

NOVEDO

Interim Report January–March

2022

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



Interim Report

For the January–March 2022 period

January–March 2022

- Net sales for the Group amounted to SEK 281 million (10)
- EBITDA amounted to SEK 18 million (-1)
- EBIT for the Group amounted to SEK 10 million (-1)
- Profit/loss for the period for the Group was SEK -14 million (-2)
- During the period, Novedo completed the acquisition of four companies with estimated annual sales of approximately SEK 393 million
- Earnings per share for the period were SEK -468.12

Pro forma, April 2021–March 2022¹⁾

- Net sales for the Group amounted to SEK 1,653 million
- EBITDA for the Group amounted to SEK 232 million

Significant events after the end of the period

- Novedo has completed the acquisitions of GBB Holding AB and Sentexa AB
- As of the second quarter of 2022, Novedo will report segments based on three business areas:
 - Industry
 - Infrastructure
 - Installation and Services

Profit

SEK
18 million

EBITDA for the Group in
January–March 2022

Acquisitions

4

Novedo completed the
acquisition of four
companies during the period
January–March 2022

Summary of results and key figures

SEK million	2022 Jan–Mar	2021 Jan–Mar	Pro forma, Apr 2021– Mar 2022 ¹⁾	2020/2021 Jul–Dec ²⁾
Net sales	281	10	1,653	371
EBITDA	18	-1	232	40
EBITA margin, %	4	-13	-	8
Operating profit/loss (EBIT)	10	-1	-	27
Profit/loss for the period	-14	-2	-	4
Equity/assets ratio, %	26	53	-	26
Net debt/equity ratio	0.33	-0.59	-	-0.06
Net interest-bearing debt/EBITDA	7.88	34.17	1.46	-1.17
Cash flow from operating activities	-61	-3	-	-82
Earnings per share, SEK	-468.12	-68.12	-	253.27

¹⁾ Pro forma refers to the period April 2021–March 2022 for the companies Novedo has fully acquired and signed agreements to acquire as per 31 May 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 amounts as Novedo has not completed all of the acquisitions.

²⁾ Refers to the extended financial year July 2020 to December 2021.



Successful creation of industrial group continues

Over the course of just over a year, we have created an industrial group comprising 15 companies with very robust profitability. Financially, we are in a very good position to continue our growth and accumulate expertise and capacity to ensure that we can create long-term value as a good owner. Our companies are generally performing well and our main focus is on preparing the Group for the IPO scheduled for the first half of 2023.

We continued to expand our industrial group at the start of the year. We have completed the acquisition of six new companies so far this year, of which Gnesta Bergbyggare is the Group's largest, with sales of about SEK 280 million and EBITDA of SEK 42 million in 2021. Since starting just over 12 months ago, we have completed 15 acquisitions and the Group's pro forma sales are approximately SEK 1,650 million with EBITDA of approximately SEK 230 million on a yearly basis. Our balance sheet remains strong with net interest-bearing debt divided with EBITDA of 1.46. In November 2021, we issued our first bond loan of SEK 750 million under a framework of a total of SEK 1,500 million to finance future acquisitions.

As of the current quarter, we are organised into three segments: Infrastructure, Installation and Services and Industry, and we are well-prepared to continue to expand in all three segments. We are focused on these three and operate solely in business-to-business. We will continue to carefully select companies and focus on quality rather than quantity.

At the same time, we are accumulating expertise and

capacity to ensure that we are a good owner that creates long-term value even after the acquisition and identifies potential opportunities for collaboration and economies of scale. Essentially, each company is to receive optimal support from Novedo based on its own circumstances, and certain companies will need more support than others. Some companies will want to make bolt-on acquisitions and we will also support them in this process. Within Novedo, we have the strategic expertise we need, but we want to scale up the organisation in certain areas in order to continue to acquire companies and we also expect to expand abroad during the year. However, the guiding principle will always be to keep the head office small and focused on our core areas of expertise.

Our operations are subject to seasonal variations mainly linked to the weather. The year's first quarter is the smallest in terms of sales and earnings since our infrastructure companies have difficulties conducting all types of earthworks, and many painting and façade jobs cannot be carried out during the winter months. Therefore, the figures should be analyzed from a rolling

