	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	Product fuel efficiency is not reported but the Group innovates to help customers increase energy efficiency and reduce emissions. All projects for new and redesigned products should have targets for reduced carbon impact.	34–36
Materials sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Risk management associated with conflict minerals is described.	41, 47, 129, 13
Remanufacturing design & services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Share of revenues is not reported but topic is addressed.	35

Table 2. Activity metrics

Metric	Code	Comment	Page
Number of units produced by product category	RT-IG-000.A	Not reported.	
Number of employees	RT-IG-000.B		16, 83, 145

Sustainability performance [1]

EMISSIONS, ALL OPERATIONS [2]	Base year (2019)	2020	2021	2022
Scope 1: Direct CO_2e emissions ('000 tonnes) [3] [4]	75	75	79	77
Scope 2: Indirect CO_2e emissions ('000 tonnes) [3] [4]	87	83	56	31
Scope 1+2: CO_2e emissions ('000 tonnes) [3] [4]	162	158	135	108
Scope 2: Location-based indirect CO_2e emissions ('000 tonnes) [3] [4]	–	–	–	138
Scope 3: Other indirect CO_2e emissions ('000 tonnes) [3] [4]	170 634	172 279	179 393	219 822
Scope 1+2: CO_2e emissions/COS (tonnes) [3] [4] [7]	3.0	3.0	2.3	1.5
Scope 3: CO_2e emissions/COS (tonnes) [3] [4] [7]	3 141	3 226	3 016	2 962

ENVIRONMENT, ALL OPERATIONS [2]	2020	2021	2022
Renewable energy for operations, % of total energy use [5]	–	–	58.0
Direct energy use in GWh [5] [6]	–	–	159
Indirect energy use in GWh [5] [6]	–	–	359
Total energy use in GWh [5] [6]	–	–	518
Total energy use in MWh/COS [5] [6] [7]	–	–	7.0
Total waste in '000 kg	–	–	54 855
Waste (in kg)/COS [7]	–	–	739
Reused, recycled or recovered waste, %	–	–	92
Water consumption in '000 m^3	–	–	624
Water consumption (m^3)/COS [7]	–	–	8.4

[1] Calculations according to GRI Standard Guidelines, www.globalreporting.org

[2] All operations include all entities

[3] CO_2e stands for carbon dioxide equivalent emissions

[4] The reporting of greenhouse gas emissions is done in accordance with the GHG Protocol (ghgprotocol.org). Country factors used for energy come from the International Energy Agency. Scope 2 is presented both as market-based and location-based according to the GHG Protocol. A market-based approach has been applied unless otherwise stated. Factors from NTM (transportmeasures.org) are used for transport of goods when emission data is not provided by the transport company.

Scope 1 includes direct energy in own operations and fuel used in company vehicles. Scope 2 includes indirect energy from own operations and electricity from company vehicles. Scope 3 includes GHG emissions upstream and downstream in the value chain. Out of scope emissions data for direct CO_2 emissions from biologically sequestered carbon (e.g. CO_2 from burning biomass/biofuels) was 3 561 tonnes in 2022.

[5] Energy use excludes fuel and energy from company vehicles.

[6] Total energy includes both indirect and direct energy used. Atlas Copco does not report cooling or steam separately. The calculation of direct energy, i.e. energy generated by the company for its own production or operation, comprises all fuels used on the sites, including diesel, oil, biofuel, gasoline, solar, geothermal, propane and natural gas.

[7] Operating costs include cost of sales, marketing expenses, administration expenses, research and development expenses, other operating expenses, deducted for employee wages and benefits. COS, when presented in relation to sustainability information, refers to cost of sales at standard cost in MSEK.

