



Interim Report January–June

2022

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



Interim Report

For the January–June 2022 period

Second quarter April–June 2022

- Net sales for the Group amounted to SEK 432 million (54)
- EBITDA for the Group amounted to SEK 41 million (6)
- EBIT for the Group amounted to SEK 29 million (4)
- Pre-tax profit for the period amounted to SEK 17 million (2) for the Group
- During the period, Novedo completed three acquisitions with estimated annual sales of approximately SEK 447 million
- Earnings per share before dilution for the period were SEK 359.88

The January–June 2022 period

- Net sales for the Group amounted to SEK 713 million (65)
- EBITDA for the Group amounted to SEK 59 million (5)
- EBIT for the Group amounted to SEK 38 million (2)
- Pre-tax profit for the period amounted to SEK 4 million (0.3) for the Group
- During the period, Novedo completed seven acquisitions with estimated annual sales of approximately SEK 825 million
- Earnings per share before dilution for the period were SEK -152.81

Significant events during the period

- Novedo completed the acquisitions of GBB Holding AB, Sentexa AB and Total Fasad AB
- Novedo signed a share transfer agreement with BATAB Bygg- & Akustik teknik AB

Pre-tax profit

SEK
17 million

Pre-tax profit for the April–June 2022 period for the Group

Acquisitions

3

Novedo completed the acquisition of three companies during the April–June 2022 period

Summary of results and key figures

SEK million	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	Pro forma, rolling 12 months ¹⁾	2020/2021 ²⁾
Net sales	432	54	713	64	2,044	370
Operating profit (EBIT)	29	4	38	2	220	24
Profit/loss for the period	11	1	-5	-0.3	-	1
Equity/assets ratio, %	26	33	26	33	-	26
Net debt/equity ratio	0.9	0.33	0.9	0.33	-	-0.06
Cash flow from operating activities	-33	-22	-89	-25	-	-83
Earnings per share, SEK	359.88	54.24	-152.81	-13.90	-	52.85

¹⁾ Pro forma refers to the period July 2021–June 2022 for the companies Novedo has fully acquired and signed agreements to acquire as per 19 August 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⁾ Pertains to the extended financial year of July 2020 to December 2021.



At Novedo, we all share the vision of developing an industrial group of entrepreneur-led, profitable companies that are driven by business acumen

A growing and focused industrial group

Our industrial group continued to grow during the quarter. So far this year, we have acquired eight new companies. Since starting just over 12 months ago, we have completed 19 acquisitions and the Group's pro forma sales are approximately SEK 2,050 million with EBITDA of approximately SEK 260 million¹⁾ on an annual basis. Our balance sheet remains strong with a net interest-bearing debt through pro forma EBITDA at 1.95. We recorded sales of SEK 432 million (54) with an EBITDA of SEK 41 million (6). For the first half of 2022, sales totalled SEK 713 million (64) with an EBITDA of SEK 59 million (5).

Focus on three segments and business-to-business

Our new acquisitions allow us to properly define ourselves as an industrial group focused on three segments: Infrastructure, Installation and Services, and Industry. The division of the companies into these segments helps diversification and leads to a worthwhile spreading of risk in the Group. The companies are all active in business-to-business, are all profitable and all hold niche positions. In May, the Stockholm-based electrical installation company Sentexa was acquired, and in June and July an additional four companies were acquired: BATAB Bygg- & Akustikteknik AB that is expected to have sales of SEK 130 million in 2022, Total Fasad Stockholm that had total sales of SEK 137 million in 2021, Nordsign with an annual turnover of SEK 70 million and Elektronik Mekanik in Västerås (EM) with an annual turnover of SEK 60 million.

The Group's first bolt-on acquisition demonstrates our ability to create additional value in the companies

At Novedo, we all share the vision of developing an industrial group of entrepreneur-led, profitable companies

that are driven by business acumen. It is crucial that every company receives optimal support based on their own circumstances. The specific entrepreneurs are best aware of their operations, niche and market. At Novedo, we work to maintain and secure expertise and the capacity to, as an owner, offer rapid, efficient and adapted support to the entire Group. In July, the portfolio company ProvideU, in the Industry segment, completed bolt-on acquisition of EM. The two Västerås-based companies are active in the same industry but do not compete against one another. The acquisition is the first bolt-on acquisition in the Group and shows that our companies are able to attract others, and in this way, create additional value for the companies and for the Novedo Group as a whole. The acquisition is also evidence that we have the expertise and opportunity of helping companies to leverage strategically valuable opportunities.