” I am delighted that the entrepreneurs who have sold their life's work to us have also decided to remain as partners of Novedo

twelve-month perspective. Between April 2021 and March 2022, the Group's pro forma sales amounted to SEK 1,653 million with EBITDA of SEK 232 million. Our operations are naturally not unaffected by the tragic geopolitical situation in the world around us and in January we experienced a higher sickness rate as a result of the pandemic. Even if it is too early to discuss the operational trends in our companies, given the short period of our ownership, we can nevertheless see that the companies are generally developing favourably. One great advantage for us is that our companies have a very low level of exposure with few major fixed-price projects, which will make it easier to manage the high levels of inflation. Even larger projects have been well managed without undermining margins. Our main exposure is towards service and aftermarket and risk diversification in our operations is very healthy. I am confident that our decentralised model – whereby our entrepreneurs with their distinct niche positions constantly keep their ears

to the ground, are agile and quick to readjust and to find creative solutions – means we are well prepared to manage these challenges. I expect that our margins will remain at the current good levels and that our industrial group will continue to grow in strength and size. We are experiencing very turbulent times in financial markets, driven in part by the tragic situation in our macro-environment and by high levels of inflation, which is also affecting financing costs. My focus is to continue to build on our industrial group and thereby create value ahead of our planned IPO during the first half of 2023. I am delighted that the entrepreneurs who have sold their life's work to us have also decided to remain as partners of Novedo, thereby enabling the continued creation of long-term value for all of our owners.

Per-Johan Dahlgren

CEO of Novedo

This is Novedo

Novedo acquires profitable companies with a proven business model, solid niche position and sound corporate culture. The acquired companies are provided with the specific conditions needed to develop over time and create the best possible growth in value.

Novedo encourages the entrepreneurs to continue to run the company. All owners are therefore given the opportunity to become partners of Novedo. To date, the majority of the entrepreneurs have opted to become shareholders in Novedo.

Novedo was formed in 2020 by the serial entrepreneur and current principal owner Saeid Esmaeilzadeh, who has also founded companies such as DiaMorph and Sdiptech. Our vision is to be a natural home for established entrepreneurial companies that want to continue to develop their businesses with a focus on business acumen and sound values. We have come a long way since our inception.

Ten employees with a high level of expertise in industry, business development and transactions currently work in the Parent Company. Novedo actively acquires companies and in 2021, Novedo signed 12 share transfer agreements and since year-end Novedo has signed another three agreements.

In May 2022, Novedo Group had about 860 employees, pro forma sales was approximately SEK 1,650 million and EBITDA of SEK 230 million. Novedo's companies offer a broad range of services in the Infrastructure, Installation and Services and Industry business areas. Novedo's operations are specialised in such fields as industry, ventilation, construction and natural stone.



Number of employees

860

Development for the Group

January–March 2022

Net sales and earnings

During the first quarter of 2022, January–March, net sales for the Group increased from SEK 10 million to SEK 281 million.

EBITDA improved from SEK -1 million to SEK 18 million. Operating profit for the Group increased from SEK -1 million to SEK 10 million.

The net of financial income and expense amounted to SEK -22 million. Pre-tax loss was SEK -12 million.

Loss for the period for the Group increased from SEK -2 million to SEK -14 million, corresponding to SEK -468.12 per share.

Cash flow

Cash flow from operating activities amounted to SEK -61 million during the January–March 2022 period. Cash flow from investing activities during the period amounted to SEK -150 million, and cash flow from financing activities to SEK 43 million.

Financial position

On 31 March 2022, total assets for the Group amounted to SEK 1,608 million, of which equity accounted for SEK 419 million. The equity/assets ratio was 26 percent.

Cash and cash equivalents and current investments amounted to SEK 654 million on 31 March 2022. The net interest-bearing debt (net cash) for the Group amounted to SEK 139 million, corresponding to a net debt/equity ratio of 0.33 percent.

Significant events during the period

Acquisitions

During the first quarter, Novedo completed the acquisition of four companies:

Elarbeten Helsingborg AB

Elarbeten Helsingborg AB is an electrical installation company offering everything from design to consultation and performs various types of electrical installations and repairs on both high and low voltage. The company's operates mainly in north-western Skåne.

Ventilationskontroll Aeolus Aktiebolag

Ventilationskontroll performs all kind of operations in the ventilation industry, including pre-engineering, conversions, service and energy optimisation. The company provides a complete service and repair operation for installations for indoor climates and is mainly active in the Gothenburg area.

ProvideU AB

ProvideU, which is a industrial company based in Västerås with production facilities in Tallinn, supplies custom-made components and complete systems (PCBA and box-build).

Elinzity AB

Elinzity is active in service, renovation, office customisation and major contracts with associated project planning and management. Elinzity is a Gothenburg-based company.

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. On 31 March, 51 percent of the SEK 750 million had been drawn. The bond is currently traded on the Frankfurt Stock Exchange Open Market. Novedo intends to include the bond for trading on Nasdaq Stockholm's corporate bond market before November 2022.

