

NOVEDO



Interim Report January–June

2023

Novedo is a niche industrial group of prominent B2B companies, with a well-balanced mix of offerings and a solid and diversified customer base within Industry, Infrastructure and Installation & Services.

Strong growth and solid development

Second quarter (April–June 2023)

- Net sales increased by 66.8 percent to SEK 721.5 million (432.5), of which organic growth amounted to 2.9 percent.
- EBITA increased to SEK 89.8 million (31.9) and the EBITA margin was 12.4 percent (7.4).
- EBIT for the quarter amounted to SEK 75.7 million (25.1).
- Cash flow from operating activities amounted to SEK 15.1 million (-12.8).
- The subsidiary GBB Group made a strategic add-on acquisition via Dundertech AB, a specialized product company in the rock industry.
- Daniel Kral joined on June 1, 2023, as Head of M&A Germany with the aim of leading Novedo’s acquisition activities in the German market.

Period (January–June 2023)

- Net sales increased by 83.8 percent to SEK 1,310.7 million (713.1), of which organic growth amounted to 5.0 percent.
- EBITA increased to SEK 136.3 million (43.5) and the EBITA margin amounted to 10.4 percent (6.1).
- EBIT for the period amounted to SEK 109.8 million (31.4).
- Cash flow from operating activities amounted to SEK 68.0 million (-24.9).
- Helsingborgs Byggplåt AB, Stantraek A/S, and Dundertech AB with combined annual sales for 2022 of ca. SEK 367 million were acquired and consolidated.
- In February 2023, an additional SEK 250 million in bonds was issued within the framework of the company’s bond loan 2021/2024. At the same time, Novedo’s principal shareholders committed to a subordinated shareholder loan of SEK 100 million that matures after the maturity date of the bond loan.

Significant events after the balance sheet date

- As part of the stock exchange preparatory activities, Novedo has convened an EGM on September 21, 2023 to resolve on amendments to the Articles of Association, share split, authorization for a new issue of shares, and a directed share issues to handle the current ownership structure.

Growth in net sales

83.8 %

Jan–Jun 2023

Organic growth

5.0 %

Jan–Jun 2023

EBITA margin

10.4 %

R12 month, 2022/2023

Financial overview

SEK M	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022/2023 R12 month	2022 Jan–Dec
Net sales	721.5	432.5	1,310.7	713.1	2,370.9	1,773.4
EBITDA	106.0	41.2	167.6	58.8	301.0	192.2
EBITDA-margin, %	14.7	9.5	12.8	8.2	12.7	10.8
EBITA	89.8	31.9	136.3	43.5	246.4	153.6
EBITA-margin, %	12.4	7.4	10.4	6.1	10.4	8.7
EBIT	75.7	25.1	109.8	31.4	201.0	122.5
EBIT-margin, %	10.5	5.8	8.4	4.4	8.5	6.9
Profit/loss for the period	-16.3	-11.2	-50.0	-29.1	-77.8	0.5
Cash flow from operating activities	15.1	-12.8	68.0	-24.9	145.1	52.3
Net debt/equity ratio, times	2.4	0.9	2.4	0.9	2.4	1.9
Equity/assets ratio, %	15.2	24.6	15.2	24.6	15.2	20.4
Return on capital employed, %	4.8	2.9	7.3	3.9	13.2	8.7
Earnings per share before/after dilution, SEK	-585.61	-379.36	-1,643.36	-943.77	-2,609.01	-1,909.42



84% sales growth, of which 5% in organic growth combined with strengthened operating margins, confirms the quality and resilience of the Novedo companies in the uncertain economic situation that has characterized recent years.



Novedo shows strong growth and solid development in the first half of 2023. Net sales and EBITA R12 increased to SEK 2,370.9 million and SEK 246.4 million, respectively. The Novedo companies' established market positions, service and product offerings, and diversified customer base combined with good existing demand and favorable structural trends provide a solid platform for continued positive development.