ENVIRONMENT, PRODUCTION AND DISTRIBUTION UNITS	2020	2021
Renewable energy for operations, % of total energy use	44	58
Direct energy use in GWh [5]	100	115
Indirect energy use in GWh [5]	251	270
Total energy use in GWh [5]	351	385
Total energy use in MWh/COS [5] [7]	6.6	6.5
Total waste in '000 kg	31 036	35 071
Waste (in kg)/COS [7]	581	590
Reused, recycled or recovered waste, %	93	93
Water consumption in '000 m^3	384	395
Water consumption (m^3)/COS [7]	7.2	6.6

SUPPLIERS WITH ENVIRONMENTAL MANAGEMENT SYSTEM	2020	2021
Significant direct suppliers with an approved environmental management system, %	30	31

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Sustainability performance [1], continued

ECONOMIC VALUE	2020	2021	2022
Direct economic value [2]	100 251	111 972	142 233
Revenues	99 787	110 912	141 325
Economic value distributed			
Operating costs [3]	55 362	61 019	78 094
Employee wages and benefits, including other social costs	25 582	27 151	33 580
Costs for providers of capital [4]	8 988	9 281	9 765
Costs for direct taxes to governments	4 801	5 372	7 262
Economic value retained	5 518	9 149	13 532
– Redemption of shares	–	–	9 732

PEOPLE	2020	2021	2022
White-collar employees, %	70	69	69
Blue-collar employees, %	30	31	31
Employee turnover white-collar employees, %	4.2	6.4	7.6
Employee turnover blue-collar employees, %	4.8	7.8	8.9
Total turnover, voluntary leave, %	4.4	6.9	8.0
Yearly performance and development discussion, %	85	82	79
Average training hours per employee	37.8	39.5	42.0
Average training hours, white-collar employees	37.9	39.9	43.2
Average training hours, blue-collar employees	37.6	38.6	39.4
Proportion of female employees, % year end	20.0	20.9	21.6
Proportion of female managers, % year end	19.7	20.5	20.4
Degree to which employees agree that they feel a sense of belonging in the company (score) [5]	–	–	–
Degree to which employees agree that there are opportunities to learn and grow in the company (score) [6]	–	73	–
Degree to which employees agree that we have a work culture of respect, fairness and openness (score) [6]	–	76	–

[1] Calculations according to GRI Standard Guidelines, www.globalreporting.org

[2] Direct economic value includes revenues, other operating income, financial income, profit from divested companies and share of profit in associated companies.

[3] Operating costs include cost of sales, marketing expenses, administration expenses, research and development expenses, other operating expenses, deducted for employee wages and benefits. COS when presented in relation to sustainability information refers to cost of sales at standard cost in MSEK.

[4] Costs for providers of capital include financial costs and dividend, but exclude redemption of shares and repurchase of own shares.

[5] Will be measured first time in 2023.

[6] Results are collected every two years through the Group's employee survey. Next survey in 2023.

[7] The training will be launched in 2023.

SAFETY AND WELLBEING	2020	2021
Recordable injuries total workforce, number	385	387
Recordable injuries per million working hours total workforce	4.8	4.5
Minor injuries total workforce, number	922	1 148
Minor injuries per million working hours total workforce	11.6	13.4
Fatalities, number	0	0
Fatalities per million working hours total workforce	0	0
Sick leave due to diseases and recordable injuries, %	2.1	2.2
Degree to which employees agree that Atlas Copco takes a genuine interest in their wellbeing (score) [5]	–	73
A balanced safety pyramid (yes/no)	Yes	Yes

ETHICS	2020	2021
Employees signed compliance to the Code of Conduct, %	99	98
Employees participate in the Group's biennial ethics training [7], %	–	–
New employees participate in the Group's ethics training within 12 months of joining the company [7], %	–	–
Significant suppliers committed to the Code of Conduct, %	93	93
Significant distributors committed to the Code of Conduct, %	84	87

Auditor's Limited Assurance Report on Atlas Copco AB's Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish.

To Atlas Copco AB, corporate identity number 556014-2720

Introduction
We have been engaged by the Board of Directors of Atlas Copco AB to undertake a limited assurance engagement of Atlas Copco AB's Sustainability Report for the year 2022. Atlas Copco AB has defined the scope of the Sustainability Report to the pages referred to in the GRI index on pages 139–142, the Statutory Sustainability Report is defined on page 19.

Responsibilities of the Board and Executive Management
The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on pages 138–142 in the Sustainability Report and consist of the GRI Sustainability Reporting Standards, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Report based on our limited assurance procedures and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented in this document and does therefore not cover future oriented information.