Significant events after the period

In April 2022, Novedo completed the acquisition of GBB Holding AB, which is a Group in the rock mining industry performing all kinds of work related to rock.

In May 2022, Novedo completed the acquisition of Sentexa AB, which is an electrical installation company based in the Stockholm area.

As of the second quarter of 2022, Novedo will report segments based on three business areas: Industry, Infrastructure and Installation and Services.



Financial targets

Growth in net sales

50% Average growth in net sales pro forma is to reach at least 50% per year between 2022 up until 2024. Growth is to be both organic and through acquisitions.

3% Average organic growth in pro forma net sales is to be at least 3% per year over an economic cycle.

EBITA margin

>10% Average pro forma EBITA margin is to be at least 10% per year over an economic cycle.

Company portfolio

The companies in the table below refer to acquisitions completed by Novedo in the first quarter of 2022

Company	Business	Segment	Net sales pro forma, SEK million ¹⁾	Number of employees
Elarbeten Helsingborg AB	Electrical installation	Infrastructure and Installation and Services	28	13
Ventilationskontroll Aeolus Aktiebolag	Ventilation work	Infrastructure and Installation and Services	155	103
ProvideU AB	Industry and manufacturing	Industry	102	59
Elinzity AB	Electrical installation	Infrastructure and Installation and Services	108	73
Total			393	248

The companies in the table below refer to acquisitions completed by Novedo as of 31 May 2022

Company	Business	Segment	Net sales pro forma, SEK million ¹⁾	Number of employees
GBB Holding AB	Rock mining	Infrastructure and Installation and Services	279	86
Sentexa	Electrical installation	Infrastructure and Installation and Services	32	12
Total			311	98

¹⁾ Pro forma refers to the period April 2021-March 2022 for the companies Novedo has fully acquired and signed agreements to acquire as per May 31, 2022, and has been recalculated to show the results as if Novedo had owned the companies throughout the period.

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. All previous owners of the companies with which Novedo established share transfer agreements in 2021 have chosen to become partners of Novedo.

Number of employees

The number of employees was 769 at the end of the quarter. After the end of the quarter, acquisitions completed increased the number of employees by 98.

Parent Company

Net sales and earnings

During the first quarter of 2022, January-March, net sales amounted to SEK 0 million. Loss for the period was SEK -9.4 million.

The ten largest shareholders as of 31 March 2022

	Number of shares	Holding, %	Votes, %
Spartacus Partners AB	18,849	60.9	60.9
F Holmström PE 3 AB	4,207	13.6	13.6
Esmailzadeh 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	1.00	1.00
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

Novedo's segments

The segments' share of Novedo's net sales and earnings

Infrastructure and Installation and Services

The segment contains companies that deliver installation, service and maintenance of properties, as well as infrastructure companies. The segment focuses on property owners, public housing and large construction companies.

SEK million	2022 Jan-Mar	2021 Jan-Mar	Pro forma ¹⁾	2020/2021 Jul-Dec
Net sales	254	10	1,653	371
EBITDA	23	1	232	39
EBITA margin, %	7	5	-	8

During the first quarter, net sales for the segment amounted to SEK 254 million and EBITDA for the same period was SEK 23 million. The segment reported strong growth, both acquired and organic. EBITA margin for the period was 7 percent.

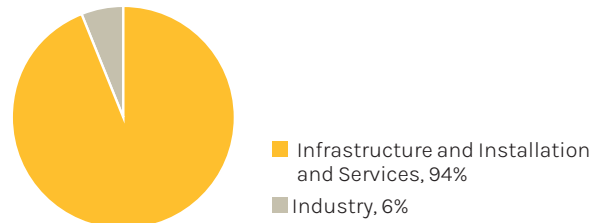
Industry

The Industry segment works with industrial customers where the focus is on manufacturing and commercial products. The companies largely conduct their own manufacturing activities.

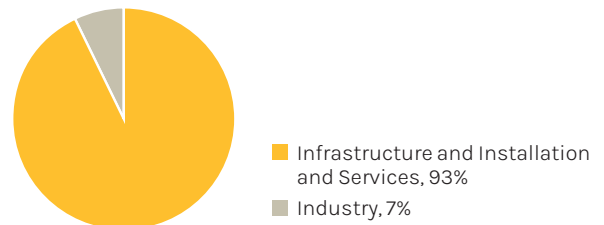
SEK million	2022 Jan-Mar	2021 Jan-Mar	Pro forma ¹⁾	2020/2021 Jul-Dec
Net sales	27	-	102	-
EBITDA	3	-	18	-
EBITA margin, %	8	-	14	-

During the first quarter, net sales for the segment amounted to SEK 27 million and EBITDA for the same period was SEK 3 million, with an EBITA margin for the period of 8 percent.