Strong acquisition-driven sales growth combined with stable and good organic growth

Novedo showed strong growth in the first half of 2023 and net sales increased by 83.8 percent, of which 5.0 percent was organic growth, at annual comparison and amounted to SEK 1,310.7 million (713.1). Sales for R12 months increased to SEK 2,370.9 million. EBITA increased by 213 percent to SEK 136.3 million (43.5) for the half-year period 2023 by annual comparison, for R12 months the result amounted to SEK 246.4 million. The margin development in the business segments has developed well and the EBITA margin for the Group amounted to 10.4 percent (6.1) for the half-year period 2023, which is above Novedo's financial target.

Cash flow from operating activities strengthened as a consequence of increased volume and positive margin development and amounted to SEK 68.0 million (-24.9) during the first half of the year and to SEK 145.1 million for R12 months. The company's balance sheet is stable and our interest-bearing net debt in relation to EBITDA amounts to 3.0x.

Good order intake in all business segments that can also capitalize on structural trends

We see a good order intake in all business segments. Electrification, energy optimization, sustainable infrastructure investments and increased demand for European industrial companies that manufacture components and systems (reshoring) are underlying structural trends that are also positively visible in the subsidiaries' order intake.

Geographical expansion in the Nordic region and Germany

Over time, we intend to grow the business segments to three segments equal in terms of sales, which is confirmed by an annual comparison where segment Industry amounts to 11.4 percent (6.7), segment Infrastructure to 37.0 percent (33.0) and segment Installation & Services amounts to 51.6 percent (60.3) during the first half-year period of 2023.

We continue to see good growth opportunities in our existing geographic markets, and we have several attractive deals under evaluation.

During the first half of 2023, two companies were acquired; Helsingborgs Byggplåt AB and the Danish industrial company Stantraek A/S. In addition, the subsidiary group GBB made a strategic add-on acquisition via Dundertech AB, which is a specialized product company in the rock industry.

Novedo also has an active acquisition agenda outside existing markets and an important step in our geographical expansion is the recruitment of Daniel Kral, Head of M&A Germany, who will lead Novedo's acquisition work in the German market. Germany has a long tradition of successful small and medium-sized enterprises (Mittelstand) consisting of well-managed entrepreneur-led companies.

Established and solid companies with a good financial history

Subsidiaries within Novedo are solid and have a long and trustworthy history and I would especially like to take this opportunity to draw attention to Olle Timblads Målerifirma, which has its 90th anniversary this year. Timblads is the oldest of the subsidiaries whose average age is over 30 years, which means that the companies and their employees constitute a fundamental stability within the Group.

The companies have been around for a long time, both in recessions and booms, and there is an impressive knowledge and experience base to take advantage of. It is therefore with enthusiasm that I look forward to this year's Novedo Days which take place in mid-September, where the companies are also given the opportunity to exchange experiences and discuss business opportunities.

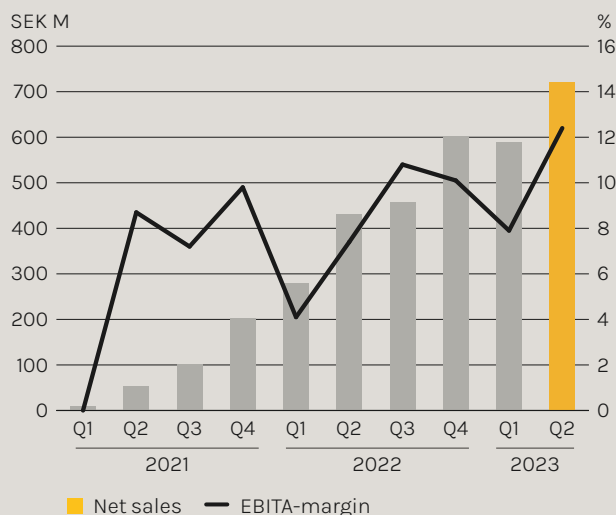
Solid platform for continued positive development

Finally, the Novedo companies' strong and established market positions, well-balanced service and product offerings, and stable and diversified customer base have shown good resilience in the uncertain economic situation that has characterized recent years. This, combined with good existing demand and favorable structural trends, provides a solid platform for continued positive development.

Per-Johan Dahlgren
President & CEO

¹⁾ Interest-bearing net debt (excl. subordinated shareholder loan) / EBITDA, June 2023: 2.7 times.
Interest-bearing net debt (incl. subordinated shareholder loan) / EBITDA, June 2023: 3.0 times.
The ratio is calculated - in accordance with the definitions in the terms and conditions - as interest-bearing net debt (excluding or including shareholder loans, as stated) in relation to EBITDA over the most recent 12-month period (R12) (adjusted for contributions from businesses acquired during the period as if they had been included throughout the period).

