Year-end Report

2021

Novedo acquires och develops outstanding entrepreneurial companies that grow stronger together.

Year-end Report

For the extended financial year July 2020 – December 2021

July 2020 – December 2021
- Net sales in the Group amounted to SEK 371 million
- EBITDA profit amounted to SEK 40 million
- Operating profit (EBIT) in the Group amounted to SEK 31 million
- The Group's profit for the year amounted to SEK 6 million, corresponding to SEK 220.65 per share
- During October 2021, Novedo carried out a private placement of SEK 150 million
- In November 2021, Novedo issued a bond loan of SEK 750 million, under a framework of a total of SEK 1,500 million
- During the period, Novedo completed nine acquisitions

January 2021 – December 2021, pro forma[1)]
- Net sales in the Group amounted to SEK 1,465 million
- The EBITDA result in the Group amounted to SEK 186 million

Significant events after the end of the period
- In January 2022, Novedo completed the acquisition of Elarbeten Helsingborg AB, Ventilationskontroll Aeolus Aktiebolag and Elinzity AB
- Novedo has signed an agreement to acquire ProvideU AB and has completed the acquisition
- Novedo has signed an agreement to acquire GBB Holding AB. The acquisition is expected to be completed during the second quarter of 2022
- From January 2022, Novedo will report segments based on two business areas:
  - Infrastructure and installation and services
  - Industry

Results

40 SEKm

The EBITDA result in the Group July 2020 – December 2021.

Acquisitions

14

Since its formation in July 2020, up until January 2022, Novedo has signed an acquisition agreements with 14 companies.

Summary of results and key figures

MSEK	jul 2020 – dec 2021	Pro forma[1)] jan 2021 – dec 2021
Net sales	371	1,465
EBITDA	40	186
EBITA margin, %	8,3	–
Operating profit EBIT	31	-
Profit	6	-
Equity/Assets ratio, %	26.0	-
Net Debt/Equity ratio	-0.06	-
Net IB Debt/EBITDA	-0.57	-
Cash flow from operating activities	-80.5	-
Profit per share, SEK	220.65	-

[1)] Pro forma refers to the period January 2021 - December 2021 for the companies Novedo has fully acquired and also for companies which Novedo has signed an agreement to acquire (SPA) as of January 31, 2022, and has been recalculated to show the results as if Novedo had owned the companies throughout the period. These pro forma figures do not include balance sheet items as Novedo has not completed all of the acquisitions.

Establishment of Novedo as an industrial group

In 2021, the focus has been on the establishment of the new industrial group that, today, constitutes Novedo. In spite of a challenging year in many aspects, with a pandemic, rising raw material prices and a shortage of materials, both Novedo and our holding companies have had a consistently stable and good development during 2021. In total, the companies we acquired last year and in January of 2022 had sales of SEK 1,465 million pro forma.

Successful acquisition model

Acquiring profitable companies with a strong niche position is a central part of Novedo's growth strategy. So far, we have been successful in attracting the right companies. I believe that an important factor has been that we place great focus on good business acumen, culture and values and see it as our main task to maintain these driving forces. The fact that the owners of the acquired companies also are offered to become partowners in Novedo, together with our decentralised management approach, comprise strong incentives in entreprenuer-led companies' interest in Novedo. During the calendar year 2021, we acquired twelve companies with operations in installation and services, of which we completed nine during the year, and since the start of 2022 we have agreed on the acquisition of two more companies. The fact that we have managed to gain the trust of these entrepreneurs despite a relatively short history as a company, I view as proof that our concept operating as an industrial group is an attractive way forward for more entrepreneurial niche companies looking for new owners.

Focus on business acumen

Building Novedo in this current fairly early stage has been about creating a strong team with a competent and driven management team. Last year, several key employees were added who will be important in our continued development and expansion. What we all have in common is that we all share the vision of building an industrial group of entrepreneurial, profitable companies that are run by business focused people in the same manner as we undertake our operations.

The companies that, until today, make up Novedo have stable business models, good profitability and sound values and are active in the "business-to-business" segment. So far, we have been focused on companies in installation and services, such as electrical installations, painting services and ground contractors, and at the beginning of 2022 we also broadened the portfolio with two infrastructure companies. The companies we have acquired are in various locations around Sweden and have sales in the order of between SEK 30–300 million.

> I would like to take this opportunity to welcome new employees and shareholders who have chosen to become part of Novedo.

Secured financing for continued growth
In October 2021, we carried out a new share issue, a so-called "pre-IPO", in which we raised SEK 150 million in new capital in order to support future growth for Novedo. In November, we issued a first bond loan of SEK 750 million under a framework of a total of SEK 1,500 million in order to refinance existing bank loans and to finance future acquisitions. The great interest in both our private placement and in the bond issue, which includes reputable Nordic and international investors, is a sign of the strength of Novedo. This new capital gives us financial strength and cash that allows us to continue to acquire companies that we believe will fit well in our industrial group at a high pace.

Finally, I would like to take this opportunity to welcome new employees and shareholders who have chosen to become part of Novedo. I look forward to positive work in the coming year, as we are now rapidly building a dynamic group of companies that will be ready to be listed on the Stockholm Stock Exchange during the first half of 2023. The response we have received so far has been very positive and strengthens us in our ambition to continue to grow and develop Novedo in the coming year, despite increased financial turbulence and geo-political concerns in the rest of the world.

Per-Johan Dahlgren
CEO Novedo

About Novedo

Novedo was formed in 2020/21 with the ambition of becoming an industrial group with companies active in infrastructure, installation and services, as well as industry. During the calendar year 2021, we acquired twelve companies with operations in installation and services, of which we took over nine during the year, and since the start of 2022 we have agreed on the acquisition of two more companies.

At the end of January 2022, Novedo had approximately 850 employees, a pro forma sales of 1,465 million for the full-year 2021 and an EBITDA result of SEK 186 million. Novedo acquires companies that are profitable and who have a strong niche position, and where the entrepreneur both wants to sell his company and continue to run the business.

To date, a majority of entrepreneurs have chosen to become owners of Novedo. The founder and main owner of Novedo is the serial entrepreneur Saeid Esmaeilzadeh, who has also founded companies such as DiaMorph and Sdiptech. Novedo is planning for an IPO in Stockholm during the first half of 2023.

Number of employees
850

Development in the group

July 2020 – December 2021

Net sales and results

During the period July 2020-December 2021, net sales in the Group amounted to SEK 371 million.

Operating profit before depreciation and amortization, EBITDA, amounted to SEK 40 million. The Group's operating profit amounted to SEK 31 million.

Net financial income and expenses amounted to -17 MSEK. Profit before tax amounted to SEK 13 million.

Income tax amounted to SEK -8 million during the period.

Profit for the period amounted to SEK 6 million, corresponding to SEK 220.65 per share.

During the fourth quarter of 2021, October-December, net sales amounted to SEK 204 million. The Group's operating profit amounted to SEK 20 million.

Net financial income and expenses amounted to SEK -12 million. Profit before tax was SEK 8 million. Income tax was SEK -6 million.

Profit for the period amounted to SEK 3 million for October-December 2021, corresponding to SEK 87.58 per share.

Cash flow

Cash flow from operating activities amounted to SEK -81 million during the period July 2020-December 2021. Cash flow from investing activities during the period amounted to SEK -209 million, and cash flow from financing activities amounted to SEK 1,111 million.

Financial standing

As of December 31, 2021, total assets in the Group amounted to SEK 1,475 million, of which equity amounted to SEK 383 million. The equity / assets ratio was 26 percent. In 2021 Novedo has raised a bond loan of SEK 750 million and completed a private placement of SEK 150 million. Cash and cash equivalents and short-term investments amounted to SEK 822 million as of December 31, 2021. The interest-bearing net debt (net cash) in the Group amounted to SEK -22 million at the end of 2021, corresponding to a net debt / equity ratio of -0.06 percent.

Significant events during the period

Directed new issue

During October 2021, Novedo carried out a private placement and raised SEK 150 million in new capital in order to support future growth by actively acquiring companies.

Bond financing

During November 2021, Novedo issued its first bond loan of SEK 750 million under a framework of a total of SEK 1,500 million in order to refinance existing bank loans and finance acquisitions. The bond is traded today on the Frankfurt Stock Exchange Open Market. Novedo intends to include the bond for trading on the corporate bond market at Nasdaq Stockholm before November 2022. The bond issue received great interest from Nordic and international institutional investors and the order books were heavily oversubscribed.

Significant events after the end of the period

Novedo has completed the acquisition of Elarbeten Helsingborg AB

Elarbeten Helsingborg AB is an electrical installation company operating in Northwestern Skåne. The company

was founded in 1992 in Höganäs and has its headquarters in Helsingborg. Elarbeten offers everything from design to consultation and performs various types of electrical installations and repairs on both the strong and low current sides. The previous owners of Elarbeten Helsingborg AB have become owners of Novedo.

Novedo has completed the acquisition of Ventilationskontroll Aeolus Aktiebolag
Ventilationskontroll performs all kind of operations in the ventilation industry, including pre-engineering, conversions, service and energy optimization. The company provides a complete service and repair operation for installations for indoor climates and is mainly active in the Gothenburg area. The ventilation company, which was founded in 1980, currently has approximately 100 employees, and also includes the ventilation-related companies, CX Ventilation, Krovent and Ekoion AB and the electricity company, RC El. The previous owners of Ventilationskontroll have joined as partners in Novedo.

Novedo has completed the acquisition of Elinzity AB
Elinzity is active in service, renovation, office adaptation and major contracts with associated design and work management. Elinzity is a Gothenburg-based company in the electrical installation industry founded by Ola Fogelmark and Björn Lundberg in 2005. Elinzity was Novedo's third acquisition in the electrical installation industry. The previous owners of Elinzity have joined as partners in Novedo.

Novedo has signed an agreement to acquire ProvideU AB and has completed the acquisition
ProvideU delivers drawing-bound components and complete systems (PCBA and box-build). ProvideU is a Västerås-based company which Fredrik Forngren started in 2008 together with Mikael Rehnberg. The previous owners of ProvideU have joined as partners in Novedo.

Novedo has signed an agreement to acquire GBB Holding AB
During January 2022, Novedo signed a shareholders agreement with GBB Holding AB as part of an acquisition process that is expected to be completed during the second quarter of 2022. GBB Holding AB is a group in the rock mining industry performing all kinds of work related to rock. The business was founded in Gnesta in

Company portfolio

The companies below refer to the completed acquisitions made by Novedo as of December 31, 2021

Company	Business	Net sales 2021 (SEK million)	Number of employees
Deramont Entreprenad AB	Ground contractor	124	45
Elforum Göteborg AB	Electrical installation	57	22
Fog & Byggtjänst i Åkersberga AB	Full-service provider for facade- and sealing work	38	40
Hansson & Ekman Isolerings Aktiebolag	Full-service provider of technical insulation both within HVAC & industry	83	72
Kulturmålarna i Norrköping AB inkl. Kulturmålarna i Linköping AB	Painting and decoration	36	37
Olle Timblads Målerifirma AB inkl. Tyresö Målericentral AB	Painting and decoration	243	185
Skanstulls Måleri Aktiebolag	Painting and decoration	37	34
Uni-vent Rör AB	Ventilation contractor	65	34
Valter Eklund Stenentreprenader AB inkl. VE Sten AB	Natural stone solutions specialist	124	52
Total		**806**	**521**

The companies below refer to the completed acquisitions made by Novedo January 31, 2022

Company	Business	Net sales 2021	Number of employees
Elarbeten Helsingborg AB	Electrical installation	26	13
Elinzity AB	Electrical installation	92	73
Ventilationskontroll Aeolus AB	Installation and reparation services for indoor climate	164	103
Totalt		**283**	**189**
Total all companies above		**1,089**	**710**

The companies below refer to the companies Novedo has signed an agreement to acquire with as of January 31, 2022

Company	Business	Net sales 2021	Number of employees
GBB Holding AB	Rock engineering	279	86
ProvideU AB [1)]	Supplier of components and complete systems	98	59
Total		**376**	**145**
Total all companies as of January 31, 2022		**1,465**	**855**

[1)] The acquisition has been completed in January 2022.

1996 by Dennis Hedström, who, today, runs the group together with Nenad Blagojevic. The previous owners of GBB Holding AB will join Novedo as shareholders.

Pro forma[1] earnings after all acquisitions
During the year, pro forma net sales for the Group amounted to SEK 1,465 million. The pro forma EBITDA result amounted to SEK 186 million during the year.

New segment reporting
From January 2022, Novedo will report segments based on two business areas:
- Infrastructure and installation and services
- Industry

Novedo launches strategy and financial goals
In conjunction with the publication of Novedo's Annual Report for financial year 2021, the Company plans to further communicate its strategy and its financial goals.

Share capital
Novedo has only one class of shares. At the end of 2021, the share capital amounted to SEK 0.6 million (SEK 552 thousand) divided into 30,960 shares, each with a nominal value of SEK 17.83. The vast majority of the previous owners of the companies with whom Novedo has signed an acquisition agreement has chosen to become partners in Novedo.