Net sales by segment



EBITDA by segment



The diagrams refer to net sales pro forma and EBITDA pro forma. Pro forma refers to the period April 2021-March 2022 for the companies that Novedo has fully acquired as of 31 May 2022 and has been recalculated to show the results as if Novedo had owned the companies throughout the period.

¹⁾ Pro forma refers to the period April 2021-March 2022 for the companies Novedo has fully acquired as of 31 May 2022, and has been recalculated to show the results as if Novedo had owned the companies throughout the period.

Other

Financial calendar

7 June	2022 Annual General Meeting
31 August	Semi-annual report 2022
30 November	Interim report for January–September 2022

Contact

Financial information

Novedo's Annual Report and interim reports can be ordered in any of the following ways.

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Stockholm, 31 May 2022
Novedo AB

Per-Johan Dahlgren, CEO

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, at 09:00 a.m. CEST on 31 May 2022. The report has not been reviewed by the company's auditors.

Condensed consolidated statement of comprehensive income

SEK thousands	Note	2022 Jan-Mar	2021 Jan-Mar	2020/2021 Jul-Dec
Operating income	2			
Net sales	3	280,691	10,424	370,906
Other operating income		5,128	17	3,145
Total operating income		285,819	10,441	374,051
Operating expenses				
Raw materials, consumables and goods for resale		-132,636	-1,917	-151,842
Other external expenses		-26,578	-2,273	-40,010
Employee benefit expenses		-108,938	-7,203	-142,479
Other operating expenses		-70	-	-130
EBITDA		17,596	-952	39,590
Depreciation, amortisation and impairment of tangible and intangible assets		-2,502	-359	-5,351
Depreciation of right-of-use assets		-4,757	-	-6,933
Operating profit/loss (EBIT)		10,337	-1,311	27,306
Net financial items	4	-22,469	-473	-16,236
Pre-tax loss		-12,132	-1,784	11,070
Income tax		-2,348	147	-7,007
Profit/loss for the period		-14,480	-1,637	4,063
Attributable to shareholders in the Parent Company		-14,493	-1,703	4,011
Attributable to non-controlling interests		13	66	51
Profit/loss for the period		-14,480	-1,637	4,063
<i>Other comprehensive income:</i>				
Exchange-rate differences		169	-	-
Other comprehensive income for the period		169	-	-
Total comprehensive income for the period		-14,311	-1,637	4,063
Attributable to:				
Shareholders in the Parent Company		-14,324	-1,703	4,011
Non-controlling interests		13	66	51
Total comprehensive income for the period		-14,311	-1,637	4,063
Earnings per share for the period before and after dilution		-468.12	-68.12	253.27
Average number of shares before and after dilution		30,960	25,000	25,751

Condensed consolidated balance sheet

SEK thousands	Note	2022 31 Mar	2021 31 Mar	2021 31 Dec
Assets				
Intangible assets		646,838	37,799	438,832
Tangible assets		27,930	171	20,150
Right-of-use assets		47,025	3,834	57,440
Financial assets		5,749	506	3,272
Total non-current assets		727,542	42,310	519,694
Inventories		27,979	571	7,864
Accounts receivable - trade		127,938	5,402	85,357
Other current receivables		39,515	2,313	15,483
Contract assets		30,837	1,000	20,138
Investments in securities etc.		925	85	825
Cash and cash equivalents		653,371	53,579	821,432
Total current assets		880,565	62,950	951,098
Total assets		1,608,107	105,260	1,470,792
Equity and liabilities				
Equity attributable to shareholders in the Parent Company		418,714	55,169	381,438
Non-controlling interests		115	117	102
Total equity		418,829	55,286	381,540
Acquisition-related liabilities		133,361	8,694	97,745
Lease liabilities		28,556	2,701	37,916
Bond loan	6	738,563	-	737,419
Liabilities to credit institutions	6	6,010	17,451	4,651
Deferred tax liabilities		9,475	2,354	6,739
Other non-current liabilities		4,403	-	3,241
Total non-current liabilities		920,368	31,200	887,711
Lease liabilities		15,281	983	16,210
Acquisition-related liabilities		52,437	4,464	37,296
Accounts payable - trade		74,776	3,418	40,216
Contract liabilities		10,426	772	12,502
Liabilities to credit institutions	6	4,482	-	3,582
Other current liabilities		111,508	9,137	91,735
Total current liabilities		268,910	18,774	201,541
Total liabilities		1,189,278	49,974	1,089,252
Total equity and liabilities		1,608,107	105,260	1,470,792