Net sales and EBITA margin



The Group's first company acquisition was completed in January 2021

**Growth in net sales
Jan-Jun 2023**

83.8 %

**EBITA
R12 month, 2022/2023**

246.4 MSEK

**Cash flow from
operating activities
R12 months, 2022/2023**

145.1 MSEK

**Organic growth
Jan-Jun 2023**

5.0 %

**EBITA margin
R12 month, 2022/2023**

10.4 %

**Interest-bearing
net debt/EBITDA¹⁾,
Jun 2023**

3.0 times

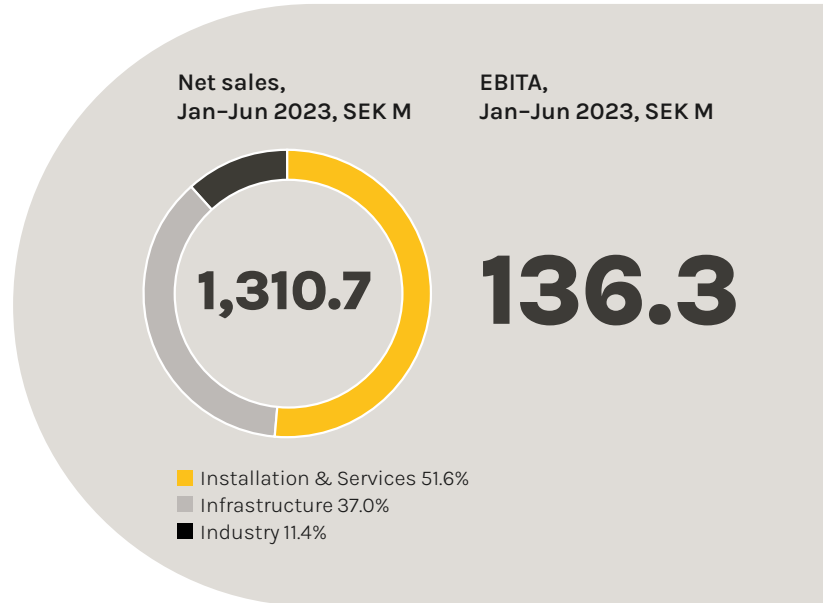
Niched industrial group in Industry, Infrastructure, and Installation & Services

Novedo is a niched industrial group of prominent and decentralized B2B-companies with sound corporate cultures, developed niche positions and proven business models in three business segments – Industry, Infrastructure, and Installation & Services.

Long-term sustainable value creation with an active acquisition strategy

Novedo’s vision is to create long-term value by developing a focused and well-balanced industrial group through acquisitions and the development of prominent entrepreneurial-driven B2B companies that grow stronger together and where the entrepreneur wants to run the company further after selling. Novedo has an active acquisition strategy and the portfolio companies are developed with the support of leadership, know-how and bolt-on acquisitions, all embraced by the Group’s core values – business acumen, trust and operational closeness.

Novedo completed its first acquisition in the first quarter of 2021 and at the end of June 2023, the Group consisted of approximately 1,300 employees. Net sales for the period January – June 2023 amounted to SEK 1,310.7 million and EBITA to SEK 136.3 million.



Financial targets

- >50% annual sales growth 2022-2024, including 3% mid-term organic growth
- >10% EBITA-margin per year in the midterm
- <3,5x interest-bearing net debt / EBITDA¹⁾