Pro forma sales of over SEK 2 billion and EBITDA of about SEK 260 million

Between July 2021 and June 2022, the Group's pro forma

” Our new acquisitions allow us to properly define ourselves as an industrial group focused on three segments: Infrastructure; Installation and Services; and Industry

sales amounted to SEK 2,050 million with EBITDA of about SEK 260 million¹⁾. The troublesome global situation and rising inflation has led to uncertainty. While our operations are not unaffected, our companies continue to perform well. The fact that our companies have very low exposure to major fixed-price projects continues to be a major advantage. Our decentralised model with companies in niche positions, in which our experienced entrepreneurs use their favourable and close relationships with their customers and suppliers, protects our margins efficiently and enables us to manage high inflation. To date, the companies have managed to rapidly transition, manage costs and find creative solutions to be able to leverage market opportunities.

Continued healthy order intakes in the quarter

The indications from our companies are that order intakes have remained favourable in the quarter. Our segment structure further strengthens healthy risk and business model diversification in the segments even when faced with uncertain times. Our largest exposure across the segments remains to service and aftermarket, but we are growing rapidly in Industry and Infrastructure. I expect the Group's margins to remain at the current favourable levels and that our industrial group will continue to grow in strength and size.

¹⁾ For the portfolio companies, the corresponding figure is about SEK 290 million.

Strong pipeline in LOI leading to further financing speculation

In November 2021, Novedo issued its first bond of SEK 750 million under a framework of a total of SEK 1,500 million. We are now contemplating issuing more within this framework in the second half of 2022. Novedo has signed non-binding letters of intent (LOI) to acquire five companies that have a total turnover of about SEK 1,000 million and total (EBITDA) of about SEK 150 million.

Planned establishment outside Sweden in the second half of the year

The fact that our Group is growing through acquisitions is also testament to the value of becoming a part of our Group with entrepreneur-led, profitable companies that are driven by business acumen and sound values. It is also pleasing that the entrepreneurs who have sold their life's work to us have also decided to remain as partners of Novedo. My focus remains on the further expansion of our industrial group and continuing to grow in all three segments as well as, during the autumn, establishing outside Sweden. By doing so, we will create value ahead of our planned IPO during the first half of 2023.

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 seven agreements.

In August 2022, Novedo Group had about 950 employees, pro forma sales of approximately SEK 2,050 million and EBITDA of about SEK 260 million. Novedo's companies offer a broad range of services in the Industry, Infrastructure and Installation, and Services business areas. Novedo's operations are specialised in such fields as industry, ventilation, construction and natural stone.

Number of employees

950



Development for the Group

January–June 2022

Net sales and earnings

Second quarter

During the second quarter, net sales amounted to SEK 432 million (54).

EBITDA totalled SEK 41 million (6) and EBIT amounted to SEK 29 million (4).

The net of financial income and expense amounted to SEK -12 million. Profit before income tax was SEK 17 million.

Profit for the period totalled SEK 11 million, corresponding to SEK 359.88 per share before dilution.

January–June

Net sales for the period were SEK 713 million (65).

EBITDA totalled SEK 59 million (5) and EBIT amounted to SEK 38 million (2).

The net of financial income and expense amounted to SEK -34 million. Profit before income tax was SEK 4 million.

Profit/loss for the period totalled SEK -5 million, corresponding to SEK -152.81 per share.

Cash flow

Second quarter

Cash flow from operating activities amounted to SEK -33 million (-22) during the April–June 2022 period. Cash flow from investing activities during the period amounted to SEK -227 million (-52), and cash flow from financing activities to SEK -5 million (77).

January–June

Cash flow from operating activities amounted to SEK -89 million (-25) during the January–June 2022 period. Cash flow from investing activities during the period amounted to SEK -377 million (-70), and cash flow from financing activities to SEK 33 million (151).

Financial position

On 30 June 2022, total assets amounted to SEK 1,803 million (269), of which equity accounted for SEK 469 million (88). The equity/assets ratio was 26 percent (33).

Cash and cash equivalents and current investments amounted to SEK 388 million (56) on 30 June 2022. The net interest-bearing debt (net cash) for the Group amounted to SEK 423 million (38), corresponding to a net debt/equity ratio of 0.9 (0.43).

Significant events during the period

Acquisitions

In the second quarter, Novedo completed the acquisitions of three companies and acquired a fourth.

GBB Holding AB

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.

Sentexa AB

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

Total Fasad Stockholm AB

In June 2022, Novedo completed the acquisition of Total Fasad Stockholm AB, which is a company active within facade maintenance and renovation.

BATAB Bygg- & Akustikteknik AB

In June 2022, Novedo acquired BATAB Bygg- & Akustikteknik AB, which is a Stockholm-based company active within suspended ceiling and acoustic solutions.

Bond financing

During November 2021, Novedo issued its first bond of SEK 750 million under a framework of a total of SEK 1,500 million. As of 30 June, the bond was fully 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

After the end of the period, Novedo completed the acquisition of BATAB Bygg- & Akustikteknik AB.