Condensed consolidated statement of changes in equity

SEK thousands	2022 31 Mar	2021 31 Mar	2021 31 Dec
Opening equity	381,540	25	0
New share issue	51,600	6,500	278,552
Formation of Novedo Holding Group	-	-	500
Acquisition of minority	-	51	51
Shareholders' contribution	-	50,347	98,375
Profit/loss for the period	-14,493	-1,703	4,011
Other comprehensive income	169	-	-
Non-controlling interests	13	66	51
Closing equity	418,829	55,286	381,540
<i>Equity attributable to shareholders in the Parent Company</i>	418,714	55,169	381,438
<i>Non-controlling interests</i>	115	117	102
SEK thousands	2022 31 Mar	2021 31 Mar	2021 31 Dec
Number of ordinary shares at the beginning of the period	30,960	25,000	25,000
Number of ordinary shares at the end of the period	30,960	25,000	30,960
Total number of shares at the end of the period	30,960	25,000	30,960

The ordinary shares have a quotient value of SEK 17.83.

Condensed consolidated statement of cash flows

SEK thousands	Note	2022 Jan-Mar	2021 Jan-Mar	2020/2021 Jul-Dec
Operating profit/loss		10,337	-1,311	27,306
Adjustments for non-cash items, etc.	7	-52,719	-6,385	-121,920
Net interest income/expense paid		-13,939	-562	-9,155
Income tax paid		-13,012	-449	-9,024
Cash flows from operating activities before changes in working capital		-69,333	-8,707	-112,793
Change in operating receivables		8,280	18	-26,276
Change in operating liabilities		-217	5,499	56,790
Cash flow from operating activities		-61,270	-3,190	-82,279
Acquisition of subsidiaries		-149,721	-17,887	-209,682
Investments in tangible assets		-428	-	-216
Change in other financial assets		0	-	521
Change in current financial investments		-100	-	-115
Cash flow from investing activities		-150,249	-17,887	-209,492
New share issue		51,600	6,500	278,552
Shareholders' contribution received		-	50,347	98,375
Share capital Novedo Holding AB (publ)		-	-	500
Borrowings		-	17,784	931,661
Repayment of borrowings		-8,142	-	-188,506
Repayment of lease liabilities		-	-	-7,379
Cash flow from financing activities		43,458	74,631	1,113,203
Cash flow for the period		-168,061	53,554	821,432
Cash and cash equivalents - opening balance		821,432	25	-
Cash and cash equivalents - closing balance		653,371	53,579	821,432

Statement of comprehensive income

– Parent Company

SEK thousands	Note	2022 Jan-Mar	2021 Sep-Dec
Operating income			
Net sales		-	-
Total operating income		-	-
Operating expenses			
Other external expenses		-312	-2,165
Other operating expenses		-	-1
Total operating expenses		-312	-2,166
Operating profit/loss		-312	-2,166
Profit/loss from financial items			
Interest expenses		-9,065	-6,002
Profit/loss after financial items		-9,377	-8,168
Tax on profit for the year		-	277
Profit/loss for the period		-9,377	-7,891
Profit/loss for the period		-9,377	-7,891
<i>Other comprehensive income:</i>			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-9,377	-7,891

Condensed balance sheet – Parent Company

SEK thousands	Note	2022 31 Mar	2021 31 Dec
Assets			
Participations in Group companies	8	208,655	191,155
Deferred tax assets		277	277
Total non-current assets		208,932	191,432
Other current receivables		184,586	615
Cash and cash equivalents		472,261	689,355
Total current assets		657,047	689,970
Total assets		865,979	881,402
Equity and liabilities			
Equity		127,248	136,625
Total equity		127,248	136,625
Bond loan		738,562	737,419
Total non-current liabilities		738,562	737,419
Accounts payable - trade		134	2,514
Liabilities to Group companies		35	35
Other current liabilities		0	4,809
Total current liabilities		169	7,358
Total liabilities		738,731	744,777
Total equity and liabilities		865,979	881,402

Quarterly data

SEK thousands	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Net sales	280,691	203,655	102,597	54,082	10,424
Net sales growth	138%	198%	190%	519%	-
EBITDA	17,596	19,231	10,154	5,806	-952
EBITDA margin	6%	9%	10%	11%	-9%
Operating profit/loss (EBIT)	10,337	18,723	6,117	3,777	-1,311
EBIT margin	4%	9%	6%	7%	-13%
Pre-tax loss	-12,132	8,819	1,935	2,100	-1,784
Profit/loss for the period	-14,480	3,504	842	1,353	-1,637
Working capital	611,655	749,557	-139,480	-8,159	44,176
Net interest-bearing debt	138,596	-22,479	147,321	38,122	-32,529
Net debt/equity ratio	0,33	-0,06	0,63	0,43	-0,59
Net debt/EBITDA, multiple	7,88	-1,17	14,51	6,57	34,17
Equity/assets ratio	26%	26%	30%	33%	53%
Return on equity	-3%	1%	0,4%	2%	-3%
Return on capital employed	-1%	1%	0,4%	1%	-2%
Number of employees at year-end	769	521	521	160	74