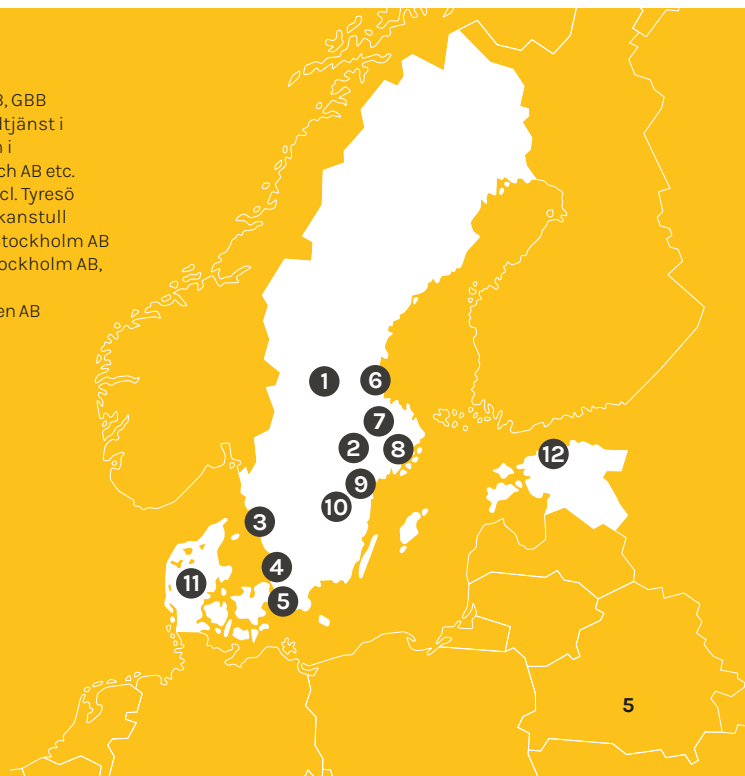
¹⁾ The ratio is calculated - in accordance with the definitions in the terms and conditions - as interest-bearing net debt (excluding or including shareholder loans, as stated) in relation to EBITDA over the most recent 12-month period (R12) (adjusted for contributions from businesses acquired during the period as if they had been included throughout the period).

Targets and strategy in line with Agenda 2030

Novedo supports the UN Global Compact and Agenda 2030. The Group believes that it has the greatest ability to impact the following UN SDGs: 8 (decent work and economic growth), 9 (sustainable industry, innovation and infrastructure) and 11 (sustainable cities and communities).

- Leksand**
Nordsign AB
- Västerås**
ProvideU AB, ProvideU Electronics AB
- Göteborg**
Elforum Göteborg AB, Elinzity AB incl. Elinzity Förstärkning AB, Ventilationskontroll Aeolus AB incl. CX Ventilation AB, Ekoion AB, RC EI & Styrinstallationer Zeus AB and KG Vent AB
- Helsingborg**
Elarbeten Helsingborg AB, Helsingborgs Byggplåt AB
- Malmö**
Deramont Entreprenad AB
- Gävle**
Hansson & Ekman Isolerings Aktiebolag
- Uppsala**
Hansson & Ekman Isolerings Aktiebolag

- Stockholm**
BATAB Bygg & Akustikteknik AB, GBB Holding AB inkl. AO Entreprenadtjänst i Stockholm AB, Borrspecialisten i Stockholm AB, Impab Dundertech AB etc. Olle Timblads Målerifirma AB incl. Tyresö Målericentral AB, Sentexa AB, Skanstull Måleri Aktiebolag, Total Fasad Stockholm AB incl. Total Fönsterrenovering Stockholm AB, Uni-Vent Rör AB, Valter Eklund Stenentreprenader AB incl. VE Sten AB
- Norrköping**
Kultur målarna i Norrköping AB
- Linköping**
Kultur målarna i Linköping AB
- Jylland (nine areas close to Aalborg/Aarhus), Denmark**
Nordkabel A/S, Stantraek A/S
- Tallinn, Estonia**
ProvideU Assembly OÜ





From left: Bjørn Christiansen, Operations Director (afdelningsleder) Nordkabel A/S, Per-Johan Dahlgren, President & CEO Novedo and Henrik Hassing, CEO Nordkabel A/S.

Group development

Sales

Second quarter 2023

Net sales increased during the quarter by 66.8 percent and amounted to SEK 721.5 million (432.5). Growth consisted mainly of newly acquired companies. Organic growth was 2.9 percent.

Period January–June 2023

Net sales increased by 83.8 percent during the period and amounted to SEK 1,310.7 million (713.1). Growth was mainly attributable to newly acquired companies. Organic growth was 5.0 percent.