Moreover, Novedo has signed share transfer agreements with two companies: Nordsign AB and Elektronik Mekanik i Västerås AB.

Financial targets

Growth in net sales

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

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

EBITA margin

>10% Average growth in pro forma EBITA margin is to reach 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 second quarter of 2022

Company	Business	Segment	Net sales pro forma, SEK million ¹⁾	Number of employees
GBB Holding AB	Rock mining	Infrastructure	279	93
Sentexa AB	Electrical installation	Installation and Services	32	11
Total Fasad AB	Facade maintenance	Installation and Services	114	51
Total			425	155

The companies in the table below refer to acquisitions completed by Novedo as of 19 August 2022

Company	Business	Segment	Net sales pro forma, SEK million ¹⁾	Number of employees
BATAB AB	Suspended ceilings	Installation and Services	117	17
Total			117	17

¹⁾ Pro forma refers to the period July 2021–June 2022 for the companies Novedo has fully acquired and signed agreements to acquire as per 19 August 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 2022, the share capital amounted to SEK 0.6 million (0.6) allocated over 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 2022 have chosen to become partners of Novedo.

Number of employees

The average number of employees was 890 at the end of the quarter. During the period, acquisitions completed increased the number of employees by 155.

Parent Company

Net sales and earnings

During the second quarter of 2022, net sales amounted to SEK 0 million and the pre-tax loss for the period was SEK -15 million. During the January–June period, net sales amounted to SEK 0 million. The post-tax loss amounted to SEK -28 million.

The ten largest shareholders as of 30 June 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	1,814	5.9	5.9
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	316	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

Novedo's segments

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

Infrastructure

The Infrastructure segment offers management services in construction, project and planning.

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun
Net sales	132,800	-	163,770	-
EBITA	5,072	-	8,487	-
EBITA margin, %	3.8	-	5.2	-

Installation and Services

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

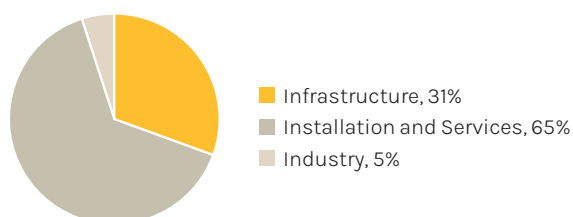
SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun
Net sales	279,041	54,082	501,959	64,506
EBITA	37,484	7,130	50,946	7,541
EBITA margin, %	13.4	13.2	10.1	11.7

Industry

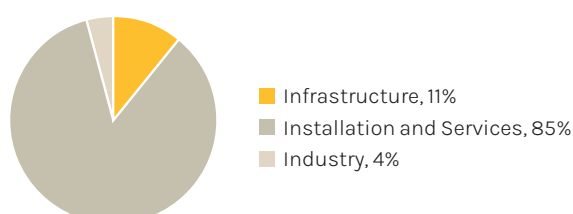
The Industry segment works with industrial customers where the focus is on manufacturing and commercial products. The companies largely conduct their own manufacturing activities.

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun
Net sales	20,613	-	47,416	-
EBITA	1,780	-	4,011	-
EBITA margin, %	8.6	-	8.5	-

Net sales by segment, April-June 2022



EBITA by segment, April-June 2022



Other

Financial calendar

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, 19 August 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 7:30 a.m. CEST on 19 August 2022. The report has not been reviewed by the company's auditors.

Condensed consolidated statement of comprehensive income

SEK thousands	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2020/2021 Jul-Dec
Operating income	2					
Net sales	3	432,454	54,081	713,145	64,506	370,906
Other operating income		5,674	324	10,802	340	3,144
Total operating income		438,128	54,405	723,947	64,846	374,050
Operating expenses						
Raw materials, consumables and goods for resale		-204,156	-23,129	-336,793	-25,046	-151,842
Other external expenses		-45,576	-5,813	-72,154	-8,085	-40,010
Employee benefit expenses		-146,474	-19,645	-255,411	-26,849	-142,479
Other operating expenses		-737	-12	-807	-12	-129
Depreciation, amortisation and impairment of tangible and intangible assets		-5,797	-1,017	-9,756	-1,271	-8,263
Depreciation of right-of-use assets		-6,209	-1,012	-10,966	-1,117	-6,933
Operating profit/loss (EBIT)		29,179	3,777	38,060	2,466	24,394
Net financial items	4	-11,805	-1,678	-34,498	-2,150	-16,575
Pre-tax loss		17,374	2,099	3,562	316	7,819
Income tax		-6,038	-746	-8,086	-600	-6,407
Profit/loss for the period		11,336	1,353	-4,524	-284	1,412
Attributable to shareholders in the Parent Company		11,142	1,356	-4,731	-347	1,361
Attributable to non-controlling interests		194	-3	207	63	51
Profit/loss for the period		11,336	1,353	-4,524	-284	1,412
<i>Other comprehensive income:</i>						
<i>Items that may be reclassified to profit or loss</i>						
Exchange-rate differences		698	-	867	-	-
Total comprehensive income for the period		12,034	1,353	-3,657	-284	1,412
Attributable to:						
Shareholders in the Parent Company		11,840	1,356	-3,864	-347	1,361
Non-controlling interests		194	-3	207	63	51
Total comprehensive income for the period		12,034	1,353	-3,657	-284	1,412
<i>Earnings per share for the period before and after dilution</i>		359.88	54.24	-152.81	-13.90	52.85
<i>Average number of shares before and after dilution</i>		30,960	25,000	30,960	25,000	25,751