The 10 largest shareholders as of December 31 2021

	Number of shares	Share of capital, %	Share of votes, %
Spartacus Partners AB	18,849	60.9%	60.9%
F Holmström PE 3 AB	4,207	13.6%	13.6%
Esmaeilzadeh Holding AB	1,460	4.7%	4.7%
Cambo Holding AB	1,337	4.3%	4.3%
L Ruzgas Invest AB	588	1.9%	1.9%
Centripetal AB	583	1.9%	1.9%
Alpcot AB	298	1.0%	1.0%
Per-Johan Dahlgren	250	0.8%	0.8%
PJD Invest AB	250	0.8%	0.8%
Stockholm Miami Home AB	250	0.8%	0.8%

Number of employees
The average number of employees was 486 during the period July 2020-December 2021, and 482 during the fourth quarter 2021.

Parent company
Net sales and results
Since its formation in September 2021 until the end of the calendar year 2021, net sales in the Parent Company amounted to SEK 0 million. Profit for the period amounted to SEK -8 million.

During the fourth quarter of 2021, October-December, net sales amounted to SEK 0 million. Profit for the period amounted to SEK -8 million.

Development in the Group, pro forma
Pro forma refers to the period January 2021 - December 2021 for the companies that Novedo took over in 2021 and has been recalculated to show the results as if Novedo had owned the companies during the entire period.

January 2021 - December 2021
Results
Net sales in the Group amounted to SEK 1,465 million
EBITDA profit in the Group amounted to SEK 186 million.

[1] Pro forma refers to the period January 2021 - December 2021 for the companies acquired by Novedo and where the acquisitions were completed during 2021, and has been recalculated to show the results as if Novedo had owned the companies during the entire period.

Other information

Annual General Meeting
Novedos 2022 Annual General Meeting will be held in June 2022. Notice of the Annual General Meeting will be given in the beginning of May and be made public via press release, on the Company's website and through advertisement in the Post-och inrikes tidningar (The Official Swedish Gazette).

Annual Report
Novedo's Annual Report will be published on Friday the 29th of April 2022.

Seasonal variations
Novedo's portfolio companies are primarily active in infrastructure, installation and services and industry. Seasonally, the third quarter is usually slightly weaker due to holiday periods.

Stockholm, February 28, 2022
Novedo AB

Per-Johan Dahlgren
CEO

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This is information that Novedo is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on February 28, 2022 at 13:00 a.m. CET. The report has not been reviewed by the company's auditors.

Consolidated statement of comprehensive income

SEK thousands	Note	2021 Oct – Dec	2020/2021 Jul – Dec
Operating income	5		
Net sales	6	203,803	370,906
Other operating income		2,235	3,145
Total operating income		**206,038**	**374,051**
Operating expenses			
Raw materials and consumables		-30,128	-69,395
Goods for resale		-50,662	-82,447
Other external expenses		-21,908	-40,010
Employee benefit expenses		-78,680	-142,479
Depreciation, amortisation and impairment of tangible and intangible assets		-1,080	-1,679
Depreciation of right-of-use assets		-3,541	-6,933
Other operating expenses		-77	-130
Total operating expenses		**-186,076**	**-343,073**
Operating profit (EBIT)		***19,962***	***30,978***
Profit/loss from financial items			
Profit/loss from other securities and receivables that are fixed assets		-	291
Financial income	7	31	31
Financial expenses	7	-11,855	-17,803
Total financial items		**-11,824**	**-17,481**
Pre-tax profit		**8,138**	**13,497**
Income tax		-5,570	-7,764
Profit/loss for the period		2,568	5,733
Attributable to shareholders in the Parent Company		*2,562*	*5,682*
Attributable to non-controlling interests		*6*	*51*
Profit/loss for the period		2,568	5,733
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**2,568**	**5,733**
Attributable to:			
Shareholders in the Parent Company		2,562	5,682
Non-controlling interests		6	51
Total comprehensive income for the period		**2,568**	**5,733**
Earnings per share for the period before dilution		87,58	220,65
Earnings per share for the period after dilution		87,58	220,65
Average earnings per share before dilution		29,255	25,751
Average earnings per share after dilution		29,255	25,751

Consolidated balance sheet

SEK thousands	Note	2021 Dec. 31
Intangible fixed assets		
Goodwill		443,484
Total intangible fixed assets		**443,484**
Tangible fixed assets		
Plant and machinery		17,450
Equipment, tools, fixtures and fittings		2,545
Improvement costs on other's property		155
Total tangible fixed assets		**20,150**
Right-of-use assets		**57,440**
Financial fixed assets		
Other securities held as non-current assets		2,895
Other non-current receivables		377
Total financial fixed assets		**3,272**
Total fixed assets		***524,346***
Inventories etc.		
Raw materials and consumables		7,864
Total inventories		**7,864**
Current receivables		
Accounts receivable – trade		85,357
Current tax assets		1,652
Other current receivables		7,755
Contract assets		20,138
Prepaid expenses and accrued income		6,075
Summa kortfristiga fordringar		**120,977**
Investments in securities etc.		825
Cash and cash equivalents		**821,432**
Total current assets		**951,098**
TOTAL ASSETS	8, 9	**1,475,444**

SEK thousands	Note	2021 Dec. 31
Equity		
Share capital		552
Other contributed capital		376,875
Accumulated profit or loss, including net profit for the period		5,682
Equity attributable to shareholders in the Parent Company		**383,109**
Non-controlling interests		102
Total equity		***383,211***
Non-current liabilities		
Provisions for pensions and similar obligations		3,113
Acquisition-related liabilities		102,850
Deferred tax liability		1,615
Lease debt		37,916
Bond loan	10	737,419
Liabilities to credit institutions	10	4,651
Other non-current liabilities		128
Total non-current liabilities		**887,692**
Current liabilities		
Lease debt		16,210
Liabilities to credit institutions	10	3,582
Acquisition-related liabilities		40,296
Advance payments from customers		603
Accounts payable – trade		40,216
Tax liability		7,459
Liabilities to Group companies		2,492
Other current liabilities		24,330
Contract liabilities		12,502
Accrued expenses and deferred income		56,851
Total current liabilities		**202,607**
Total liabilities		**1,090,299**
Total equity and liabilities		**1,475,444**

Consolidated statement of changes in equity

SEK thousand	Share capital	Other contributed capital	Accumulated profit or loss, including net profit for the year	Non-controlling interests	Total equity
Opening balance Jul. 28, 2020	**-**	**-**	**-**	**-**	**-**
New share issue	52	278,500	-	-	278,552
New Parent Company	500	-	-	-	500
Acquisition minority	-	-	-	51	51
Shareholders' contribution	-	98,375	-	-	-98,375
Profit/loss for the period	-	-	5,682	51	5,733
Other comprehensive income	-	-	-	-	-
Total transactions with shareholders	*552*	*278,500*	*-*	*51*	*279,103*
Closing balance Dec.31, 2021	**552**	**376,875**	**5,682**	**102**	**383,211**

	2021, okt-dec	2020/2021, jul-dec
Number of ordinary shares at the beginning of the period	25,000	25,000
Number of ordinary shares at the end of the period	30,960	30,960
Total number of shares at the end of the period	**30,960**	**30,960**

The ordinary shares have a quota value of SEK 17.83.

Consolidated statement of cash flow

SEK thousands	Note	2021 Oct-Dec	2020/2021 Jul-Dec
Operating profit		19,962	30,978
Adjustments for non-cash items, etc.	11	5,053	-123,650
Net interest income/expense paid		-11,535	-17,150
Income tax paid		-3,937	-9,024
Cash flows from operating activities before changes in working capital		**9,543**	**-118,846**
Change in inventory		295	-152
Change in accounts receivable – trade		8,239	-14,618
Change in other current receivables		-3,307	-11,506
Change in accounts payable – trade		-3,533	4,125
Change in other current operating liabilities		14,001	60,473
Cash flow from operating activities		**25,238**	**-80,524**
Acquisition of subsidiaries		-	-209,682
Sale of subsidiaries		-	-216
Change in other financial assets		-643	521
Change in short-term financial investments		3	-115
Cash flow from investing activities		**-640**	**-209,492**
New share issue		143,986	278,552
Shareholder contribution received		-	98,375
Share capital Novedo Holding AB (publ)		500	500
Borrowings		736,821	741,400
Repayment of borrowings		-186,666	-
Amortisation of lease liabilities		-3,762	-7,379
Cash flow from financing activities		**690,879**	**1,111,448**
Cash flow for the period		**715,477**	**821,432**
Cash and cash equivalents – opening balance		105,955	-
Cash and cash equivalents – closing balance	12	**821,432**	**821,432**

Statement of comprehensive income – Parent Company

SEK thousands	Note	2021 Oct-Dec	2021 Sept-Dec
Operating income			
Net sales		-	-
Total operating income		**-**	**-**
Operating expenses			
Other external expenses		-2,165	-2,165
Other operating expenses		-1	-1
Total operating expenses		**-2,166**	**-2,166**
Operating profit/loss		**-2,166**	**-2,166**
Profit/loss from financial items			
Interest expenses		-6,002	-6,002
Profit/loss after financial items		**-8,168**	**-8,168**
Tax on profit for the year		277	277
Profit/loss for the period		**-7,891**	**-7,891**
Profit/loss for the period		-7,891	-7,891
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**-7,891**	**-7,891**

Balance sheet – Parent Company

SEK thousands	Note	Dec. 31, 2021
Financial fixed assets		
Participations in Group companies	13, 14	191,155
Deferred tax assets		277
Total financial fixed assets		**191,432**
Total fixed assets		**191,432**
Current receivables		
Other current receivables		538
Prepaid expenses and accrued income		77
Total current receivables		**615**
Cash and cash equivalents		689,355
Total current assets		*689,970*
Total assets		**881,402**

SEK thousands	Note	Dec. 31, 2021
Equity		
Share capital		552
Total restricted equity		**552**
Premium reserves		143,934
Profit (loss) brought forward		30
Profit/loss for the period		-7,891
Total non-restricted equity		**136,073**
Total equity		*136,625*
Non-current liabilities		
Bond loan		737,419
Total non-current liabilities		**737,419**
Current liabilities		
Accounts payable – trade		2,514
Liabilities to Group companies		35
Accrued expenses and deferred income		4,809
Total current receivables		**7,358**
Total liabilities		*744,777*
Total equity and liabilities		**881,402**

Notes

Note 1 General information

All amounts are in SEK thousands for the Group and Parent Company, unless stated otherwise.

Novedo Holding AB (publ), Corp. ID Nr. 559334-4202, with registered offices in Stockholm and its head office at Biblioteksgatan 29, 114 35 Stockholm. The consolidated accounts include the Parent Company and its subsidiaries. Novedo Holding AB (publ) is an acquisition-driven holding company acquiring entrepreneur-led companies within the segment property-related services and infrastructure and in the industry segment.

As at December 31, 2021, Novedo Holding AB has acquired companies only within the segment property-related services and infrastructure. The two largest operating areas in this segment are painting and ventilation. In addition to this, the companies operating within infrastructure natural stone, technical insulation, electricity and façade services have been acquired.

The Company is the Parent Company in a group with the wholly-owned subsidiary, Novedo AB (559264-9841), with registered offices in Stockholm. Novedo AB owns, in its turn, Novedo OpCo AB (559334-8344).

Novedo OpCo AB, in its turn, owns VE Sten AB (556143-4126), Valter Eklund Stenentreprenader AB (556071-7463), Fog & Byggtjänst i Åkersberga AB (556678-1505), Fog & Byggtjänst i Sverige AB (556802-3690), Fog & Byggtjänst i Östergötland AB (559260-8151), Skanstulls Måleri Aktiebolag (556543-8974), Uni-vent Rör AB (556665-6889), Elforum Göteborg AB (559133-4031), Olle Timblads Målerifirma AB (556688-5488), Tyresö Målericentral AB (556909-8725), Kulturmålarna i Norrköping Aktiebolag (556435-2887), Kulturmålarna i Linköping AB (559203-8177), Deramont Entreprenad AB (556803-5421) and Hansson & Ekman Isolerings Aktiebolag (556459-0379).

Not 2 Significant accounting policies

The most significant accounting policies and valuation principles used in the preparation of the financial statements are summarised below. Where the Parent Company applies different policies, these are set out under the heading 'Parent Company's accounting principles' below.

The Group's Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable parts of the Swedish Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, interim reports, and RFR 2 Accounting for legal entities.