Earnings

Second quarter 2023

EBITA increased year-on-year and amounted to SEK 89.8 million (31.9), with an EBITA margin of 12.4 percent (7.4) for the quarter. The adjusted EBITA margin for the quarter is affected by non-recurring items and amounted to 12.1 percent (8.7). EBIT increased to SEK 75.7 million (25.1) and the operating margin amounted to 10.5 percent (5.8). Net financial items amounted to SEK -86.9 million (-31.1), of which SEK -36.1 million (-13.9) consisted of interest expenses for bond loans and SEK -55.8 million (-16.5) is attributable to revaluation and reassessment of earn-outs. Changes in earn-outs are due to the companies' improved earnings trend.

The loss before tax amounted to SEK -11.2 million (-6.0). Net loss for the quarter amounted to SEK -16.3 million (-11.2). Earnings per share amounted to SEK -585.61 (-379.36).

Period January – June 2023

EBITA increased year-on-year and amounted to SEK 136.3 million (43.5), with an EBITA margin of 10.4 percent (6.1) for the period. The adjusted EBITA margin for the period is affected by acquisition costs and non-recurring items and amounted to 10.9 percent (7.3). EBIT increased to SEK 109.8 million (31.4) and the operating margin amounted to 8.4 percent (4.4). Net financial items amounted to SEK -154.6 million (-53.8), of which SEK -63.3 million (-27.1) consisted of interest expenses for bond loans and SEK -92.6 million (-25.8) is attributable to revaluation and reassessment of earn-outs. Changes in earn-outs are due to the companies' improved earnings trend.

The loss before tax amounted to SEK -44.8 million (-22.4). Net loss for the period amounted to SEK -50.0 million (-29.1). Earnings per share amounted to SEK -1,643.36 (-943.77).

Financial position

Equity in the Group amounted to SEK 451.3 million (443.8) on June 30, 2023, and the equity/assets ratio was 15.2 percent (24.6).

Cash and cash equivalents on June 30, 2023, amounted to SEK 325.0 million (388.3).

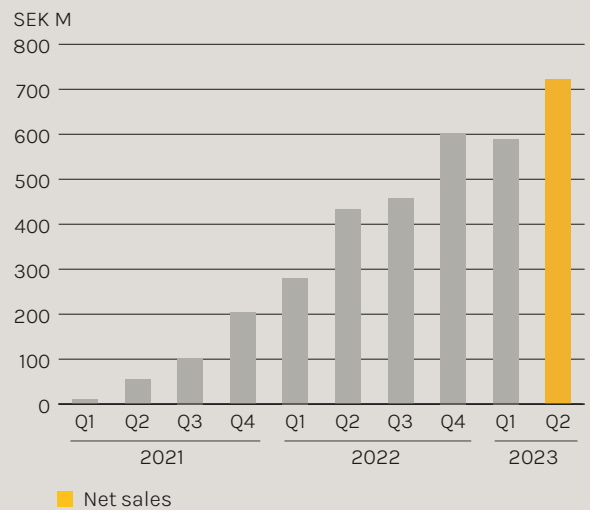
To finance further acquisitions, Novedo issued an additional SEK 250 million within the existing bond loan during the first quarter of 2023, after which the outstanding volume amounts to SEK 1,250 million within a framework totaling SEK 1,500 million. The bond loan has a final maturity in November 2024 and the company works continuously to manage the maturity of the loan. The Group's interest-bearing net debt thus increased during the half-year period and amounted to SEK 1,091.1 million as of June 30, 2023. The net debt/equity ratio was 2.4x (0.9) at the end of the period.