Condensed consolidated balance sheet

SEK thousands	Note	2022 30 Jun	2021 30 Jun	2021 31 Dec
ASSETS				
Intangible assets		885,814	117,396	440,737
Tangible assets		90,865	2,064	20,150
Right-of-use assets		67,880	34,330	57,440
Financial assets		13,453	530	5,677
Total non-current assets		1,058,012	154,320	524,004
Inventories		48,093	8,901	7,864
Accounts receivable - trade		216,512	37,538	85,357
Other current receivables		45,199	7,368	15,483
Contract assets		46,467	3,653	20,138
Investments in securities etc.		944	785	825
Cash and cash equivalents		388,324	56,264	821,432
Total current assets		745,539	114,509	951,099
Total assets		1,803,551	268,829	1,475,103
EQUITY AND LIABILITIES				
Equity attributable to shareholders in the Parent Company		468,960	88,145	378,788
Non-controlling interests		309	114	102
Total equity		469,269	88,259	378,890
Acquisition-related liabilities		180,192	22,856	92,762
Lease liabilities		38,862	27,223	37,916
Bond	6	739,706	-	737,419
Liabilities to credit institutions	6	6,596	-	4,651
Deferred tax liabilities		22,968	7,551	18,682
Other non-current liabilities		1,052	270	128
Total non-current liabilities		989,376	57,900	891,558
Lease liabilities		21,747	6,030	16,210
Acquisition-related liabilities		24,579	14,299	37,296
Accounts payable - trade		119,383	16,328	40,216
Contract liabilities		9,237	1,318	12,502
Liabilities to credit institutions	6	5,211	61,918	3,582
Other current liabilities		164,749	22,777	94,849
Total current liabilities		344,906	122,670	204,655
Total liabilities		1,334,282	180,570	1,096,213
Total equity and liabilities		1,803,551	268,829	1,475,103

Condensed consolidated statement of changes in equity

SEK thousands	2022 30 Jun	2021 31 Jun	2021 31 Dec
Opening equity	378,890	25	-
New share issue	94,036	28,120	278,552
Formation of Novedo Holding Group	-	-	500
Acquisition of non-controlling interests	-	51	51
Shareholders' contribution	-	60,347	98,375
Profit/loss for the period	-4,731	-347	1,361
Other comprehensive income	867	-	-
Non-controlling interests	207	63	51
Closing equity	469,269	88,259	378,890
<i>Equity attributable to shareholders in the Parent Company</i>	<i>468,959</i>	<i>88,142</i>	<i>378,788</i>
<i>Non-controlling interests</i>	<i>309</i>	<i>117</i>	<i>102</i>
SEK thousands	2022 30 Jun	2021 31 Jun	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	25,004	30,960
Total number of shares at the end of the period	30,960	25,004	30,960

The ordinary shares have a quotient value of SEK 17.83.

Condensed consolidated statement of cash flows

SEK thousands	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2020/2021 Jul-Dec
Operating profit/loss		29,179	3,777	38,061	2,466	24,394
Adjustments for non-cash items, etc.	7	-25,713	-23,095	-75,999	-29,428	-119,008
Net interest income/expense paid		-13,701	-968	-28,744	-1,295	-9,493
Income tax paid		-8,227	-187	-24,262	-638	-9,023
Cash flow from operating activities before changes in working capital		-18,462	-20,473	-90,944	-28,895	-113,130
Change in operating receivables		2,945	-9,744	10,072	-9,778	-26,276
Change in operating liabilities		-17,244	7,718	-8,491	13,218	56,790
Cash flow from operating activities		-32,761	-22,499	-89,363	-25,455	-82,616
Acquisition of subsidiaries		-215,235	-51,828	-364,956	-69,715	-209,682
Investments in tangible assets		-2,922	-	-3,351	-	-216
Change in other financial assets		-8,690	-75	-8,689	-75	521
Change in current financial investments		-19	-	-119	-	-115
Cash flow from investing activities		-226,866	-51,903	-377,115	-69,790	-209,492
New share issue		42,436	21,620	94,036	28,120	278,552
Shareholders' contribution received		-	10,000	-	60,347	98,375
Share capital Novedo Holding AB (publ)		-	-	-	-	500
Borrowings		-	46,598	-	64,263	931,988
Repayment of borrowings		-41,375	-	-49,377	-	-188,506
Repayment of lease liabilities		-6,481	-1,131	-11,289	-1,246	-7,379
Cash flow from financing activities		-5,420	77,087	33,370	151,484	1,113,540
Cash flow for the period		-265,047	2,685	-433,108	56,239	821,432
Cash and cash equivalents - opening balance		653,371	53,579	821,432	25	-
Cash and cash equivalents - closing balance		388,324	56,264	388,324	56,264	821,432