Novedo Holding AB was established in 2021 and therefore has no history of balance sheets and income statements for the beginning of 2021. The new Group was established by Novedo Holding AB acquiring the former Novedo AB Group by contribution on October 26, 2021. The Novedo AB Group was established in 2020. Immediately after the acquisition, Novedo Holding AB became the owner of the shares in Novedo AB. The shares previously held by, among others, board members and group management, were transferred by means of a contribution so that ordinary shares in Novedo AB were exchanged for ordinary shares in Novedo Holding AB. The acquisition of these shares took place on October 26, 2021. The establishment of the Group meant that a new parent company, Novedo Holding AB, was established through a share exchange. Due to the fact that a newly established company cannot be considered to comprise an acquirer and where the primary purpose is a restructuring within the Group (common control), the Group has been established as a continuation of the former Novedo AB Group.

The consolidated financial statements were prepared in accordance with the cost method, except for any financial instruments which are measured at fair value on an ongoing basis. Other assets and liabilities are reported at historical cost of acquisition using the cost method. The financial statements include all the companies making up the Group. The financial statements have been prepared using consistent accounting policies.

All reports prepared in compliance with IFRS require certain accounting estimates to be made. In addition, management is required to make certain judgements in the application of the Group's accounting policies. Those areas Involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant for the Consolidated Financial Statements, are indicated separately under Important accounting estimates and judgements..

Currency and reporting currency

The Group uses Swedish kronor (SEK) as its reporting currency. The Parent Company's functional currency is Swedish kronor (SEK), which is also the Parent Company's reporting currency. Unless otherwise stated, all amounts are rounded to the nearest thousand SEK (SEK thousand).

New accounting principles

New and revised existing standards, approved by the EU that will enter into force in 2022.

There are no new and revised standards endorsed by the EU or interpretations by the IFRS Interpretation Committee that are currently expected to have a material impact on Novedo's results or financial position. The same applies to Swedish regulations.

Principles for consolidated financial statements

Subsidiaries

Subsidiaries are all companies over which the Group holds a controlling influence. The Group controls a company when it is exposed to, or is entitled to a variable return from its holding in the company, and has the opportunity to affect the return through its influence in the company. The subsidiaries are included in the consolidated financial statements on the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling interest ceases.

All transactions between Group companies are carried out at market prices. Intra-group transactions and balance sheet items, as well as unrealised gains on transactions between Group companies, are eliminated. Unrealised losses are eliminated only if the transaction does not provide evidence that the impairment of the asset being transferred is necessary.

The consolidated financial statements were prepared according to the acquisition method, whereby the equity of the subsidiary at acquisition, determined as the difference between the fair values of assets and liabilities, is eliminated in its entirety. The Group's equity includes only the amount of the subsidiaries' equity arising after acquisition.

Business combinations

The Group applies the acquisition method when accounting for business combinations. The compensation transferred by the Group for obtaining control of a subsidiary is measured as the total of fair values at the acquisition date of the assets transferred, liabilities assumed and equity instruments issued by the Group, which includes the fair value of any asset or liability arising from a conditional purchase price agreement. Subsequent changes in the fair value of a conditional purchase price, which are classified as a financial liability, are recognised in the income statement (under Other operating expenses).

Acquisition-related costs are expensed as incurred under the heading of other external charges.

Acquired assets and assumed liabilities are valued at fair value as at date of acquisition.

Transactions and balance sheet items in foreign currency
Transactions in foreign currencies are translated using the applicable exchange rates on the date of the transaction (spot rate). Gains and losses in foreign currencies resulting from the revaluation of monetary items at the closing rate are recognised in the profit/loss account. Non-monetary items are not translated at the balance sheet date but are measured at historical acquisition cost (translated at the exchange rate on the date of the transaction), except for non-monetary items measured at fair value which are translated at the exchange rate on the date the fair value was determined.

Segment information
Operating segments are reported according to IFRS 8 in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision Maker is the function responsible for allocating resources and assessing the performance of operating segments. Within the Novedo Group, the Chief Executive Officer has been identified as the Highest Executive Decision-Maker. During the reporting period, the Novedo Group had one operating segment, namely infrastructure and installation and services. The Group has also decided to work within another segment, that is, industry. As at December 31, 2021, the Group had not acquired any companies in this segment, but will do so during the first quarter of 2022. More information is provided in Note 5.

Goodwill
Goodwill represents future economic benefits arising from a business combination which is not individually identified and separately recognised. Goodwill is reported as cost of acquisition less accumulated amortisation.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of this combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management purposes.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a possible decline in value. The carrying amount of the cash-generating unit to which the goodwill is allocated is compared to its recoverable amount, which is the higher of its value in use and its fair value less selling costs. Any impairment loss is recognised immediately as an expense and is not reversed. Goodwill is monitored and tested at segment level.

The valuation is based on Novedo's business plan and the analysis of discounted cash flow as the main method to estimate the recoverable amount. A sensitivity analysis of the discount rate, growth assumption and margins is performed after each impairment test to determine whether the residual value is sufficient.

Tangible assets
Tangible fixed assets consist of machinery and equipment, which are stated at acquisition cost less accumulated depreciation and any accumulated impairment losses. The cost of acquisition includes the purchase price and expenses directly attributable to bringing the asset to the location and ensuring it is in the condition required for it to be used for its intended purpose. Depreciation of machinery and equipment is based on historical acquisition cost less any subsequent write-downs. The residual value is deemed to be non-existent. Depreciation is calculated on assets acquired during the year, taking into account the date of acquisition. Depreciation is calculated on a straight-line basis, which means equal depreciation over the useful life, which is normally five years.

Impairment of non-financial assets
Goodwill Is tested annually, or with an indication of impairment to determine any possible impairment requirement. Assets which are written off are assessed considering their impairment whenever an event or changes in the circumstances applying indicate that the reported value is not, perhaps, equivalent to the recoverable value. Impairment is reported in the amount whereby the reported value of the asset exceeds Its recoverable value. The recoverable value is the higher of the asset's fair value less sales costs and its value in use. In assessing an impairment requirement, assets are grouped at the lowest levels at which, In all significant aspects, there independent cash flows (cash generating units). For assets (other than goodwill) which have previously been written off, a testing of whether a reversal of the amounts should be undertaken is undertaken on each balance sheet date.

Reversal of impairment
An impairment loss is reversed if there is both an indication that the impairment loss no longer applies and a change in the assumptions used to calculate the recoverable amount. Impairment of goodwill is never reversed. A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, net of depreciation where applicable, if no impairment loss had been recognised. Impairment losses on loans and receivables carried at amortised cost are reversed if a subsequent increase in the recoverable amount can be objectively related to an event occurring after the impairment loss was recognised.

Revenues
Revenues are valued based on the remuneration specified in the contract with the customer. The Group recognises revenue when control of good or a service is transferred to the customer. Control occurs at a point in time or over time depending on the agreed terms.

Novedo Group's revenues are made up of contracting projects and services in equal parts. The former includes invoicing under construction contracts and additional alterations and additions regulated in the contract, while the latter refers to services, minor works, etc. that are not covered by the contract. Construction contracts are not turnkey contracts, but are usually used for smaller projects, which gives a greater spread of risk. The Group's revenues are also made up of new construction and aftermarket/renovations equally, which also provides a good spread of risk.

Novedo Group's payment terms are essentially 30 days net.

Performance of service assignments
The Group generates revenue from service assignments. The remuneration for these services is recognised over time. When the Group is to recognise revenue from service assignments, a forecast is made in which the Group estimates the stage of completion of each individual project, which is progressively offset against the costs incurred by the project. Revenue from service activities is recognised when the services are provided on the basis of the stage of completion of the contract at balance sheet date, in the same manner as for construction contracts described below.

Construction contracts
When the outcome can be measured reliably, the contract revenue and related expenses are recognised according to the stage of completion of the contract (i.e. over time) at the balance sheet date. Contract revenue is measured at the fair value of the compensation that has been or will be received.

When the Group cannot reliably estimate the outcome of a contract, revenue is recognised only to the extent that the contract costs incurred can be recovered. Contract costs are recognised in the period in which they incur.

In all cases where it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised in the profit/loss account.

The stage of completion of a construction contract is assessed by the project manager by comparing the costs incurred to date with the total estimated costs for the contract. Only costs corresponding to work performed are included in costs to date.

The gross amount payable by customers for contracts is recognised in the line item “Contract assets” for all contracts in progress where the contract’s costs and recognised profits (net of recognised losses) exceed invoiced amounts. Liabilities due under contracts are recognised under the heading ‘Contract liabilities’ for all contracts in progress for which invoiced amounts exceed contract costs plus recognised profits (less recognised losses).

Government aid

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to the grant. Government grants relating to costs are accrued and recognised in the income statement over the same periods as the costs they are intended to cover. Government grants are reported under Other operating income.

Employee remuneration

Short-term employee benefits, such as salaries, social security contributions, holiday pay and bonuses, are recognised in the period in which the work is performed by the employees. A liability for the expected cost of bonus payments is recognised when the Group has a legal or informal obligation to make such payments as a result of services performed by employees. The obligation must also be reliably measurable.

Retirement benefit obligations

Pension plans are usually financed through payments to insurance companies or managed funds based on periodic actuarial calculations. These plans may be defined benefit or defined contribution plans.

A defined benefit pension plan is a pension plan characterised by a determined amount of pension benefits which the employee is to receive after retiring, usually based on one or a number of factors such as age, length of service and salary.

A defined contribution plan is a pension plan according to which the Company pays fixed fees to a separate legal entity. The Company therefore has no legal or informal obligations to pay additional fees if the fund does not have sufficient assets to pay all employee benefits related to employee service during current or previous periods. Prepaid fees are reported as an asset to the degree cash repayment or a reduction in future payments can come to the benefit of the Group.

The Novedo Group has both defined benefits and defined contribution pension plans.

The Novedo Group only has defined contribution pension plans.

Remuneration upon termination

Remuneration upon termination is paid when an employment is terminated before the usual date of retirement or when the employee voluntarily accepts termination of their employment in exchange for compensation. The Group recognises any termination benefits when they are demonstrably obligated to, either through the termination of employees under a detailed formal plan without the possibility of retraction, or through the provision of termination benefits as a result of an offer of voluntary redundancy, as a result of restructuring. Benefits that are expected to be settled in more than twelve months are recognised at their discounted present value.

Financial income and costs

Financial income comprises interest income and, where applicable, dividend income, as well as gains on the revaluation or disposal of financial instruments. Financial costs comprise interest expense on borrowings, including accrued transaction costs, loss on changes in value or disposal of financial instruments. Any foreign exchange gains and losses are recognised net. Interest income and interest expense are recognised using the effective interest method, while dividends are recognised when the right to receive dividends has been established.

Taxes

Income tax consists of current tax calculated on the taxable income, deferred tax and other taxes and adjustment of current tax relating to previous years for Group companies. All of the companies within the Group calculate income taxes in accordance with the applicable tax rules and regulations. Income tax is recognised in profit or loss for the period unless it relates to a transaction recognised directly in equity or in other comprehensive income. Deferred tax is recognised for temporary differences between the carrying amounts and tax bases of assets and liabilities and for tax loss carry-forwards (to the extent that they are expected to be recoverable). The Group uses the balance sheet method to calculate deferred tax liabilities and deferred tax assets. The balance sheet method is based on tax rates at balance sheet date applied to differences between the carrying amount of an asset or liability and its tax base, and on tax losses carried forward. These tax loss carry-forwards can be used to reduce future taxable profits. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to enable the benefit to be utilised. Under IFRIC23, uncertainties relating to income taxes are taken into account if, and when, income taxes are recognised and measured in the financial statements. Deferred tax assets and liabilities are recognised net if there is a legal right to offset tax assets against tax liabilities on a net basis and the deferred tax is attributable to the same taxation authority.

Financial instruments

Financial instruments recognised in the balance sheet include, on the asset side, mainly cash and cash equivalents, accounts receivable, non-current securities holdings and non-current receivables, and on the liability side, acquisition-related liabilities, accounts payable, accrued expenses and loan liabilities.

A financial asset or financial liability is recognised on the balance sheet when the company becomes a party under the instrument’s contractual terms. A receivable is recognised when the company has performed and a contractual obligation exists for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are recognised once an invoice has been sent. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are recognised once an invoice has been received.

A financial asset is removed from the balance sheet when the rights in the agreement are realised, expire, or the company loses control over them. A financial liability is removed from the balance sheet when the contractual obligation is fulfilled or otherwise extinguished. A financial asset and a financial liability are recognised net only when there is a legal right to set off the amounts and an intention to settle the items net. Purchases and sales of financial assets are recognised on the transaction date, which is the date the company commits to purchasing or selling the asset. Any transaction costs are included in the fair value of assets in addition to those whose changes in value are recognised through profit or loss for the period. Transaction expenses that arise in connection with the recognition of financial liabilities are amortised over the maturity of the loan as a financial expense.

Financial assets and liabilities that are handled within IFRS 9 are classified as follows:

Financial assets:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss

Financial liabilities:

- Financial liabilities measured at amortised cost
- Financial liabilities measured at fair value through profit or loss

Within the above categories, there are different types of financial instruments. Financial instruments are classified at initial recognition and the classification determines principles for the valuation of the instruments. The fair values of quoted financial investments and derivatives are based on quoted market prices or interest rates. If official interest rates or market prices are not available, fair value is calculated by calculating the present value of expected future cash flows with the interest rates at the time.