Cash flow and investments

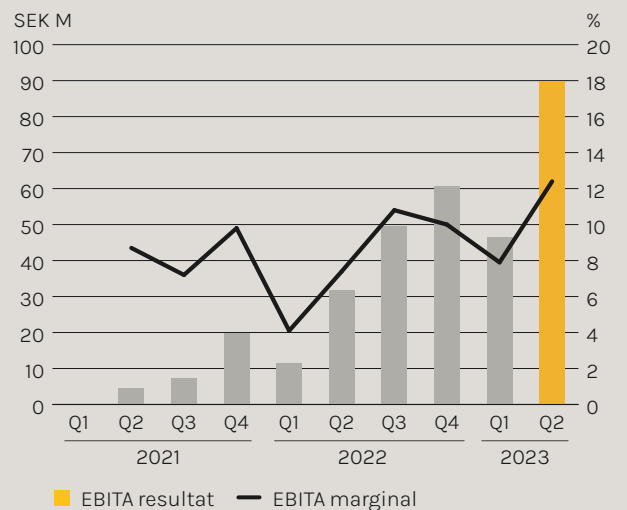
Cash flow from operating activities is affected to some extent by seasonal variations, with the first and third quarters being somewhat stronger as a result of a certain increase in invoicing rates at the end of the second and fourth quarters. Cash flow from operating activities strengthened on an annual basis as a result of increased volume and good margin development and amounted to SEK 15.1 million (-12.8) in the first quarter and to SEK 68.0 million (-24.9) for the half-year period.

Acquisitions of shares in subsidiaries, including settlement of earn-outs relating to previous acquisitions, amounted to net SEK -11.0 million (-212.4) in the second quarter and to SEK -212.3 million (-360.2) for the entire period.

Net sales



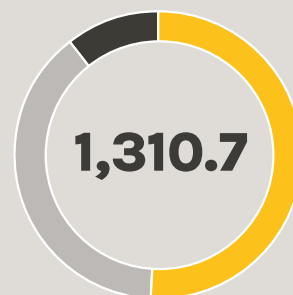
EBITA and EBITA margin



The first company acquisition took place in Q1 2021. EBITA margin for Q1 2021 was -10.2%.

Net sales, Jan–Jun 2023, SEK M

EBITA-margin, Jan–Jun 2023, SEK M



136.3

- Installation & Services 51.6%
- Infrastructure 37.0%
- Industry 11.4%



Installation & Services

Installation & Services consists of companies that offer installation, service, and maintenance to properties, primarily commercial property owners and public housing.

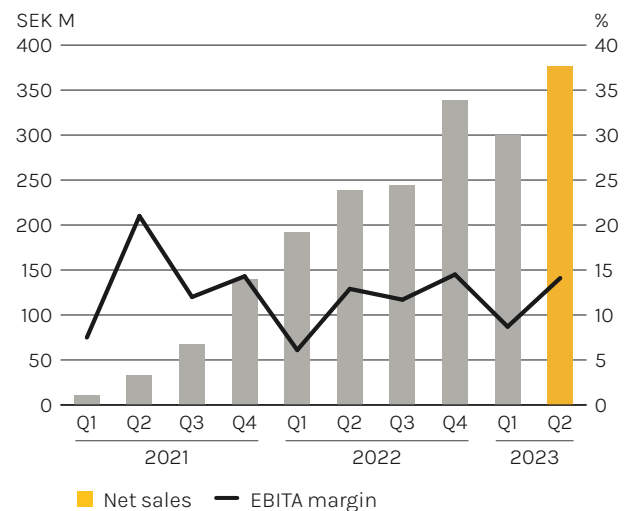
Net sales for the segment increased significantly on an annual basis, mainly as a result of acquisition-driven growth, amounting to SEK 376.7 million (238.4) for the second quarter and to SEK 676.8 million (430.3) for the first half of 2023. Sales for R12 months increased and amounted to SEK 1,259.6 million. EBITA increased to SEK 53.2 million (30.9) for the quarter and SEK 79.2 million (42.6) for the first half of the year and 155.7 for R12 months. The EBITA margin increased to 14.1 percent (12.9) in the second quarter and to 11.7 percent (9.9) for the period January to June and to 12.4 percent for R12 months. The positive margin development is primarily due to increased volume but has also been somewhat affected by quarterly shifts due to percentage-of-completion method.

During the period January to June 2023, the roofing specialist Helsingborgs Byggplåt with about 40 employees and annual sales of approximately SEK 120 million has been acquired and consolidated, see page 11 for more information about the company.