Statement of comprehensive income

– Parent Company

SEK thousands	Note	2022 Apr-Jun	2022 Jan-Jun	2021 Sep-Dec
Operating income				
Net sales		-	-	-
Total operating income		-	-	-
Operating expenses				
Other external expenses		-818	-1,130	-2,165
Other operating expenses		-1	-1	-1
Total operating expenses		-819	-1,131	-2,166
Operating profit/loss		-819	-1,131	-2,166
Profit/loss from financial items				
Interest income		115	115	-
Interest expenses		-13,882	-27,087	-6,002
Profit/loss after financial items		-14,586	-28,103	-8,168
Tax on profit for the year		-	-	277
Profit/loss for the period		-14,586	-28,103	-7,891
Profit/loss for the period		-14,586	-28,103	-7,891
<i>Other comprehensive income:</i>				
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-14,586	-28,103	-7,891

Condensed balance sheet

– Parent Company

SEK thousands	Note	2022 30 Jun	2021 31 Dec
ASSETS			
Participations in Group companies		671,910	191,155
Deferred tax assets		277	277
Total non-current assets		672,187	191,432
Receivables from Group companies		33,454	-
Other current receivables		748	538
Cash and cash equivalents		141	77
Total current assets		34,343	615
Total assets		854,068	881,402
EQUITY AND LIABILITIES			
Equity		108,522	136,625
Total equity		108,522	136,625
Bond		739,706	737,419
Total non-current liabilities		739,706	737,419
Accounts payable - trade		878	2,514
Liabilities to Group companies		-	35
Other current liabilities		4,962	4,809
Total current liabilities		5,840	7,358
Total liabilities		745,546	744,777
Total equity and liabilities		854,068	881,402

Quarterly data

SEK thousands	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Net sales	432,454	280,691	203,655	102,597	54,082	10,424
Net sales growth, %	54%	38%	98%	90%	519%	-
EBITDA	41,185	17,596	24,582	10,154	5,806	-952
EBITDA margin, %	10%	6%	12%	10%	11%	-9%
Operating profit/loss (EBIT)	29,179	8,881	17,266	4,661	3,777	-1,311
EBIT margin, %	7%	3%	8%	5%	7%	-13%
Pre-tax loss	17,374	-13,812	10,345	409	2,100	-1,784
Profit/loss for the period	11,336	-15,860	4,729	-383	1,353	-1,637
Working capital	406,027	611,655	749,557	-139,480	-8,159	44,176
Net interest-bearing debt	422,854	138,596	-22,479	147,321	38,122	-32,529
Net debt/equity ratio	0.90	0.33	-0.06	0.63	0.43	-0.59
Net interest-bearing debt/EBITDA	10.27	7.88	-1.17	14.51	6.57	34.17
Equity/assets ratio, %	26%	26%	26%	30%	33%	53%
Return on equity, %	2%	-4%	1%	-0.2%	2%	-3%
Return on capital employed, %	1%	-1%	0.9%	0.1%	1%	-2%
Number of employees at year-end	890	769	521	521	160	74

Reconciliation of performance measures not defined pursuant to IFRS

SEK thousands	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
(A) Operating profit/loss (EBIT)	29,179	8,881	17,266	4,661	3,777	-1,311
Amortisation and impairment of acquisition-related intangible assets	2,695	2,695	2,695	2,695	949	246
(B) EBITA	31,874	11,576	19,961	7,356	4,726	-1,065
Depreciation, amortisation and impairment of other tangible and intangible assets	9,311	6,021	4,621	2,798	1,080	113
(C) EBITDA	41,185	17,597	24,582	10,154	5,806	-952
Non-recurring items						
Acquisition expenses	2,137	2,170	-	2,239	887	825
Total non-recurring items	2,137	2,170	-	2,239	887	825
(D) Adjusted EBITA	34,011	13,746	19,961	9,595	5,613	-240
(E) Adjusted EBITDA	43,322	19,767	24,582	12,393	6,693	-127
(F) Net sales	432,454	280,691	203,655	102,597	54,082	10,424
(A/F) EBIT margin, %	7%	3%	8%	5%	7%	-13%
(B/F) EBITA margin, %	7%	4%	10%	7%	9%	-10%
(C/F) EBITDA margin, %	10%	6%	12%	10%	11%	-9%
(D/F) Adjusted EBITA margin, %	8%	5%	10%	9%	10%	-2%
(E/F) Adjusted EBITDA margin, %	10%	7%	12%	12%	12%	-1%

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) as endorsed by the EU. 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 elsewhere 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.