Financial assets at amortised cost
Financial assets are classified as recognised at amortised cost if the contractual terms result in payments relating only to principal amounts and interest on the outstanding principal amounts and when the purpose of the holding of the financial asset is to hold the asset to maturity. In subsequent recognition, the asset is measured at amortised cost based on the effective interest method less impairment losses. Interest income and gains/losses from financial assets at amortised cost are recognised under financial income.

Impairment of financial assets recognised at accrued amortised cost
The Group assesses the future expected credit losses linked to assets recognised at amortised cost. The Group recognises a credit reserve for such expected credit losses at each reporting date. For accounts receivable, the Group applies the simplified approach for credit reserves, meaning that the reserve will correspond to the expected loss over the entire lifetime of the accounts receivable. In order to measure the expected credit losses, accounts receivable have been grouped based on allocated credit risk characteristics and days overdue. For the Group's other financial instruments, the general model is applied to calculate the expected credit losses. The Group uses future-oriented variables for expected credit losses. Expected credit losses are recognised in the Group's statement of comprehensive income in the item other external expenses. The Group has historically had insignificant credit losses on receivables.

Financial assets measured at fair value through Other comprehensive income
Assets are classified in this category If the contractual terms result In payments comprised only of capital amounts and Interest on the outstanding capital amount, and If the financial asset is held with the purpose of both incurring the contractual cash flows and of selling the asset. The measurement is initially at fair value. Any value changes are reported in Other comprehensive income. When the asset is sold or disposed of in another manner, the accumulated value changes are reversed and this reversal is reported in Other comprehensive income for the period. Earned and paid interest on these assets is reported in the profit or loss for the period as financial transactions in accordance with the effective interest rate method. Short-term investments are classified as available for sale and receivables are reported at fair value in Other comprehensive Income.

Financial assets measured at fair value through profit or loss
Assets
Assets that do not meet the requirements to be recognised at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Interest income and gains/losses from financial assets at fair value are recognised under financial income.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and other current investments with maturities of three months or less. At balance-sheet date, the Novedo Group had no overdraft facility, which would have been recognised on the balance sheet as borrowing amongst interest-bearing current liabilities.

Borrowing
Borrowing is initially recognised at fair value, net of transaction expenses. Borrowing is subsequently recognised at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the borrowing period using the effective interest method.

Borrowing is eliminated from the statement of financial position when the obligations have been settled, annulled or otherwise expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of comprehensive income.

Borrowing is classified as current liabilities unless the Group has an unconditional right to postpone payment of the debt for at least 12 months after the end of the reporting period.

Financial liabilities, interest-bearing loans and credits, measured at amortised cost
Loans and financial liabilities are initially measured at their respective fair values adjusted for directly attributable transaction expenses. After initial recognition, these items are measured at their accrued amortised costs in accordance with the effective interest rate method.

Financial liabilities measured at fair value through profit or loss
The Group's financial liabilities, which are measured at fair value through profit or loss, are contingent purchase considerations. The liability for a contingent purchase consideration is discounted and the effect of discounting is expensed under financial expenses. Measurement is continuously at fair value and changes in value are recognised in profit or loss under financial items. However, if the change in value takes place before acquisition analysis is determined and is of a nature that the event derives from the acquisition date, measurement is made via the balance sheet.

Accounts payable - trade
Accounts payable - trade are recognised at amortised cost, which is assumed to correspond to fair value.

Inventory
Inventory is measured at the lower of cost and net realisable value. Cost includes all expenses that are directly related to purchases. Expenses for commonly replaceable articles are distributed according to the first-in, first-out principle. The net selling price is the estimated selling price in the operating activities less any applicable selling expenses. If the estimated net sales value is below cost, a reserve for inventory obsolescence is made.

Provisions, contingent liabilities and contingent assets
Provisions for product warranties, legal processes, loss contracts or other claims are recognised when the Group has a legal or constructive obligation as a result of an earlier event, and it is likely that an outflow of financial resources will be required and a reliable estimate of the amount can be made. The time or amount for the outflow may still be uncertain.

Provisions are valued in the amount estimated to be required to settle the existing obligation, based on the most reliable information available on the balance sheet date, including the risks and uncertainties related to the existing obligation. If there are a number of similar obligations, the probability is determined for an outflow in a collective assessment of the obligations. Provisions are discounted to their present value where the time value of money is significant.

Potential compensation that the Group is virtually certain of being able to receive from an external party for the obligation is recognised as a separate asset. However, this asset cannot exceed the amount for the attributable provision.

No liability is recognised if the outflow of financial resources as a result of existing obligations is unlikely. Such situations are recognised as contingent liabilities insofar as the likelihood of an outflow of resources is very small.

Equity
Equity consists of the following items:
- Share capital which represents the nominal value (quotient value) of issued and registered shares.
- Other contributed capital comprised of premiums received in the new share capital issue and shareholder contributions from the owners. Any transaction expenses associated with new share issues are deducted from capital contributed.

- Retained earnings including profit for the year, i.e. all capitalised gains/losses for the current and previous periods and acquisitions of own shares.
- Other equity including profit for the year, i.e., all capitalised gains/losses for non-controlling interests, refers to earnings attributable to minority ownership.

Earnings per Share

The calculation of earnings per share before dilution is based on consolidated profit attributable to Parent Company shareholders and the weighted average number of shares outstanding during the year. In calculating earnings per share after dilution, earnings and the average number of shares are adjusted to take into account the effects of potential ordinary shares..

Earnings per share before dilution

Earnings per share before dilution are calculated by dividing:

- Profit attributable to the Parent Company's shareholders
- A weighted average number of outstanding ordinary shares during the period, adjusted for bonus issue elements in ordinary shares issued during the year and excluding repurchased shares held as treasury shares by the Parent Company.

Earnings per share after dilution

For the calculation of earnings per share after dilution, the amounts used for calculating earnings per share before dilution are adjusted by taking into account:

- The effect, after tax, of dividends and interest expenses on potential ordinary shares, and
- The weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares.

Leases

The Group acts as a lessee. The Group's leases, where the Group is a lessee, essentially relate to premises, cars and IT equipment.

Leasing – Group as a lessee

For all leases, except for the exceptions mentioned below, a right-of-use (ROU) asset and an equivalent lease liability are recognised on the day on which the leased asset is available for use by the Group. Each lease payment is allocated among the repayment of debt and financial expense. The financial expense is distributed across the leasing period so that each accounting period is charged an amount equal to a fixed interest rate for the liability recognised in each period.

ROU assets are depreciated straight-line over the shorter of the asset's useful life and the term of the lease. The lease agreements run in periods of 3-5 years, but options to extend or terminate the lease exist.

Assets and liabilities arising from leases are initially recognised at the present value of future leasing fees. Leasing liabilities include the present value of the following lease payments:

- Fixed charges
- Variable leasing fees, determined by an index or interest rate
- Residual value guarantees
- Call options (which will be exercised with reasonable certainty)

The lease payments are discounted by the implicit interest if the interest can be determined or, otherwise, on the marginal loan interest rate.

The assets with an ROU are valued at cost and include the following:

- The initial measurement of the lease liability
- Payments made at or before the time when the leased asset is made available to the lessee
- Any initial direct costs incurred by the lessee; and
- An estimate of expenses to be incurred by the lessee 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 terms and conditions of the lease.

The Group separates non-leasing components from leasing fees.

The Group applies the exemption in IFRS 16, which means that leasing fees related to short-term lease agreements and lease agreements for which the underlying asset has a low value (asset with a value of USD 5,000 or less when it is new) are not recognised as an asset for use and lease liabilities, but are recognised as an expense straight-line over the term of the lease. Current leases are agreements with a lease term of 12 months or less. Leases for which the underlying asset is of low value, essentially office equipment.

Options to extend or terminate agreements

Options to extend or terminate contracts are included in the Group's lease agreements as regards office premises. The terms are used to maximise flexibility in the handling of the agreements. These options to extend or terminate contracts are included in the asset and the liability when it is reasonably certain that such options will be utilised.

Subsequent recognition

The lease liability is revalued if there are any changes in the lease or if there are changes in the cash flow on which the original lease terms are based. Changes in cash flows based on original contract terms arise when: the Group changes its initial assessment whether options for extension and/or termination will be used, when there are changes in previous assessments as to whether a call option will be utilised, or when leasing fees will change due to changes in indices or interest rates. A revaluation of the lease liability leads to a corresponding adjustment of the ROU asset. If the carrying amount of the ROU asset has already been reduced to zero, the remaining revaluation is recognised in the income statement. ROU assets are assessed for impairment whenever events or changes in conditions indicate that the carrying amount of an asset cannot be recovered.

Presentation

ROU assets and lease liabilities are reported in a separate line in the balance sheet. In the income statement, depreciation on ROU assets is reported in the line depreciation and interest expenses on leasing liabilities are reported as a financial cost. Leasing fees referring to low-value lease agreements and short-term lease agreements are recognised in the income statement (line dependent on the type of leased asset). Repayment of the lease liabilities is recognised as cash flow from financing operations. Payments of interest and payments of short-term lease agreements and lease agreements of low value are recognised as cash flow from the operating activities.

The rental fee is revalued when changes in future lease fees arise through changes in the index or changed assessment of the agreement as a result of, for example, purchases, extensions of agreements or termination of agreements. A corresponding adjustment is made to the right of use.

Cash flow statement

The cash flow statement is prepared using the indirect method. The recognised cash flow only includes transactions that have involved inward or outward payments.

Parent Company's accounting policies

Differences between the consolidated and the Parent Company's accounting principles are presented below. The accounting principles for the Parent Company presented below were consistently applied to all periods presented in the Parent Company's financial reports.

Presentation

The income statement and balance sheet are presented in accordance with the format prescribed in the Swedish Annual Accounts Act. The format for the statement of changes in equity is consistent with the Group's format, but must include the columns stated in the Swedish Annual Accounts Act. Moreover, there is a difference in terms, compared with the consolidated financial statements, mainly with regard to financial income and expense, and equity.

Participations in subsidiaries
Participations in subsidiaries are recognised in the Parent Company according to the cost method. This means that transaction costs are included in the book value of holdings in the subsidiary. Transaction expenditures attributable to subsidiaries are reported directly in earnings as they arise.

Financial instruments
Due to the connection between accounting and taxation, the rules concerning financial instruments and hedge accounting in IFRS 9 are not applied in the Parent Company as a legal entity. The Parent Company recognises financial fixed assets at cost less any impairment and financial current assets according to the lower of cost or market rule. The cost of interest-bearing instruments is adjusted for the accrual difference between what was originally paid, less transaction costs, and the amount paid on the due date (overprice and discount respectively).

Note 3 Important accounting estimates and judgements

The preparation of financial statements according to IFRS requires that management undertake certain estimates and judgements in applying the company's accounting principles. These estimates and judgments can have an effect on the reported amounts of assets, liabilities, revenue and costs. Actual amounts can deviate from these estimates and judgements.

Estimates and the underlying assumptions to the estimates are analysed regularly. Changed estimates and judgments are reported on a future-oriented basis.

Fair value measurement
Certain of the Group's accounting principles and disclosures require measurement at fair value. If information from a third party, for example, a broker or other source of share prices, is available, this is used as the basis for assessing whether the valuation meets the criteria in the various applied standards. This includes the assessment undertaken in applying the valuation hierarchies stipulated in the reporting standards.

With the fair value measurement of an asset or liability, the Group applies, on the first hand, the quoted prices in active markets for identical assets or liabilities. The Group applies the valuation model which categorises data according to a valuation hierarchy. This valuation hierarchy is based on the following levels:

Level 1 – quoted prices for similar assets or liabilities in active markets
Level 2 – inputs other than quoted prices (according to Level 1) that are observable for the asset or liability. These can be either directly observable (for example prices) or indirectly observable (for example, deduced from price quotations).
Level 3 –inputs for the valuation of assets or liabilities which are not based on observable market data

If the inputs for the valuation of an asset or liability at fair value refer to different levels in the valuation hierarchy, the entire valuation is categorised as belonging to one and the same level. The level to which the category refers is the lower of the levels applied in the valuation. At the end of each reporting period, the Group undertakes an assessment of whether there is sufficient data at a higher level.

Impairment of non-financial assets and goodwill
In order to assess the impairment requirement, Group management calculates a recovery value for each asset or cash-generating unit based on the expected future cash flow and applies an appropriate interest rate in discounting the cash flow. There is uncertainty in the assumptions regarding future operating income and the determination of an appropriate discount rate.

As at bookclosing date, December 31, 2021, goodwill totalled SEK 443,484 thousand.

Business combinations and measurement at fair value
In calculating the fair value, Group management applies valuation methods for the specific assets and liabilities which are acquired in conjunction with a business combination. It is primarily the fair value of the conditional purchase price that is dependent on the outcome of a number of different variables, including the acquired company's future profitability.