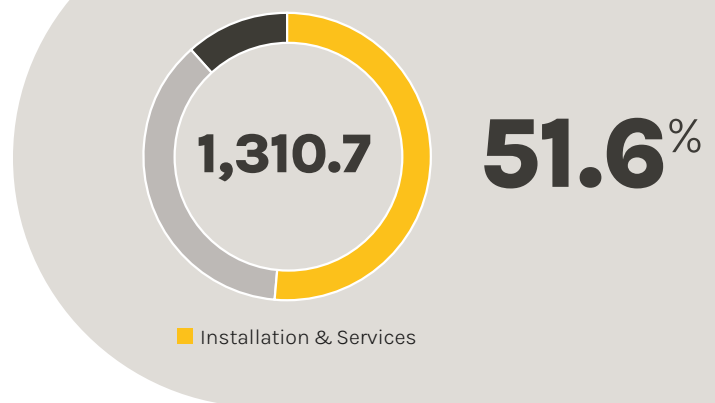
The segment's primary customer base is primarily stable and recurring B2B customers (both private and public). The existing order intake is good, which is due to the fact that a large proportion of the companies' offerings are focused on service, maintenance, and improvements in existing properties. Structural trends in energy saving and electrification are also having a positive impact on demand for the segment's companies.

At the end of the period, the segment consisted of 15 wholly-owned operating companies with 8 associated subsidiaries, comprising a total of 709 employees. See also Note 11 for an overview of the Group's subsidiaries.

Net sales and EBITA margin



Share of consolidated sales, Jan-Jun 2023



Financial overview

SEK M	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Net sales	376.7	238.4	676.8	430.3	1,259.6	1,013.1
EBITA	53.2	30.9	79.2	42.6	155.7	119.2
EBITA-margin, %	14.1	12.9	11.7	9.9	12.4	11.8



Infrastructure

The business segment consists of specialist companies active in infrastructure projects, such as rock removal, earthworks and associated areas, maintenance of road and power infrastructure as well as infrastructural construction in, for example, fiber and water.

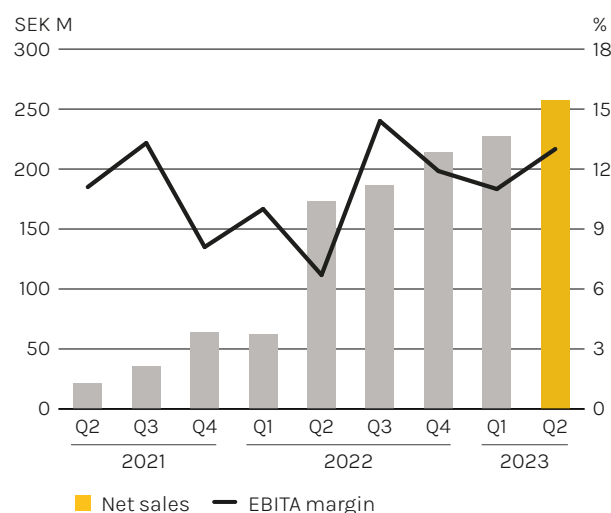
Net sales for the segment increased significantly on an annual basis, mainly as a result of acquisition-driven growth, amounting to SEK 256.9 million (173.4) for the second quarter and to SEK 484.1 million (235.4) for the first half of 2023. Sales for R12 months increased and amounted to SEK 884.3 million. EBITA increased from SEK 33.5 million (11.7) for the quarter to SEK 58.6 million (16.8) for the first half of the year and to 111.8 for R12 months. The EBITA margin increased to 13.0 percent (6.7) in the second quarter, to 12.1 percent (7.1) for the period January to June and 12.6 percent for R12 months. The positive margin development is primarily due to good margins in the segment's subsidiaries but has also been somewhat affected by quarterly shifts due to percentage-of-completion method.

Novedo has grown in the business segment on an annual basis and in the first half of 2023 the segment accounted for 37.0 percent of the Group's total net sales. During the second quarter of 2023, the subsidiary GBB made a strategic add-on acquisition via Dundertech AB, a product company in the rock industry, which strengthens the group's customer offering.