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. The Novedo Group has three operating segments: Infrastructure; Installation and Services; and Industry.

The operations of each reporting segment are described below:

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

The Infrastructure and the Installation and Services segments work 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. In addition, Group-wide costs are reported in the category Group items.

2022 Apr-Jun, SEK thousands	Infrastructure	Installation and Services	Industry	Group items	Total segment
Operating segment					
Net sales from external customers	132,800	279,041	20,613	-	432,454
Other operating income	591	4,931	152	-	5,674
Total operating income	133,391	283,972	20,765	-	438,128
Operating expenses					
Raw materials, consumables and goods for resale	-78,586	-113,963	-11,608	-	-204,157
Other external expenses	-17,637	-18,622	-1,938	-7,379	-45,576
Employee benefit expenses	-28,284	-108,238	-4,871	-5,081	-146,474
Depreciation, amortisation and impairment of tangible and intangible assets	-2,198	-3,207	-393	-	-5,798
Depreciation of right-of-use assets	-800	-5,261	-147	-	-6,208
Other operating expenses	-814	108	-28	-3	-737
Total operating expenses	-128,319	-249,183	-18,985	-12,463	-408,950
Operating profit/loss (EBIT)	5,072	34,789	1,780	-12,463	29,178
Net financial items					
	-577	11,731	-92	-22,867	-11,805
Pre-tax profit/loss	4,495	46,520	1,688	-35,330	17,373

2021 Apr-Jun, SEK thousands	Infrastructure	Installation and Services	Industry	Group items	Total segment
Operating segment					
Net sales	-	54,082	-	-	54,082
Other operating income	-	323	-	-	323
Total operating income	-	54,405	-	-	54,405
Operating expenses					
Raw materials, consumables and goods for resale	-	-23,129	-	-	-23,129
Other external expenses	-	-5,067	-	-745	-5,812
Employee benefit expenses	-	-17,987	-	-1,660	-19,647
Depreciation, amortisation and impairment of tangible and intangible assets	-	-1,017	-	-	-1,017
Depreciation of right-of-use assets	-	-1,012	-	-	-1,012
Other operating expenses	-	-12	-	-	-12
Total operating expenses	-	-48,224	-	-2,405	-50,629
Operating profit/loss (EBIT)	-	6,181	-	-2,405	3,776
Net financial items	-	-714	-	-963	-1,677
Pre-tax profit/loss	-	5,467	-	-3,368	2,099

2022 Jan-Jun, SEK thousands	Infrastructure	Installation and Services	Industry	Group items	Total segment
Operating segment					
Net sales	163,770	501,959	47,416	-	713,145
Other operating income	931	9,671	200	-	10,802
Total operating income	164,701	511,630	47,616	-	723,947
Operating expenses					
Raw materials, consumables and goods for resale	-95,895	-211,762	-29,136	-	-336,793
Other external expenses	-20,976	-35,299	-4,210	-11,669	-72,154
Employee benefit expenses	-34,785	-203,003	-9,302	-8,322	-255,412
Depreciation, amortisation and impairment of tangible and intangible assets	-2,944	-6,029	-782	-	-9,755
Depreciation of right-of-use assets	-800	-10,019	-147	-	-10,966
Other operating expenses	-814	38	-28	-3	-807
Total operating expenses	-156,214	-466,074	-43,605	-19,994	-685,887
Operating profit/loss (EBIT)	8,487	45,556	4,011	-19,994	38,060
Net financial items	-644	12,289	-72	-46,071	-34,498
Pre-tax profit/loss	7,843	57,845	3,939	-66,065	3,562

2021 Jan-Jun, SEK thousands	Infrastructure	Installation and Services	Industry	Group items	Total segment
Operating segment					
Net sales	-	64,506	-	-	64,506
Other operating income	-	340	-	-	340
Total operating income	-	64,846	-	-	64,846
Operating expenses					
Raw materials, consumables and goods for resale	-	-25,046	-	-	-25,046
Other external expenses	-	-6,014	-	-2,071	-8,085
Employee benefit expenses	-	-25,040	-	-1,809	-26,849
Depreciation, amortisation and impairment of tangible and intangible assets	-	-1,271	-	-	-1,271
Depreciation of right-of-use assets	-	-1,117	-	-	-1,117
Other operating expenses	-	-12	-	-	-12
Total operating expenses	-	-58,500	-	-3,880	-62,380
Operating profit/loss (EBIT)	-	6,346	-	-3,880	2,466
Net financial items					
	-	-967	-	-1,183	2,150
Pre-tax profit/loss	-	5,379	-	-5,063	316