Group management applies valuation methods in calculating the fair value of financial instruments (if there are no prices in active markets) and non-financial assets. This implies that estimates and judgments are undertaken as regards the manner in which market players would price a given instrument. Group management bases its assumptions, as far as possible, on observable data, but such data is not always available. In such cases, Group management applies the best available information. Estimated fair value can prove to differ from the actual price which could have been achieved in a transaction on commercial terms as at the balance sheet date.

Conditional purchase prices are included in the item acquisition-related liabilities in the balance sheet and as at December 31, 2021 totalled SEK 143,146 thousand. See also Note 8.

Revenue from construction contracts
Recognised revenue and associated contractual assets with the principal reflect the Group management's best estimate of the outcome and degree of completion for each contract. When it comes to more complex contracts, there exists a significant uncertainty in assessing the costs for completing the contract and as regards its profitability. The Group recognises revenue in the projects over time in pace with thir degree of completion, which is measured on the basis of costs incurred in relation to total expected costs at each given point in time. The Group has a well-established process for following up the degree of completion and the total costs per project. In this process, the risk of loss which can arise in the projects is both followed up and assessed

As at December 31, 2021 receivables for construction contracts reported in the balance sheet totalled SEK 20,138 thousand.

Tax losses carried forward
Deferred tax receivables are reported only for tax losses carried forward where it is probable that such amounts can be utilised against future taxable surpluses and against taxable temporary differences. The Group investigates each year if it is appropriate to capitalise new deferred tax receivables on the year's, or previous years', tax losses carried forward.

The Novedo Group has capitalised deferred tax receivables on all of its tax losses carried forward.

Note 4 Financial risk management

Through its operations, the Group is exposed to a large number of different financial risks such as: various market risks (currency risk and interest rate risk), credit risk, liquidity risk and refinancing risk. The Group strives to minimise any potentially disadvantageous effects on its financial results. The goal with the Group's finance operations is to:

- ensure that the Group can meet its payment obligations,
- handle financial risks,
- ensure access to the necessary financing, and
- optimise the Group's financial net.

The Group's risk management is handled by the Parent Company who identifies, evaluates and protects against financial risks in close cooperation with the Group's operational units. The Group has a finance policy stipulating the guidelines and framework for the Group's financial operations. The responsibility for handling the Group's financial transactions and risks is centralised i the Parent Company.

Market risks

Currency risk

The Group is not exposed to any significant currency risks. All of the Group's companies operate on the Swedish market. There may be just a very few accounts payable – trade in foreign currencies, but these are not significant amounts.

Interest rate risk

The Group evaluates, on a case-by-case basis, what is most advantageous – variable or fixed interest rates. At present, all liabilities to credit institutions have a variable interest rate, while the bond loan has an interest rate of STIBOR + 6.5%. Liabilities to credit institutions comprises borrowings in SEK at variable interest rates and exposes the Group to an interest rate risk as regards its cash flow. Liabilities to credit institutions amount to SEK 8,233 thousand. The collateral for the Group's liabilities to credit institutions comprises retention of title. The Group's bond loan is subject todebt covenants which are based on the requirement that Net Interest Bearing Debt (i.e. interest-bearing debt less cash and cash equivalents) divided by EBITDA, must not exceed certain levels. There are also restrictions on how the bond loan may be used – a definition of so- called permitted acquisitions. This definition requires that the acquisitions made should be in the two segments in which the Group operates, namely infrastructure and installation and services, and industry. It is also a condition that the company being acquired has been profitable for the last 12 months (to be determined at the earliest 3 months before the acquisition) and that the company was profitable during the last audited financial year. In addition, the bond loan is secured as there Is a rquirement of the pledge of shares in subsidiaries representing at least 85% of their consolidated EBITDA.

Sensitivity analysis of interest rate risk

If the interest rates on borrowing as at December 31, 2021 had been 100 base points higher/lower, with all other variables being constant, the calculated profit before tax for the period would have been SEK 7,457 thousand lower/higher, mainly as an effect of the higher/lower interest expenses for borrowing on the basis of variable interest rates. In calculating Interest rate risk, the starting opint has bben the liabilities to credit Institutinos as at balance sheet date.

Credit risk

Credit risk arises from balances placed in banks and credit institutions, as well as in customer credit exposures, including outstanding receivables. Credit risk is handled by Group management. Only banks and credit institutions with a minimum credit rating of "A" granted y independent assessors are accepted.

Credit risk is managed at Group level, with the exception of credit risk related to outstanding accounts receivable – trade and project cost calculations. Each Group company is responsible for monitoring and analysing the credit risk of each new customer. In cases where no independent credit assessment is available, a risk assessment of the customer's creditworthiness is made, taking into account the customer's financial position, as well as past experience and other factors. Individual risk limits are set based on internal or external credit assessments in accordance with the limits determined by the Board of Directors. The application of credit limits is monitored regularly.

No credit limits were exceeded during the reporting period and management does not expect any losses as a result of non-payment from these counterparties. Credit losses in the Group's companies have historically been insignificant and the payment history of customers has been good. Taking this into account, as well as considering forward-looking information on macroeconomic factors that may affect customers' ability to pay their debts, the Group's expected credit losses have also been assessed as insignificant.

Liquidity risk

The Group counteracts this risk through prudent liquidity management to ensure that sufficient cash funds exist to meet the requirements of the ongoing operations. At the same time, it is ensured that the Group has sufficient capacity within established credit facilities in order that the payment of liabilities can take place as they mature. The management follows, on an ongoing basis, forecasts for the Group's liquidity reserve (including unutilised credit facilities) and for cash and cash equivalents based on expected cash flows. These analyses are usually executed by the operating companies with consideration of the guidelines and limitations established by Group management.

The Group is very well-financed with SEK 699,236 thousand in the three Novedo companies' accounts. All of the Group's operating companies have positive cash flows. Novedo Holding AB (publ) is to pay coupon interest of approximately SEK 49 million. With regard to these factors, it has been concluded that there is no actual liquidity risk in the short and medium term. The liquidity situation is followed up on an ongoing basis to identify any possible changes which could impact the above-described conditions.

Refinancing risk

Refinancing risk is defined as the risk that It becomes difficult to refinance the Group, that financing cannot be obtained, or that it can only be obtained at an increased cost. This risk is mitigated by the Group's ongoing evaluation of various financing solutions.

The table below analyses the Group's financial liabilities specified according to the period remaining after balance sheet date, up to and including, the contractual maturity date. The amounts stated in the table comprise of the contractual, non-discounted cash flows.

Measurement and disclosure of fair value

The various levels of financial instruments measured at fair are defined according to following:

(a) Financial instruments in Level 1

Quoted prices (non-adjusted) in active markets for identical assets and liabilities.

(b) Financial instruments in Level 2

Other observable data for an asset or liability other than quoted

As at December 31, 2021	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total contractual cash flows	Reported value
Financial liabilities							
Bond loan	-	-	-	750,000	-	750,000	737,419
Liabilities to credit institutions	895	2,686	2,784	1,867	-	8,232	8,232
Acquisition-related liabilities	3,000	37,296		125,313		165,609	143,146
Other non-current liabilities	-	-	-	128	-	128	128
Lease debt	3,762	11,286	15,048	18,313	8,721	57,130	54,126
Accounts payable – trade	40,216	-	-	-	-	40,216	40,216
Other non-current liabilities	300	8,000	-	-	-	8,300	8,300
Accrued interest	4,838	-	-	-	-	4,838	4,838
Accrued costs	4,177	-	-	-	-	4,177	4,177
Total	**57,188**	**59,268**	**17,832**	**895,621**	**8,721**	**1,038,630**	**1,000,582**

prices included in Level 1, either directly observable (that is, as price quotations) or indirectly observable (that is, deduced from price quotations).

(c) Financial instruments in Level 3

In the case one or a number of significant inputs are not based on observable market information, the instrument in question is classified in Level 3.

No transfers between the various fair value levels are deemed to have occurred.

Interest-bearing liabilities

The reported value agrees with the fair value of the Group's borrowing when the loans incur variable interest rates and when the credit spread is not of such a nature that the reported value deviates significantly from the fair value.

Additional purchase prices

The fair value of conditional purchase prices is based on the management's assessment of the amount that will probably be paid given the terms and conditions of the share transfer agreement. Conditional purchase prices are valued in Level 3.

There were no financial assets valued at fair value as at any of the dates presented in this interim report. Additional purchase prices comprise of financial liabilities which are measured at fair value as at balance sheet date.

Capital management

The Group's goal regarding its capital structure is to secure the Group's capability to continue its operations so that it can continue to generate a yield to the shareholders and benefit to other stakeholders, and to maintain an optimal capital structure to keep the cost of capital at as low a level as possible.

To maintain or adjust the capital structure, the Group can change the dividend amount paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities.

The Group has a strategy to have a balanced capital structure whereby the debt-to-equity ratio is followed up on an ongoing basis from the perspective of the Group's requirements.

Debt capital was comprised of:

	Dec. 31, 2021
Total borrowing	808,078
Less liquid funds	-821,432
Net debt	**-13,354**
Total equity	383,211
Total capital	**383,211**

The increase in debt-to-equity ratio during 2021 was primarily attributable to the financing of acquisitions.

Financial notes

Note 5 Operating segments

The Chief Operating Decision Maker is the function responsible for the allocation of resources and assessment of the results of operating segments. Within the Novedo Group, the CEO has been identified as the Chief Operating Decision Maker. During the reporting period, the Novedo Group has had one operating segment, that is, infrastructure and installation and services. In addition, the Group has decided to work within another segment, that is, industry. From January 2022, Novedo will implement segment reporting regarding a further operating segment - industrial companies. As at December 31, 2021, the Group had not acquired any industrial companies but will undertake acquisitions in this segment during the first quarter of 2022.

Below is a description of the operations within each reported segment:

- *Infrastructure and installation and services*
  Companies delivering installation, service and maintenance of properties and Infrastructure companies.
- *Industry*
  Companies delivering products and systems to industrial customers. The focus is on manufacturing and commercial products.

The segment for Infrastructure and installation and services works with property owners, public housing and larger construction companies. The segment industry works with industrial customers who often have their own manufacturing activities.

The segment information is based on the same accounting principles as applied in the Group as a whole. Transactions between segments are based on market-based terms. In addition, Group-wide costs are reported in the category Non-specified items.

SEK thousands	Infrastructure and installation and services	Non-specified items	Segment Total
Operating segment	**Oct. 1, 2021– Dec. 31, 2021**	**Oct. 1, 202– Dec. 31, 2021**	**Oct. 1, 2021 – Dec. 31, 2021**
Net sales	203,803		203,803
Other operating income	2,235		2,235
Total operating income	**206,038**	**-**	**206,038**
Operating expenses			
Raw materials and consumables	-30,128		-30,128
Goods for resale	-50,662		-50,662
Other external expenses	-15,159	-6,749	-21,908
Employee benefit expenses	-76,698	-1,982	-78,680
Depreciation, amortisation and impairment of tangible and intangible assets	-1,080		-1,080
Depreciation of right-of-use assets	-3,541		-3,541
Other operating expenses	-76	-1	-77
Total operating expenses	**-177,344**	**-8,732**	**-186,076**
Operating profit (EBIT)	**28,694**	**-8,732**	**19,962**
Profit/loss from financial items			
Profit/loss from other securities and receivables that are fixed assets	-		-
Financial income	31		31
Financial expenses	-360	-11,495	-11,855
Total financial items	**-339**	**-11,495**	**-11,824**
Pre-tax profit	**28,365**	**-20,227**	**8,138**

Note 5 Operating segments, cont.

SEK thousands	Infrastructure and installation and services	Non-specified items	Segment Total
Operating segment	**Jul. 28, 2020– Dec. 31, 2021**	**Jul. 28, 2020– Dec. 31, 2021**	**Jul. 28, 2020– Dec. 31, 2021**
Net sales	370,906		370,906
Other operating income	3,145		3,145
Total operating income	**374,051**	**-**	**374,051**
Operating expenses			
Raw materials and consumables	-69,395		-69,395
Goods for resale	-82,447		-82,447
Other external expenses	-29,698	-10,312	-40,010
Employee benefit expenses	-136,991	-5,488	-142,479
Depreciation/amortisation and impairment of tangible and intangible assets	-1,679		-1,679
Depreciation of right-of-use assets	-6,933		-6,933
Other operating expenses	-129	-1	-130
Total operating expenses	**-327,272**	**-15,801**	**-343,073**
Operating profit (EBIT)	**46,779**	**-15,801**	**30,978**
Profit/loss from financial items			
Profit/loss from other securities and receivables that are fixed assets	291		291
Financial income	31		31
Financial expenses	-740	-17,063	-17,803
Total financial items	**-418**	**-17,063**	**-17,481**
Pre-tax profit	**46,361**	**-32,864**	**13,497**

Segment assets
All fixed assets are physically located in Sweden.