Notes

Note 1 General information

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

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The Interim Report was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. Interim financial information is provided in the notes and else where in this Interim Report. The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, which follows the provisions of recommendation RFR 2 Accounting for Legal Entities. The accounting and calculation methods are the same as those applied in the 2021 Annual Report. There were no amendments to IFRS in 2022 that have a material impact on the Group's earnings and financial position. Risks and uncertainties relevant to Novedo are described in the 2021 Annual Report and no changes have been made to these assessments.

Revaluation and changes to assessments of conditional purchase prices had a net negative effect of SEK 9,027 thousand for the period. The earnings effect is recognised in financial items.

Note 2 Operating segments

The chief operating decision maker is the function responsible for making decisions about resources to be allocated to the operating segments and the assessment of their performance. Within the Novedo Group, the CEO has been identified as the chief operating decision maker. During the reporting period, the Novedo Group had two operating segments: Infrastructure and Installation and Services, and Industry. As per 31 March 2022, the Group had acquired its first company in the Industry segment.

The operations of each reporting segment are described below:

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

The Infrastructure and Installation and Services segment works with property owners, public housing and larger construction companies. They also provide services. The Industry segment works with industrial customers who often have their own manufacturing activities.

The segment information is based on the same accounting policies 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 Group items.

2022 Jan-Mar, SEK thousands	Infrastructure and Installation and Services	Industry	Group items	Total segment
Operating segment				
Net sales	253,888	26,803	-	280,691
Other operating income	5,080	48	-	5,128
Total operating income	258,968	26,851	-	285,819
Operating expenses				
Raw materials, consumables and goods for resale	-115,108	-17,528	-	-132,636
Other external expenses	-20,017	-2,271	-4,290	-26,578
Employee benefit expenses	-101,266	-4,431	-3,241	-108,938
Depreciation, amortisation and impairment of tangible and intangible assets	-2,113	-390	-	-2,503
Depreciation of right-of-use assets	-4,757	-	-	-4,757
Other operating expenses	-70	-	-	-70
Total operating expenses	-243,331	-24,620	-7,531	-275,482
Operating profit/loss (EBIT)	15,637	2,231	-7,531	10,337
Net financial items	-256	20	-22,232	-22,468
Pre-tax loss	15,381	2,251	-29,763	-12,131

2021 Jan-Mar, SEK thousands	Infrastructure and Installation and Services	Industry	Group items	Total segment
Operating segment				
Net sales	10,424	-	-	10,424
Other operating income	17	-	-	17
Total operating income	10,441	-	-	10,441
Operating expenses				
Raw materials, consumables and goods for resale	-1,917	-	-	-1,917
Other external expenses	-947	-	-1,326	-2,273
Employee benefit expenses	-7,054	-	-149	-7,203
Depreciation, amortisation and impairment of tangible and intangible assets	-359	-	-	-359
Depreciation of right-of-use assets	-	-	-	-
Other operating expenses	-	-	-	-
Total operating expenses	-10,277	-	-1,475	-11,752
Operating profit/loss (EBIT)	164	-	-1,475	-1,311
Net financial items	-253	-	-220	-473
Pre-tax loss	-89	-	-1,695	-1,784

Note 3 Specification of net sales and income

Group	2022 Jan-Mar	2021 Jan-Mar	2020/2021 Jul-Dec
Invoicing	280,691	10,275	369,981
Change in contract work in progress	-	149	925
Total income	280,691	10,424	370,906

Income per significant class of income and country

Group	2022 Jan-Mar	2021 Jan-Mar	2020/2021 Jul-Dec
Contract work, Sweden	212,377	8,358	278,449
Service, Sweden	35,272	2,066	92,457
Products, Sweden	32,065	-	-
Products, EU	811	-	-
Products, Rest of World	166	-	-
Total income	280,691	10,424	370,906

Note 4 Financial items

Group	2022 Jan-Mar	2021 Jan-Mar	2020/2021 Jul-Dec
Financial income	43	95	322
Total financial income	43	95	322
Interest expenses, bond loan	-13,205	-	-6,002
Interest expenses, lease liabilities	-162	-7	-621
Other interest-related and financial expenses	-9,145	-561	-9,935
Total financial expenses	-22,512	-568	-16,558
Net financial items	-22,469	-473	-16,236