Note 3 Specification of net sales and income

The Group allocates revenue across the three segments

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2020/2021 Jul-Dec
Net sales – Group					
Infrastructure	132,800	-	163,794	-	-
of which, contract work	126,985	-	157,979	-	-
of which, service	-	-	-	-	-
of which, products	5,815	-	5,815	-	-
Installation and Services	279,041	54,081	501,934	64,506	370,906
of which, contract work	202,513	40,238	383,896	48,596	278,449
of which, service	59,737	13,843	95,009	15,910	92,457
of which, products	16,791	-	23,029	-	-
Industry	20,613	-	47,416	-	-
of which, contract work	-	-	-	-	-
of which, service	-	-	-	-	-
of which, products	20,613	-	47,416	-	-
Total net sales	432,454	54,081	713,144	64,506	370,906
of which, contract work	329,498	40,238	541,875	48,596	278,449
of which, service	59,737	13,843	95,009	15,910	92,457
of which, products	43,219	-	76,260	-	-
Income per significant class of income and geographical area – Group					
	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2020/2021 Jul-Dec
Contract work	329,500	40,238	541,875	48,596	278,449
Sweden	329,458	40,238	541,833	-	278,449
Rest of World	42	-	42	-	-
Service	59,737	13,843	95,009	15,910	92,457
Sweden	59,737	13,843	95,009	15,910	92,457
Products	43,217	-	76,260	-	-
Sweden	42,304	-	74,370	-	-
EU	883	-	1,842	-	-
Rest of World	30	-	48	-	-
Total income	432,454	54,081	713,144	64,506	370,906
Sweden	431,499	54,081	711,212	64,506	370,906
EU	883	-	1,842	-	-
Rest of World	72	-	90	-	-

Note 4 Financial items

Group	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2020/2021 Jul-Dec
Financial income	195	151	237	246	322
Total financial income	195	151	237	246	322
Interest expenses, bonds	-13,882	-	-27,087	-	-6,002
Interest expenses, lease liabilities	-438	-109	-588	-116	-621
Other interest-related and financial expenses	2,320	-1,720	-7,060	-2,280	-10,274
Total financial expenses	-12,000	-1,829	-34,735	-2,396	-16,897
Net financial items	-11,805	-1,678	-34,498	-2,150	-16,575

Note 5 Business combinations

Acquisition during the period

Novedo completed three acquisitions during the April-June 2022 period. The fair value of acquired assets and liabilities are, in certain cases, preliminary pending final valuation. Non-distributed surplus value is recognised preliminarily as goodwill. The distribution of the purchase price is a complex process and the assessment is that additional analyses are required to fully assess the future ability to generate profit based on employees' knowledge and access to new markets, synergies and customer contracts. The acquisition balance sheet may therefore be adjusted in the coming quarters. As such, the prepared acquisition balance is considered preliminary. The assets and liabilities included in acquisitions for the period amount to the following, according to the preliminary acquisition analyses:

	GBB Holding AB incl. subsidiaries	Sentexa AB	Total Fasad Stockholm AB incl. subsidiaries	Total
SEK thousands	Included in Infrastructure	Included in Installation and Services	Included in Installation and Services	
Non-current assets	78,941	1,233	4,148	84,322
Inventories	11,314	-	-	11,314
Other current assets, excluding cash and cash equivalents	97,916	4,697	16,857	119,470
Cash and cash equivalents	9,031	4,752	8,583	22,366
Deferred tax assets/liabilities	-480	-631	-	-1,111
Liabilities to creditors	-30,319	-545	-	-30,864
Other liabilities	-72,981	-4,556	-20,623	-98,160
Acquired net assets	93,422	4,950	8,965	107,337
Goodwill	104,345	32,111	104,741	241,197
Non-controlling interests	-	-	-	-
Purchase price	197,767	37,061	113,706	348,534
Less, cash and cash equivalents in acquired operations	-9,031	-4,752	-8,583	-22,366
Less, unpaid purchase price	-60,294	-10,961	-39,678	-110,933
Impact on Group's cash and cash equivalents	128,442	21,348	65,445	215,235

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 349 million.

Goodwill pertains to the surplus value from business combinations. Goodwill identified is mainly related to employees, expected future potential and the high profitability of acquired operations.

Preliminary acquisition-related expenses amounted to SEK 68.5 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 amounted to SEK 207 million as of 30 June.