We have conducted our engagement in accordance with ISAE 3000 (revised) Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 The auditor's opinion regarding the statutory sustainability report. A limited assurance engagement and an examination according to RevR 12 are different from and substantially less in scope than reasonable assurance conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Atlas Copco AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review and an examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. The conclusion based on limited assurance procedures and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on reasonable assurance.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

Conclusions
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 20 March, 2023
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Outi Alestalo
Expert Member of FAR

Atlas Copco

Four years in summary

ORDERS, REVENUES AND PROFIT	2019	2020	2021	2022
Orders, MSEK	106 104	100 554	129 545	158 092
Revenues, MSEK	103 756	99 787	110 912	141 325
Change, organic from volume, price and mix, %	2	–3	14	12
EBITDA, MSEK	26 597	24 335	29 025	36 549
EBITDA margin, %	25.6	24.4	26.2	25.9
Operating profit, MSEK	21 897	19 146	23 559	30 216
Operating profit margin, %	21.1	19.2	21.2	21.4
Net interest expense, MSEK	–359	–245	–234	–166
Profit before tax, MSEK	21 572	18 825	23 410	30 044
Profit margin, %	20.8	18.9	21.1	21.3
Profit for the year, MSEK	16 543	14 783	18 134	23 482

EMPLOYEES	2019	2020	2021	2022
Average number of employees	37 805	39 606	41 272	45 781
Revenues per employee, SEK thousands	2 745	2 519	2 687	3 087

CASH FLOW	2019	2020	2021	2022
Operating cash surplus, MSEK	26 696	25 081	28 952	36 978
Cash flow before change in working capital, MSEK	20 209	20 454	23 870	29 600
Change in working capital, MSEK	–2 971	2 166	–244	–7 415
Cash flow from investing activities, MSEK	–9 683	–16 286	–6 121	–15 503
Gross investments in other property, plant and equipment, MSEK	–1 662	–1 459	–1 970	–3 660
Gross investments in rental equipment, MSEK	–1 140	–486	–510	–884
Net investments in rental equipment, MSEK	–1 087	–416	–474	–808
Cash flow from financing activities, MSEK	–8 024	–8 552	–10 323	–14 651
of which dividends paid, MSEK	–7 663	–8 506	–8 889	–9 250
Operating cash flow, MSEK	14 625	18 910	19 378	17 099

FINANCIAL POSITION AND RETURN	2019	2020	2021
Total assets, MSEK	111 722	113 366	136 683
Capital turnover ratio	0.98	0.86	0.88
Capital employed, average MSEK	72 732	83 649	87 537
Capital employed turnover ratio	1.43	1.19	1.27
Return on capital employed, %	30	23	27
Net indebtedness, MSEK	12 013	16 421	8 151
Net debt/EBITDA, MSEK	0.5	0.7	0.3
Equity, MSEK	53 290	53 534	67 634
Debt/equity ratio, %	23	31	12
Equity/assets ratio, %	48	47	49
Return on equity, %	35	27	30

KEY FIGURES PER SHARE	2019 [1]	2020 [1]	2021 [1]
Basic earnings / diluted earnings, SEK	3.40 / 3.40	3.04 / 3.04	3.72 / 3.71
Dividend, SEK	1.75	1.83	1.90
Dividend as % of basic earnings	51.5	60.0	51.0
Dividend yield, %	2.4	1.9	1.4
Redemption of shares, SEK	–	–	2.00
Operating cash flow, SEK	3.01	3.89	3.98
Equity, SEK	11	11	14
Share price, December 31, A share / B share, SEK	93.4 / 81.3	105.3 / 92.1	15[illegible] / 133.1
Highest price quoted, A share / B share, SEK	96.6 / 84.2	111.4 / 97.5	157.4 / 133.4
Lowest price quoted, A share / B share, SEK	51.3 / 47.1	66.7 / 57.9	10[illegible].5 / 94.8
Average closing price, A share / B share, SEK	72.0 / 64.7	96.3 / 84.5	134.[illegible] / 114.9
Average number of shares, millions	4 858.8	4 861.7	4 870.9
Diluted average number of shares, millions	4 863.1	4 869.0	4 882.1
Number of shareholders, December 31	81 656	82 079	87 923
Market capitalization, December 31, MSEK	440 497	497 187	732 967

[1] Adjusted for share split in 2022
[2] Proposed by the Board

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