Note 6 Net sales

Oct. 1, 2021 – Dec. 31, 2021	Total for the Group
Invoicing	203,027
Change in contract work in progress	776
Total revenue	**203,803**

Jul. 28, 2020 – Dec. 31, 2021	Total for the Group
Invoicing	369,981
Change in contract work in progress	925
Total revenue	**370,906**

Revenue per significant revenue class Oct. 1, 2021 – Dec. 31, 2021	Contract work	Service	Total for the Group
Sweden	159,629	44,174	203,803
Total revenue	**159,629**	**44,174**	**203,803**

Revnue per significant revenue class Jul. 28, 2020 – Dec. 31, 2021	Contract work	Service	Total for the Group
Sweden	278,449	92,457	370,906
Total revenue	**278,449**	**92,457**	**370,906**

All of the Company's Group's revenue refers to the Swedish market. This applies to the periods shown above.

Note 7 Financial items

Group	Group 2021 Oct-Dec	2020/2021 Jul-Dec
Financial income	31	31
Total financial income	**31**	**31**
Interest expense, bond loan	-6,002	-6,002
Interest expense, lease liabilities	-289	-621
Other interest-related and financial expenses	-5,564	-11,180
Total financial expenses	**-11,855**	**-17,803**
Financial items - net	**-11,824**	**-17,772**

Note 8 Business combinations 2021

Summary of completed business combinations

- In January 2021, 100% of Skanstulls Måleri Aktiebolag was acquired. The company offers painting services, mainly after-sales services and renovations.
- Fog & Byggtjänst i Åkersberga AB with its subsidiaries Fog & Byggtjänst i Sverige AB and Fog & Byggtjänst i Östergötland AB was acquired in March 2021. Of the two first mentioned companies, 100% was acquired and 60% of the last mentioned subsidiary was acquired. The companies conduct operations in façade work.
- In May 2021, 100% of Uni-vent Rör AB was acquired. The company conducts operations in ventilation work, mainly installations and air flow adjustments.
- In May 2021, 100% of Valter Eklund Stenentreprenader AB was acquired. The company acts as a supplier and installer of natural stone in private and public environments.
- In May 2021, 100% of VE Sten AB was acquired. The company acts as a supplier and installer of natural stone in private and public environments.
- In September 2021, 100% of Elforum Göteborg AB was acquired. The company works with electrical installations and related services.
- In September 2021, 100% of Olle Timblads Målerifirma AB with its subsidiary Tyresö Målericentral AB was acquired. Olle Timblads Målerifirma AB conducts operations in painting services. Focus is on new building projects Tyresö Målericentral AB conducts operations in painting services. Focus is on assignments in accordance with the Public Procurement Act.
- In September 2021, 100% of Kulturmålarna i Norrköping Aktiebolag was acquired. The company conducts operations in painting services. Half of the income from new production and half from "Repairs, Conversion, Extension" customers
- In September 2021, 100% of Kulturmålarna i Linköping Aktiebolag was acquired. The company conducts operations in painting services. Half of the income from new production and half from "Repairs, Conversion, Extension" customers.
- In September 2021, 100% of Deramont Entreprenad AB was acquired. The company conducts operations in land and civil engineering work.
- In September 2021, 100% of Hansson & Ekman Isolerings Aktiebolag was acquired. The company conducts operations in technical insulation.

The fair value of acquired assets and liabilities are preliminary awaiting final valuation. Non-allocated excess values are reported preliminarily as goodwill. The allocation of purchase prices is a complex process and it is deemed that there is a requirement of further analyses in order to fully assess the future profit generating capacity of the companies which is based on the employees' competencies and access to new markets, synergy effects ad customer contracts. The acquisition balance sheet can, therefore, be adjusted during forthcoming quarters. Due to this, the purchase price allocation (PPA) analyses are considered to be preliminary.

BUSINESS COMBINATIONS - SKANSTULLS MÅLARI AKTIEBOLAG

The table below summarises the purchase price paid for Skanstulls Måleri AB and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the acquisition analysis for the period.

Purchase price as at January 2021	SEK thousands
Cash and cash equivalents	13,391
Conditional purchase price	9,969
Total purchase price	**23,360**

Purchase price allocation for the period:

	Fair value
Cash and cash equivalents	7,689
Equipment, tools, fixtures and fittings	21
Right-of-use assets	704
Deferred tax assets	13
Other securities held as non-current assets	408
Accounts receivable – trade	2,927
Current tax assets	58
Other current receivables	62
Contract assets	186
Prepaid expenses and accrued income	139
Non-current lease liabilities	-504
Current lease liabilities	-145
Contract liabilities	-922
Accounts payable - trade	-741
Other current liabilities	-1,160
Accrued expenses and deferred income	-3,132
Acquired identifiable net assets	**5,603**
Goodwill	17,757
Total net assets acquired	**23,360**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 2,927 thousand. The contractual gross amount for accounts receivable was SEK 2,927 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations

The income from Skanstulls Måleri Aktiebolag, included in the consolidated statement of comprehensive income since January 2021, amounts to SEK 36,521 thousand. The company also contributed a pre-tax profit of SEK 4,679 thousand for the same period. If the company would have been consolidated from 1 January 2021, consolidated income would have remained unchanged. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have remained unchanged.

Acquisition-related expenses

Acquisition-related expenses of SEK 374 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price

The purchase agreement stipulates compensation of a conditional purchase price totalling SEK 6,969 thousand, which is to be paid if the average operating profit for the years 2021, 2022 and 2023 exceeds a level that both of the parties have agreed upon. This compensation shall be paid within 30 days from the date on which the results can be determined. At transaction date, conditional purchase prices are measured at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market. There is also a conditional purchase price based on the company's EBIT for 2021. This amount has been estimated at SEK 3,000 thousand.

Purchase price – cash outflow

	2021
Cash for acquisition of subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	13,391
Less: Acquired cash and cash equivalents	-7,689
Net cash outflow - investing activities	**5,702**

BUSINESS COMBINATION - FOG & BYGGTJÄNST I ÅKERSBERGA AB
The tables below summarise the purchase price paid for Fog & Byggtjänst i Åkersberga AB with the subsidiaries Fog & Byggtjänst i Sverige AB and Fog & Byggtjänst i Östergötland AB, and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at March 2021	SEK thousands
Cash and cash equivalents	17,920
Issue of promissory note	6,500
Total purchase price	**24,420**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	5,735
Equipment, tools, fixtures and fittings	158
Right-of-use assets	3,235
Deferred tax assets	1
Inventory	571
Accounts receivable	3,151
Current tax assets	710
Other current receivables	373
Contract assets	518
Prepaid expenses and accrued income	6
Current investments	85
Deferred tax liabilities	-658
Non-current lease liabilities	-2,316
Current lease liabilities	-854
Contract liabilities	-691
Accounts payable	-1,004
Other current liabilities	-1,079
Accrued expenses and deferred income	-3,508
Acquired identifiable net assets	**4,433**
Goodwill	19,987
Total net assets acquired	**24,420**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 3,151 thousand. The contractual gross amount for the accounts receivable was SEK 3,151 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations
The income from Fog & Byggtjänst i Åkersberga AB, with its subsidiaries Fog & Byggtjänst i Sverige AB and Fog & Byggtjänst i Östergötland AB, included in the consolidated statement of comprehensive income since March 2021, amounts to SEK 30,770 thousand. The company also contributed a pre-tax profit of SEK 913 thousand in the same period. If the company would have been consolidated from 1 January 2021, consolidated income would have been SEK 4,706 thousand higher. If the company would have been consolidated from 1 January 2021, consolidated pre-tax profit would have been SEK 654 thousand lower.

Acquisition-related expenses
Acquisition-related expenses of SEK 451 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price
It is expected that no conditional purchase price will apply in this acquisition.

Purchase price - cash outflow

	2021
Cash for acquisition of subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	17,920
Less: Acquired cash and cash equivalents	-5,735
Net cash outflow - investing activities	**12,185**

BUSINESS COMBINATION - UNI-VENT RÖR AB
The tables below summarise the purchase price paid for Uni-vent Rör AB and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at May 2021	SEK thousands
Cash and cash equivalents	28,188
Issue of promissory note	23,296
Conditional purchase price	5,583
Total purchase price	**57,067**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	11,774
Equipment, tools, fixtures and fittings	403
Right-of-use assets	3,499
Deferred tax assets	14
Inventory	150
Accounts receivable	11,287
Current tax assets	1,185
Other current receivables	428
Contract assets	1,500
Non-current lease liabilities	-2,236
Current lease liabilities	-1,187
Accounts payable	-2,824
Other current liabilities	-598
Accrued expenses and deferred income	-1,063
Acquired identifiable net assets	**22,332**
Goodwill	34,735
Total net assets acquired	**57,067**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 11,287 thousand. The contractual gross amount for accounts receivable was SEK 11,287 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations
The income from Uni-vent Rör AB, included in the consolidated statement of comprehensive income since May 2021, amounts to SEK 48,265 thousand. The company also contributed a pre-tax profit of SEK 8,269 thousand for the same period.

If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 16,284 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 88 thousand lower.

Acquisition-related expenses
Acquisition-related expenses of SEK 393 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price
The purchase agreement stipulates compensation of a conditional purchase price totalling SEK 5,583 thousand, which is to be paid if the average operating profit for the years 2021, 2022 and 2023 exceeds a level agreed upon by both parties. This compensation shall be paid within 30 days from the date on which the results can be determined. At transaction date, additional purchase prices are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market.

Purchase price - cash outflow

	2021
Cash for acquisition of subsidiaries,	
Less acquired cash and cash equivalents	
Conditinoal purchase price	28,188
Less: Acquired cash and cash equivalents	-11,774
Net cash outflow - investing activities	**16,414**

BUSINESS COMBINATION - VALTER EKLUND STENENTREPRENADER AB
The tables below summarise the purchase price paid for Valter Eklund Stenentreprenader AB and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at May 2021	SEK thousands
Cash and cash equivalents	45,984
Conditional purchase price	14,195
Total purchase price	**60,179**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	13,825
Plant and machinery	4
Equipment, tools, fixtures and fittings	302
Right-of-use assets	9,333
Deferred tax assets	10
Accounts receivable	9,758
Other current receivables	262
Contract assets	1,735
Prepaid expenses and accrued income	309
Deferred tax liabilities	-1,178
Non-current lease liabilities	-6,866
Current lease liabilities	-1,728
Contract liabilities	-768
Accounts payable	-4,320
Current tax liabilities	-776
Other current liabilities	-1,123
Accrued expenses and deferred income	-4,639
Acquired identifiable net assets	**14,140**
Goodwill	46,039
Total net assets acquired	**14,140**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 9,758 thousand. The contractual gross amount for accounts receivable was SEK 10,017 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations
The income from Valter Eklund Stenentreprenader AB, included in the consolidated statement of comprehensive income since May 2021, amounts to SEK 52,072 thousand. The company also contributed a pre-tax profit of SEK 4,780 thousand for the same period. If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 24,904 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 3,864 thousand higher.

Acquisition-related expenses
Acquisition-related expenses of SEK 433 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price
The purchase agreement stipulates compensation for a conditional purchase price totalling SEK 11,547 thousand, which is to be paid if the average operating profit for the years 2021, 2022 and 2023 exceeds a level agreed upon by both parties. This compensation shall be paid within 30 days from the date on which the results can be determined. At transaction date, additional purchase prices are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market. There was also an extra conditional purchase price based on the profit as of 30 April 2021. This was settled in an amount of SEK 2,648 thousand.

Purchase price - cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	45,984
Less: Acquired cash and cash equivalents	-13,825
Net cash outflow - investing activities	**32,159**

BUSINESS COMBINATION – VE STEN AB

The tables below summarise the purchase price paid for VE Sten AB and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at May 2021	SEK thousands
Cash and cash equivalents	6,509
Conditional purchase price	2,009
Total purchase price	**8,518**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	3,254
Plant and machinery	886
Equipment, tools, fixtures and fittings	279
Right-of-use assets	17,669
Deferred tax assets	12
Inventory	6,932
Accounts receivable	3,100
Other current receivables	252
Prepaid expenses and accrued income	157
Other current investments	625
Deferred tax liabilities	-113
Non-current liabilities to credit institutions	-306
Non-current lease liabilities	-15,370
Current liabilities to credit institutions	-216
Current lease liabilities	-2,152
Advance payments from customers	-596
Accounts payable	-3,538
Current tax liabilities	-367
Other current liabilities	-1,611
Accrued expenses and deferred income	-1,382
Acquired identifiable net assets	**7,515**
Goodwill	1,003
Total net assets acquired	**8,518**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 3,100 thousand. The contractual gross amount for accounts receivable was SEK 3,106 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations

The income from VE Sten AB, included in the consolidated statement of comprehensive income since May 2021, amounts to SEK 31,783 thousand. The company also contributed a pre-tax profit of SEK 2,836 thousand for the same period. If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 11,591 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 205 thousand higher.