Impact of the acquisitions following the dates of the acquisitions on the Group's earnings April-June 2022

SEK thousands	Infrastructure	Installation and Services	Industry	Total
Net sales	102,753	19,531	-	122,284
Operating profit (EBIT)	2,380	3,085	-	5,465

The preliminary acquisition analyses for the acquisitions completed between January and September 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 declined SEK 39,074 thousand
- Trademarks have increased SEK 12,949 thousand

- Customer relationships have increased SEK 36,263 thousand
- Deferred tax liabilities have increased SEK 10,138 thousand
- Conditional purchase prices have declined SEK 5,321 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 30 Jun	2021 30 Jun	2021 31 Dec
Opening carrying amount	745,651	-	-
Acquired borrowings	33,626	-	8,232
Borrowings for the year	3,466	61,918	737,420
Repayment for the period	-31,230	-	-
Closing carrying amount	751,513	61,918	745,652

Borrowings on 30 June 2022	Interest rate, %	Year of maturity	Nominal value	Carrying amount
Bond	STIBOR +6.5	2024	750,000	739,706
Assets with retention of title	0.8-3.1	2023-26	11,807	11,807
Closing carrying amount			761,807	751,513

Borrowings on 31 Dec 2021	Interest rate, %	Year of maturity	Nominal value	Carrying amount
Bond	STIBOR +6.5	2024	750,000	737,419
Assets with retention of title	0.8-3.1	2023-26	8,232	8,232
Closing carrying amount			758,232	745,651

Borrowings on 30 June 2021	Interest rate, %	Year of maturity	Nominal value	Carrying amount
Bank loans	7.50	2022	61,918	61,918
Assets with retention of title			-	-
Closing carrying amount			61,918	61,918

Note 7 Adjustments for non-cash items, etc.

SEK thousands	Group				
	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2020/2021 Jul-Dec
Depreciation, equipment	3,103	-	4,367	-	1,679
Amortisation, intangible assets	2,695	930	5,389	1,184	6,584
Depreciation, right-of-use assets	6,209	131	10,966	234	6,933
Interest expenses, lease liabilities	-438	-109	-588	-116	-622
Transaction costs bonds	1,143	-	2,286	-	1,143
Financial expenses, present value calculations of conditional purchase prices	-12,349	-751	-33,688	-985	-1,942
New assessment, conditional purchase prices	13,345	-	26,055	-	-
Disposals of tangible assets	686	-	686	-	389
Change in provisions	2,329	-	2,564	-	-782
Acquisition-related commitments	-42,436	-23,296	-94,036	-29,796	-132,441
Transactions with non-controlling interests	-	-	-	51	51
Total	-25,713	-23,095	-75,999	-29,428	-119,008

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	Croatia		100
Air Solution D.O.O	Croatia		100
Krovent Montaza D.O.O	Croatia		100
Ekoion AB	Sweden	556700-0814	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
GBB Holding AB	Sweden	556910-5652	100
AO Entreprenadtjänst i Stockholm AB	Sweden	556995-2269	100
Gnesta Bergbyggare AB	Sweden	556599-9355	100
GBB Syd AB	Sweden	559234-7297	100
Borrspecialisten i Stockholm AB	Sweden	556929-2591	100
IMPAB AB	Sweden	556718-1069	100
Impab International AB	Sweden	556881-7547	100
Sentexa AB	Sweden	556637-4921	100
Total Fasad Stockholm AB	Sweden	559004-4375	100
Total Fönsterrenovering Stockholm AB	Sweden	559133-9444	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 30 Jun 2022	Group 30 Jun 2021	Group 31 Dec 2021
Floating charge	40,750	8,600	16,050
Assets with retention of title	13,702	-	8,512
Assets pledged for pension commitments	1,961	-	2,425
Shares in Group companies	567,842	-	538,195
Total	624,255	8,600	565,182

Contingent liabilities	Group 30 Jun 2022	Group 30 Jun 2021	Group 31 Dec 2021
Performance guarantees	1,092	-	2,687
Guarantee commitments	941	-	-
Total	2,033	-	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.
Operating profit/loss (EBIT)	Profit/loss before financial items and tax.
EBIT margin, %	EBIT in relation to net sales.
EBITA	Operating profit (EBIT) according to income statement before amortisation and impairment of intangible assets.
EBITA margin, %	EBITA in relation to net sales.
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 as a percentage of net sales.
Adjusted EBITA	EBITA adjusted for non-recurring items.
Adjusted EBITA margin, %	EBITA adjusted for non-recurring items, as a percentage of net sales.
Adjusted EBITDA	EBITDA adjusted for non-recurring items.
Adjusted EBITDA margin, %	EBITDA adjusted for non-recurring items, 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, multiple	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 19 acquisitions, comprising 36 companies with approximately 950 employees, have pro forma sales of about SEK 2 billion with EBITDA of SEK 260 million. The company is planning for an IPO during the first half of 2023. **www.novedo.se**