Note 5 Business combinations

Acquisition during the period

Novedo completed four acquisitions during the period January–March 2022. The assets and liabilities included in acquisitions for the period amount to the following, according to the preliminary acquisition analyses:

	Elarbeten Helsingborg	Ventilations- kontroll	Elinzity	ProvideU	Total
	Included in Infrastructure and Installation and Services	Included in Infrastructure and Installation and Services	Included in Infrastructure and Installation and Services	Included in Industry	
SEK thousands					
Other non-current assets	728	8,766	1,986	7,762	19,242
Inventories	30	897	-	24,126	25,053
Other current assets, excl. cash and cash equivalents	5,913	31,879	28,108	8,280	74,180
Cash and cash equivalents	10,845	9,062	5,401	3,742	29,050
Deferred tax assets/liabilities	-158	-	-	-1,081	-1,239
Liabilities to creditors	-596	-4,021	-	-3,308	-7,925
Other liabilities	10,585	-30,424	-18,743	-10,857	-70,609
Acquired net assets	6,177	16,159	16,752	28,664	67,752
Goodwill	21,538	94,891	33,500	58,917	208,846
Purchase price	27,715	111,050	50,252	87,581	276,598
Less, cash and cash equivalents in acquired operations	-10,845	-9,062	-5,401	-3,742	-29,050
Less, unpaid purchase price	-13,215	-35,250	-26,321	-23,041	-97,827
Impact on Group's cash and cash equivalents	3,655	66,738	18,530	60,798	149,721

All of these acquisitions are in line with the Group's strategy of growing by acquiring profitable entrepreneur-led companies. The total purchase price for the acquisitions above amounted to SEK 277 million.

Preliminary acquisition-related expenses amounted to SEK 2 million. Conditional purchase prices are to be paid when future EBIT for 2022, 2023 and 2024 exceeds a level that both parties have agreed on in a contract. The maximum undiscounted amount that can be paid to the former owners is per 31 March SEK 38 million.

Impact of the acquisitions on the Group's earnings January-March 2022

SEK thousands	Infrastructure and Installation and Services	Industry	Total
Net sales	68,544	26,803	95,347
Profit/loss for the period	1,156	2,245	3,401

The preliminary acquisition analyses for the acquisitions completed between January and May 2021 have been finalised. The total effect between the preliminary acquisition analyses in the Annual Report and the final acquisition analyses for these acquisitions are as follows:

- Goodwill has decreased by SEK 29,268 thousand
- Trademarks have increased by SEK 5,356 thousand
- Customer relationships have increased by SEK 14,654 thousand
- Deferred tax liabilities have increased by SEK 4,122 thousand
- Conditional purchase prices have decreased by SEK 13,380 thousand

Changes in conditional purchase prices are related to changed discount rates in the present value calculation due to circumstances prevailing on the acquisition date.

Note 6 Borrowings

SEK thousands Group	2022 31 Mar	2021 31 Mar	2021 31 Dec
Opening carrying amount	745,651	-	-
Acquired borrowings	3,308	-	8,232
Borrowings for the year	96	17,451	737,419
Closing carrying amount	749,055	17,451	745,651

Borrowings on 31 Mar 2022	Interest rate, %	Year of maturity	Nominal value	Carrying amount
Bond loan	STIBOR +6.5	2024	750,000	738,563
Assets with retention of title	0,8-3,1	2023-26	10,492	10,492
			760,492	749,055

Borrowings on 31 Dec 2021	Interest rate, %	Year of maturity	Nominal value	Carrying amount
Bond loan	STIBOR +6.5	2024	750,000	737,419
Assets with retention of title	0,8-3,1	2023-26	8,232	8,232
			758,232	745,651

Borrowings on 31 Mar 2021	Interest rate, %	Year of maturity	Nominal value	Carrying amount
Bank loan	7.50	2022	17,451	17,451
			17,451	17,451

Note 7 Adjustments for non-cash items, etc.