Acquisition-related expenses

Acquisition-related expenses of SEK 61 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price

The purchase agreement stipulates compensation of a conditional purchase price of SEK 1,634 thousand, which is to be paid if the average operating profit for the years 2021, 2022 and 2023 exceeds a level on which both parties have agreed. This compensation shall be paid within 30 days from the date on which the results can be determined. At transaction date, additional purchase prices are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market. There was also an extra compensation for a conditional purchase price that was based on the profit as of 30 April 2021. This was settled in an amount of SEK 375 thousand.

Purchase price - cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	6,509
Less: Acquired cash and cash equivalents	-3,254
Net cash outflow - investing activities	**3,255**

BUSINESS COMBINATION - ELFORUM GÖTEBORG AB

The tables below summarise the purchase price paid for Elforum Göteborg AB and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at September 2021

	SEK thousands
Cash and cash equivalents	17,500
Issue of promissory note	5,000
Conditional purchase price	17,417
Total purchase price	**39,917**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	8,958
Equipment, tools, fixtures and fittings	290
Right-of-use assets	3,054
Other long-term receivables	3
Deferred tax assets	1
Accounts receivable	5,493
Other current receivables	993
Provisions; guarantees	-1,035
Deferred tax liabilities	-545
Non-current lease liabilities	-1,889
Current lease liabilities	-811
Advance payments from customers	-693
Accounts payable	-4,611
Current tax liabilities	-1,180
Other current liabilities	-424
Accrued expenses and deferred income	-1,572
Acquired identifiable net assets	**6,032**
Goodwill	33,885
Total net assets acquired	**39,917**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 5,493 thousand. The contractual gross amount for accounts receivable was SEK 5,598 thousand. The amount of doubtful receivables was insignificant on acquisition date.

Income and profit in the acquired operations

The income from Elforum Göteborg AB, included in the consolidated statement of comprehensive income since September 2021, amounts to SEK 26,676 thousand. The company also contributed a pre-tax profit of SEK 6,317 thousand for the same period. If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 30,776 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 4,824 thousand higher.

Acquisition-related expenses

Acquisition-related expenses of SEK 125 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price

The purchase agreement stipulates compensation of conditional purchase price totalling SEK 12,959 thousand, which is to be paid if the average operating profit for the years 2021, 2022 and 2023 exceeds a level on which both parties agree. This compensation shall be paid within 30 days from the date on which the results can be determined. At transaction date, additional purchase prices are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market. There is also an additional purchase price based on the company's profit for 2021. This additional purchase price has been estimated at SEK 4,458 thousand.

Purchase price - cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	17,500
Less: Acquired cash and cash equivalents	-8,958
Net cash outflow - investing activities	**8,542**

BUSINESS COMBINATION - OLLE TIMBLADS MÅLERIFIRMA AB

The table below summarises the additional purchase price paid for Olle Timblads Målerifirma AB with its subsidiary Tyresö Målericentral AB and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at September 2021	SEK thousands
Cash and cash equivalents	116,684
Issue of promissory note	74,400
Conditional purchase price	21,562
Total purchase price:	**212,646**

Preliminary acquisition analysis for the period

	Fair value
Cash and cash equivalents	30,557
Goodwill	6,467
Equipment, tools, fixtures and fittings	169
Right-of-use assets	13,673
Other securities held as non-current assets	2,773
Other long-term receivables	73
Deferred tax assets	21
Accounts receivable	14,785
Current tax assets	1,327
Contract assets	1,057
Other current receivables	154
Prepaid expenses	1,737
Provisions for pensions	-2,860
Non-current lease liabilities	-8,932
Other non-current liabilities	-113
Current lease liabilities	-4,229
Contract liabilities	-180
Accounts payable	-7,824
Current tax liabilities	-4,039
Other current liabilities	-2,191
Accrued expenses and deferred income	-15,168
Acquired identifiable net assets	**27,257**
Goodwill	185,389
Total net assets acquired	**212,646**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 14,785 thousand. The contractual gross amount for accounts receivable was SEK 14,798 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations

The income from Olle Timblads Målerifirma AB with its subsidiary Tyresö Målericentral AB, included in the consolidated statement of comprehensive income since September 2021, amounts to SEK 47,530 thousand. The companies also contributed a pre-tax profit of SEK 15,649 thousand for the same period. If the companies would have been consolidated from 1 January 2021, the consolidated income would have been SEK 102,156 thousand higher. If the companies would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 15,103 thousand higher.

Acquisition-related expenses

Acquisition-related expenses of SEK 705 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price

There is a conditional purchase price based on the company's profit for 2021. This conditional purchase price has been estimated at SEK 21,562 thousand. This compensation shall be paid within 30 days from the date on which the annual report is adopted

Purchase price - cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	116,684
Less: Acquired cash and cash equivalents	-30,557
Net cash outflow - investing activities	**86,127**

BUSINESS COMBINATION - KULTURMÅLARNA I NORRKÖPING AKTIEBOLAG

The tables below summarise the additional purchase price paid for Kulturmålarna i Norrköping Aktiebolag and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at September 2021	SEK thousands
Cash and cash equivalents	8,785
Issue of promissory note	3,240
Conditional purchase price	5,031
Total purchase price	**17,056**

Preliminary acquisition analysis for the period

	Fair value
Cash and cash equivalents	2,782
Improvement costs on other's property	166
Equipment, tools, fixtures and fittings	181
Right-of-use assets	3,165
Deferred tax assets	6
Inventory	59
Accounts receivable	4,798
Other current receivables	731
Contract assets	2,702
Prepaid expenses and accrued income	905
Deferred tax liabilities	-700
Non-current lease liabilities	-1,944
Current lease liabilities	-970
Work in progress	-384
Advance payments from customers	-73
Accounts payable	-1,369
Current tax liabilities	-277
Other current liabilities	595
Accrued expenses and deferred income	-2,599
Acquired identifiable net assets	**6,584**
Goodwill	10,472
Total net assets acquired	**17,056**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 4,798 thousand. The contractual gross amount for accounts receivable was SEK 4,849 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in the acquired operations

The income from Kulturmålarna i Norrköping Aktiebolag, included in the consolidated statement of comprehensive income since September 2021, amounts to SEK 13,752 thousand. The company also contributed a pre-tax profit of SEK 1,485 thousand for the same period. If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 19,173 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated profit would have been SEK 1,004 thousand higher.

Acquisition-related expenses

Acquisition-related expenses of SEK 323 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price

The purchase agreement stipulates compensation of a conditional purchase price totalling SEK 3,232 thousand, which is to be paid if the average operating profit for the years 2022, 2023 and 2024 exceeds a level agreed upon by both of the parties. This compensation shall be paid no later than 31 March 2025. At transaction date, additional purchase prices are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market.

Purchase price - cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	8,785
Less: Acquired cash and cash equivalents	-2,782
Net cash outflow - investing activities	**6,003**

BUSINESS COMBINATION - KULTURMÅLARNA I LINKÖPING AKTIEBOLAG

The tables below summarise the purchase price paid for Kulturmålarna i Linköping Aktiebolag and the fair value of acquired assets and assumed liabilities that are recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at September 2021	SEK thousands
Cash and cash equivalents	976
Issue of promissory note	360
Conditional purchase price	432
Total purchase price	**1,768**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	1,162
Equipment, tools, fixtures and fittings	15
Right-of-use assets	244
Deferred tax assets	1
Accounts receivable	301
Other current receivables	3
Contract assets	341
Prepaid expenses and accrued income	31
Non-current lease liabilities	-168
Current lease liabilities	-75
Accounts payable	-95
Current tax liabilities	-41
Other current liabilities	-651
Accrued expenses and deferred income	-248
Acquired identifiable net assets	**820**
Goodwill	948
Total net assets acquired	**1,768**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 301 thousand. The contractual gross amount for accounts receivable was SEK 301 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations
The income from Kulturmålarna i Linköping Aktiebolag, included in the consolidated statement of comprehensive income since September 2021, amounts to SEK 1,561 thousand. The company also contributed a pre-tax profit of SEK 150 thousand for the same period. If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 2,057 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 173 thousand higher.

Acquisition-related expenses
Acquisition-related expenses of SEK 36 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price
The purchase agreement compensation of a conditional purchase price of SEK 359 thousand, which is to be paid if the average operating profit for the years 2022, 2023 and 2024 exceeds a level that both parties agree on. This compensation shall be paid no later than 31 March 2025. At the transaction date, additional purchase considerations are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market.

Purchase price - cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	976
Less: Acquired cash and cash equivalents	-1,162
Net cash outflow - investing activities	**-186**

BUSINESS COMBINATION – DERAMONT ENTREPRENAD AB
The tables below summarise the conditional purchase price paid for Deramont Entreprenad AB and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at September 2021	SEK thousands
Cash and cash equivalents	28,379
Issue of promissory note	12,045
Additional purchase price	15,312
Total purchase price	**55,736**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	5,102
Plant and machinery	17,539
Equipment, tools, fixtures and fittings	118
Right-of-use assets	2,393
Deferred tax assets	3
Accounts receivable	7,368
Other current receivables	3,323
Contract assets	1,760
Prepaid expenses and accrued income	950
Deferred tax liabilities	-156
Non-current liabilities to credit institutions	-2,550
Non-current lease liabilities	-1,421
Current liabilities to credit institutions	-6,462
Current lease liabilities	-797
Accounts payable	-6,310
Current tax liabilities	-2,042
Other current liabilities	-9,556
Accrued expenses and deferred income	-7,516
Acquired identifiable net assets	**1,746**
Goodwill	53,990
Total acquisition net assets	**55,736**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 7,368 thousand. The contractual gross amount for accounts receivable was SEK 7,368 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in acquired operations
The income from Deramont Entreprenad AB included in the consolidated statement of comprehensive income since September 2021 amounts to SEK 49,173 thousand. The company also contributed a pre-tax profit of SEK 11,711 thousand for the same period. If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 80,904 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 11,953 thousand higher.

Acquisition-related expenses
Acquisition-related expenses of SEK 614 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price
The purchase agreement stipulates compensation of a conditional purchase price totalling SEK 14,576 thousand, which is to be paid if the average operating profit for the years 2021, 2022 and 2023 exceeds a level agreed upon by both of the parties. This compensation shall be paid no later than 30 June 2024. At the transaction date, additional purchase prices are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market. There is also an additional purchase price based on the company's profit for the period 1 July 2020 – 30 June 2021. This conditional purchase price has been estimated at SEK 736 thousand.

Purchase price - cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	28,379
Less: Acquired cash and cash equivalents	-5,102
Net cash outflow - investing activities	**23,277**

BUSINESS COMBINATION – HANSSON & EKMAN ISOLERINGS AKTIEBOLAG

The tables below summarise the purchase price paid for Hansson & Ekman Isolerings Aktiebolag and the fair value of acquired assets and assumed liabilities recognised on acquisition date and included in the preliminary acquisition analysis for the period.

Purchase price as at September 2021	SEK thousands
Cash and cash equivalents	21,987
Issue of promissory note	7,600
Conditional purchase price	4,931
Total purchase price	**34,518**

Preliminary acquisition analysis for the period:

	Fair value
Cash and cash equivalents	5,783
Equipment, tools, fixtures and fittings	1,471
Right-of-use assets	5,587
Other non-current receivables	80
Deferred tax assets	9
Accounts receivable	7,771
Current tax assets	19
Other current receivables	796
Contract assets	1,052
Non-current lease liabilities	-3,326
Current lease liabilities	-1,602
Advance payments from customers	-1,323
Accounts payable	-3,455
Other current liabilities	-3,142
Accrued expenses and deferred income	-7,965
Acquired identifiable net assets	**1,755**
Goodwill	32,763
Total net assets acquired	**34,518**

Goodwill is attributable to the employees and to the expected future potential and high level of profitability in the acquired operations. No portion of recognised goodwill is expected to be tax deductible.

The fair value of acquired accounts receivable amounts to SEK 7,771 thousand. The contractual gross amount for accounts receivable was SEK 7,771 thousand. The amount of doubtful receivables was insignificant at acquisition date.

Income and profit in the acquired operations

The income from Hansson & Ekman Isolerings Aktiebolag, included in the consolidated statement of comprehensive income since September 2021, amounts to SEK 29,817 thousand. The company also contributed a pre-tax profit of SEK 1,772 thousand for the same period. If the company would have been consolidated from 1 January 2021, the consolidated income would have been SEK 52,707 thousand higher. If the company would have been consolidated from 1 January 2021, the consolidated pre-tax profit would have been SEK 1,765 thousand higher.

Acquisition-related expenses

Acquisition-related expenses of SEK 437 thousand are included in other external expenses in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional acquisition price

The purchase agreement stipulates compensation of a conditional acquisition price of SEK 4,931 thousand, which is to be paid if the average operating profit for the years 2022, 2023 and 2024 exceeds a level that both parties agree on. This compensation shall be paid no later than 30 June 2025. At the transaction date, conditional purchase prices are valued at fair value by calculating a present value for the probable outcome with a discount rate of 11.9%. The fair value is calculated as defined for level 3 in IFRS 13, i.e., based on inputs that are not observable in the market.