SEK thousands	Group		
	2022 Jan-Mar	2021 Jan-Mar	2020/2021 Jul-Dec
Depreciation, equipment	1,264	8	1,679
Amortisation, intangible assets	1,237	194	3,672
Depreciation, right-of-use assets	4,758	102	6,933
Interest expenses, right-of-use assets	-162	-6	-622
Transaction costs bond loan	1,143	-	1,143
Financial expenses, present value calculations of conditional purchase prices	-1,364	-234	-1,942
New assessment, conditional purchase prices	-7,664	-	-
Disposals of tangible assets	-	-	389
Change in provisions	-331	-	-782
Acquisition-related commitments	-51,600	-6,500	-132,441
Transactions with non-controlling interests	-	51	51
Total	-52,719	-6,385	-121,920

Note 8 Investments in subsidiaries

Name of company	Registration country and country of operation	Corporate ID number	Proportion of ordinary shares owned by the Group, %
Novedo AB	Sweden	559264-9841	100
Novedo OpCo AB	Sweden	559334-8344	100
Skanstulls Måleri Aktiebolag	Sweden	556543-8974	100
Fog & Byggtjänst i Åkersberga AB	Sweden	556678-1505	100
Fog & Byggtjänst i Sverige AB	Sweden	556802-3690	100
Fog & Byggtjänst i Östergötland AB	Sweden	559260-8151	60
Uni-vent Rör AB	Sweden	556665-6889	100
Valter Eklund Stenentreprenader AB	Sweden	556071-7463	100
VE Sten AB	Sweden	556143-4126	100
Elforum Göteborg AB	Sweden	559133-4031	100
Olle Timblads Målerifirma AB	Sweden	556688-5488	100
Tyresö Målericentral AB	Sweden	556909-8725	100
Kulturmaalarna i Norrköping Aktiebolag	Sweden	556435-2887	100
Kulturmaalarna i Linköping Aktiebolag	Sweden	559203-8177	100
Deramont Entreprenad AB	Sweden	556803-5421	100
Hansson & Ekman Isolerings Aktiebolag	Sweden	556459-0379	100
Elarbeten Helsingborg AB	Sweden	556464-1354	100
Ventilationskontroll Aeolus Aktiebolag	Sweden	556211-1343	100
RC El & Styrinstallationer Zeus AB	Sweden	556310-2010	100
CX Ventilation AB	Sweden	556846-1882	100
Krovent Group D.O.O	Sweden	-	100
Air Solution D.O.O	Sweden	-	100
Ekoion AB	Sweden	556700-0814	100
Krovent Montaza D.O.O	Sweden	-	100
Elinzity AB	Sweden	556694-5878	100
Elinzity Förstärkning AB	Sweden	556187-5088	100
ProvideU AB	Sweden	556754-0231	100
ProvideU Assembly OÜ	Estonia	11066054	100

Note 9 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 10 Pledged assets and contingent liabilities

Pledged assets	Group 31 Mar 2022	Group 31 Mar 2021	Group 31 Dec 2021
Floating charge	25,150	4,000	16,050
Assets with retention of title	13,827	-	8,512
Assets pledged for pension commitments	1,961	-	2,425
Shares in Group companies	524,554	-	538,195
Total	565,492	4,000	565 182

Contingent liabilities	Group 31 Mar 2022	Group 31 Mar 2021	Group 31 Dec 2021
Performance guarantees	-	2,687	2,687
Total	-	2,687	2,687

Definitions

IFRS measures	Definition/Calculation
Earnings per share	Profit for the period divided by the average number of shares.
Alternative performance measures	Definition/Calculation
Net sales growth, %	Change in sales compared with total net sales in the preceding quarter.
EBITDA	Operating profit (EBIT) according to income statement before depreciation of right-of-use assets and amortisation, depreciation and impairment of intangible and tangible assets.
EBITDA margin, %	EBITDA i relation till nettoomsättning.
EBITA	Operating profit (EBIT) according to income statement before impairment of goodwill.
EBITA margin, %	EBITA as a percentage of net sales.
Operating profit/loss (EBIT)	Profit/loss before financial items and tax.
EBIT margin, %	EBIT as a percentage of net sales.
Working capital	All current assets less current liabilities.
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 as a percentage of equity including non-controlling interests.
Net interest-bearing debt/EBITDA	Net interest-bearing debt as a percentage of operating profit (EBITDA) according to the income statement.
Equity/assets ratio	Equity at the end of the period as a percentage of total assets at the end of the period.
Return on equity, %	Profit/loss for the period as a percentage of equity at the end of the period.
Return on capital employed, %	Total assets less non-interest-bearing liabilities and provisions.
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 wants to sell their company and continue to run the business. The Group's 15 acquisitions, comprising 33 companies with approximately 860 employees, have pro forma sales of about SEK 1.65 billion with EBITDA of SEK 232 million. The company is planning for an IPO during the first half of 2023. www.novedo.se

The logo for Novedo, featuring the word "NOVEDO" in a white, stylized, sans-serif font. The letter "O" in the middle is replaced by a solid black circle, and the letter "E" is a simple horizontal bar.