Purchase price- cash outflow

	2021
Cash for acquisition of the subsidiaries, less acquired cash and cash equivalents	
Conditional purchase price	21,987
Less: Acquired cash and cash equivalents	-5,783
Net cash outflow - investing activities	**16,204**

Note 9 Financial instruments and risks

	Group			
Dec. 31, 2021	Financial assets and liabilities valued at fair value via Other comprehensive income	Financial assets and liabilities valued at amortised cost	Financial assets and liabilities valued at fair value in the income statement	Total
Assets in the balance sheet				
Cash and cash equivalents	-	821,432	-	821,432
Other securities held as non-current assets	-	-	2,895	2,895
Other non-current receivables	-	377	-	377
Total	**-**	**821,809**	**2,895**	**824,704**
Liabilities in the Balance sheet				
Bond loan	-	737,419	-	737,419
Liabilities to credit institutions (current and non-current)	-	8,233	-	8,233
Other non-current liabilities	-	128	-	128
Additional purchase price	-	29,020	65,650	94,670
Other acquisition-related expenses	-	48,476		48,476
Lease debts	-	54,126	-	54,126
Accounts payable – trade	-	40,216	-	40,216
Accrued expenses	-	8,913	-	8,913
Total	**-**	**926,531**	**65,650**	**992,181**

The carrying amounts of all financial assets and financial liabilities above are a reasonable approximation of their fair values.

Novedo Group's operations are exposed to various types of financial risks that may affect net profit and equity. This is mainly due to changes in interest rates, but also to financing, liquidity and counterparty risks.

Refinancing and liquidity risk

Refinancing risk is defined as the risk that It becomes difficult to refinance the Group, that financing cannot be obtained, or that it can only be obtained at an increased cost. This risk is mitigated by the Group's ongoing evaluation of various financing solutions.

Currency risk

The Group is not exposed to any significant currency risks. All of the Group's companies operate on the Swedish market. There may be just a very few accounts payable – trade in foreign currencies, but these are not significant amounts.

The Group evaluates, on a case-by-case basis, what is most advantageous – variable or fixed interest rates. At present, all liabilities to credit institutions have a variable interest rate, while the bond loan has an interest rate of STIBOR + 6.5%. Liabilities to credit institutions comprises borrowings in SEK at variable interest rates and exposes the Group to an interest rate risk as regards its cash flow. Liabilities to credit institutions amount to SEK 8,233 thousand. The collateral for the Group's liabilities to credit institutions comprises retention of title. The Group's bond loan is subject to debt covenants which are based on the requirement that Net Interest Bearing Debt (i.e. interest-bearing debt less cash and cash equivalents) divided by EBITDA, must not exceed certain levels. There are also restrictions on how the bond loan may be used – a definition of so- called permitted acquisitions. This definition requires that the acquisitions made should be in the two segments in whichh the Group operates, namely infrastructure and installation and services, and industry. It is also a condition that the company being acquired has been profitable for the last 12 months (to be determined at the earliest 3 months before the acquisition) and that the company was profitable during the last audited financial year. In addition, the bond loan is secured as there Is a rquirement of the pledge of shares in subsidiaries representing at least 85% of their consolidated EBITDA.

Credit risk

Credit risk arises from balances placed in banks and credit institutions, as well as in customer credit exposures, including outstanding receivables. Credit risk is handled by Group management. Only banks and credit institutions with a minimum credit rating of "A" granted y independent assessors are accepted.

Credit risk is managed at Group level, with the exception of credit risk related to outstanding accounts receivable – trade and project cost calculations. Each Group company is responsible for monitoring and analysing the credit risk of each new customer. In cases where no independent credit assessment is available, a risk assessment of the customer's creditworthiness is made, taking into account the customer's financial position, as well as past experience and other factors. Individual risk limits are set based on internal or external credit assessments in accordance with the limits determined by the Board of Directors. The application of credit limits is monitored regularly.

No credit limits were exceeded during the reporting period and management does not expect any losses as a result of non-payment from these counterparties. Credit losses in the Group's companies have historically been insignificant and the payment history of customers has been good. Taking this into account, as well as considering forward-looking information on macroeconomic factors that may affect customers' ability to pay their debts, the Group's expected credit losses have also been assessed as insignificant.

Note 10 Borrowings

	Group Dec. 31, 2021
Opening carrying amount	-
Acquired borrowings	8,232
Borrowings for the year	737,419
Amortisation for the year	-
Closing carrying amount	**745,651**

	Interest rate	Matures year	Nominal value	Carrying amount
Borrowings at December 31, 2021 (SEK thousand)				
Bond loan	STIBOR+6.5%	2024	750,000	737,419
Assets with retention of title	0.8-3.1%	2023-2026	8,232	8,232
			758,232	**745,651**

Note 11 Adjustment for non-cash items

	Group	
	2021 Oct-Dec	2020/2021 Jul-Dec
Depreciation, inventory	1,080	1,679
Depreciation, right of use assets	3,541	6,933
Interest expense, right of use assets	-289	-622
Transaction costs, bond loan	381	1,143
Acquired right of use assets	87	389
Change in provisions	253	-782
Acquisition-related liabilities	-	-132,441
Non-controlling interests	-	51
Total	**5,053**	**-123,650**

Note 12 Changes in liabilities related to financing activities

				Non-cashflow impacting items			
	Jul. 28, 2020	Cash inflow	Cash outflow	New lease contract	Acquisition	Other	Dec. 31, 2021
Bond loan	-	736,275	-	-	-	1,144	737,419
Liabilities to credit institutions	-	-	-	-	8,232	-	8,232
(current and non-current)	-	-	-	-	128	-	128
Other non-current liabilities	-	-	-18,178	-	280,353	-119,029	143,146
Acquisition-related liabilities	-	-	-7,379	1,982	59,523	-	54,126
Lease debts	**-**	**736,275**	**-25,557**	**1,982**	**348,236**	**-117,885**	**943,051**
Total							

Note 13 Investments in subsidiaries

Företagets namn	Registration country and country of operation	Corporate ID number	Proportion of ordinary shares owned by the Group (%)
Novedo AB	Sverige	559264-9841	100%
Novedo OpCo AB	Sverige	559334-8344	100%
Skanstulls Måleri Aktiebolag	Sverige	556543-8974	100%
Fog & Byggtjänst i Åkersberga AB	Sverige	556678-1505	100%
Fog & Byggtjänst i Sverige AB	Sverige	556802-3690	100%
Fog & Byggtjänst i Östergötland AB	Sverige	559260-8151	60%
Uni-vent Rör AB	Sverige	556665-6889	100%
Valter Eklund Stenentreprenader AB	Sverige	556071-7463	100%
VE Sten AB	Sverige	556143-4126	100%
Elforum Göteborg AB	Sverige	559133-4031	100%
Olle Timblads Målerifirma AB	Sverige	556688-5488	100%
Tyresö Målericentral AB	Sverige	556909-8725	100%
Kulturmålarna i Norrköping Aktiebolag	Sverige	556435-2887	100%
Kulturmålarna i Linköping Aktiebolag	Sverige	559203-8177	100%
Deramont Entreprenad AB	Sverige	556803-5421	100%
Hansson & Ekman Isolerings Aktiebolag	Sverige	556459-0379	100%

Company name	Activities
Novedo AB	Holding company
Novedo OpCo AB	Holding company
Skanstulls Måleri Aktiebolag	Painting services, mainly after-sales services and renovations
Fog & Byggtjänst i Åkersberga AB	Façade work
Fog & Byggtjänst i Sverige AB	Façade work
Fog & Byggtjänst i Östergötland AB	Façade work
Uni-vent Rör AB	Ventilation work, mainly installations and air flow adjustments
Valter Eklund Stenentreprenader AB	Supplier and installer of natural stone
VE Sten AB	Supplier and installer of natural stone
Elforum Göteborg AB	Electrical installations and related services
Olle Timblads Målerifirma AB	Painting services, focusing on new production
Tyresö Målericentral AB	Painting services, focusing on assignments in accordance with the Public Procurement Act.
Kulturmålarna i Norrköping Aktiebolag	Painting services, new production and "Repairs, Conversion, Extension" customers
Kulturmålarna i Linköping Aktiebolag	Painting services, new production and "Repairs, Conversion, Extension" customers
Deramont Entreprenad AB	Land and civil engineering work
Hansson & Ekman Isolerings Aktiebolag	Technical insulation services

Note 14 Participations in Group companies

	Parent Company Dec. 31, 2021
Opening cost of acquisition	0
Acquisition for the year	191,155
Sales for the year	0
Shareholders' contribution paid	0
Closing accumulated cost of acquisition	**191,155**

Moderföretagets andelar i koncernföretag per 31 december 2021

Company name	Company registration number:	Domicile	Number of shares	Share of equity (%)	Book value
Novedo AB	559334-8344	Stockholm	29,648	100%	191,155
Total					**191,155**

Note 15 Earnings per share

	Group	
	2021 Oct-Dec	2020/2021 Jul-Dec
Earnings per share before dilution	87.58	220.65
Earnings per share after dilution	87.58	220.65

The amounts used in the numerator correspond to the Group's profit for the period, i.e. SEK 5,682 thousand for July 2020 – December 2021 and SEK 2,562 thousand for October – December 2021. The amounts used in the denominator are shown below. The weighted average number of shares before dilution amounted to 25,751 shares for July 2020 – December 2021 and 29,255 shares for October – December 2021. The weighted average number of shares before and after dilution was the same in all of the periods mentioned above. The number of shares outstanding at the end of the reporting period was 30,960 shares.

Note 16 Related party transactions

Related parties are defined as the management team and the board of directors of the Parent Company and its subsidiaries. There are no related party transactions, other than salaries and other remuneration.

Note 17 Pledged assets

	Group 31. Dec, 2021
Floating charge	16,050
Assets with retention of title	8,512
Pledged assets in favour of pension commitments	2,425
Aktier i dotterföretag	538,195
Total	**565,182**

Note 18 Contingent liabilities

	Group 31. Dec, 2021
Performance guarantees	2,687
Summa	**2,687**

Note 19 Significant events after the end of the financial year

During January 2022, the Group completed four acquisitions, namely Ventilationskontroll Aeolus AB and its subsidiaries, Elarbeten Helsingborg AB, ProvideU AB and its subsidiaries, and Elinzity AB and its subsidiaries. Ventilationskontroll Aeolus Aktiebolag and subsidiaries belong to the segment Infrastructure and services. The estimated net sales Is SEK 165.1 million and the estimated EBITDA is SEK 14.8 million. Elarbeten Helsingborg AB and subsidiaries belongs to the segment Infrastructure and instanllation & services. Estimated net sales SEK 25.8 million and the estamiated EBITDA is SEK 6.4 million. ProvideU AB and subsidiaries belong to the industry segment. Estimated net sales are SEK 99.5 million and the estimated EBITDA is SEK 18.6 million. Elinzity AB and subsidiaries belongs to the segment Infrastrcutrue and installation and services. Estimated net sales are SEK 93.3 million and the estimated EBITDA is SEK 8.9 million. In addition, the Company has signed a Share Transfer Agreement for the acquisition of GBB Holding AB and its subsidiaries. Accession is expected to take place in March or April 2022. GBB Holding AB and subsidiaries belong to the segment Infrastructure and Installation and services. Estimated net sales are SEK 278.5 million and the estimated EBITDA Is SEK 42.0 million.

Definitions

IFRS measures:	Definition/Calculation
Earnings per share	Profit for the period divided by the average number of shares

Alternative key figures:	Definition/Calculation
Operating profit (EBIT)	Profit before financial items and tax
EBITA	Operating profit (EBIT) before impairment of goodwill
EBITDA	Operating profit (EBIT) before depreciation and amortisation of intangible and tangible assets
EBITA margin	EBITA in relation to net sales
Equity/assets ratio	Equity at the end of the period in relation to total assets at the end of the period.
Net interest-bearing debt	Current and non-current interest-bearing liabilities, less cash and cash equivalents at the end of the period
Net debt equity ratio	Net interest-bearing debt in relation to equity including non-controlling interests
Net interest-bearing debt/EBITDA	Net interest-bearing debt in relation to operating profit (EBIT)
Cash flow from operating activities	Cash flow from operating activities after changes in working capital
Pro forma	Financial information included in the pro forma is extracted from the acquired company's accounting system for the relevant period.

Novedo is a privately owned industrial group that since 2021 acquires and develops companies where the entrepreneur both want to sell their company and continue to run the business. The Group's 14 companies with approximately 850 employees and pro forma sales of about SEK 1.5 billion with an EBITDA result of SEK 186 million. The company is planning for an IPO during the first half of 2023. **www.novedo.se**

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