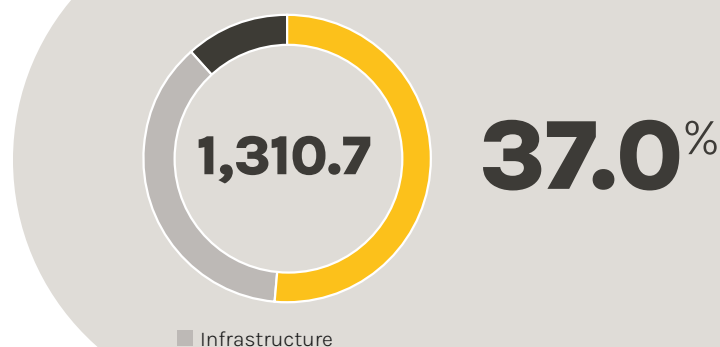
State and regional investments in infrastructure have a positive impact on the segment. Historically, economic slowdowns have had a low impact on infrastructure investments. The existing order intake is stable, which is partly due to infrastructure projects and a high proportion of framework agreements. The primary customer base is primarily stable and returning B2B customers (both public and private).

At the end of the period, the segment consisted of 5 operating companies with 7 associated subsidiaries, comprising 402 employees. See also page 11 for more information about Impab Dundertech AB and Note 11 for an overview of the Group's subsidiaries.

Net sales and EBITA margin



Share of consolidated sales, Jan–Jun 2023



Financial overview

SEK M	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022/2023 R12 month	2022 Jan–Dec
Net sales	256.9	173.4	484.1	235.4	884.3	635.6
EBITA	33.5	11.7	58.6	16.8	111.8	70.0
EBITA-margin, %	13.0	6.7	12.1	7.1	12.6	11.0



Industry

The business segment consists of industrial niche companies that add clear customer value in manufacturing or trade intended for B2B, such as sub-contractors to product companies, distributors and companies with their own product development.

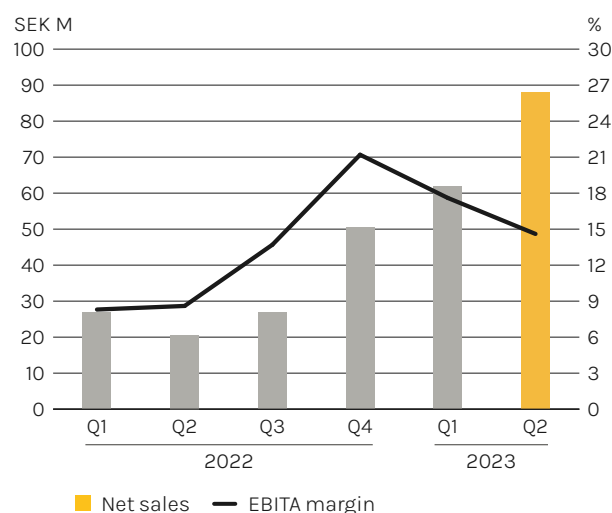
The Industry business segment was added as a new segment in 2022 and Novedo intends to grow the segment over time to correspond to one-third of the Group's total sales. As a result of primarily acquisition-driven growth, net sales for the segment increased significantly on an annual basis and amounted to SEK 87.9 million (20.6) for the second quarter and SEK 149.8 million (47.4) for the first half of 2023. Sales for R12 months increased and amounted to SEK 227.0 million. EBITA increased to SEK 12.8 million (1.8) for the quarter and SEK 23.7 million (4.0) for the first half of the year and SEK 38.1 for R12 months. The EBITA margin increased to 14.6 percent (8.6) in the second quarter, to 15.8 percent (8.5) for the period January to June and 16.8 percent for R12 months. The positive margin development is primarily due to good margin levels in acquired companies.

At the beginning of 2023, the Danish industrial company Stantraek A/S was acquired and consolidated with approximately 70 employees and annual sales of approximately SEK 220 million. Stantraek is a specialist in customized components and sheet metal parts for industrial applications. Stantraek's accounts as of March 2023 are included in the period January-June 2023.

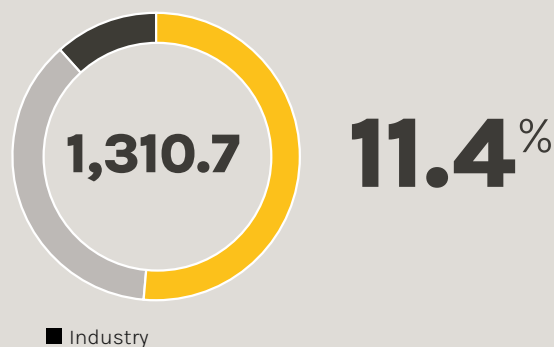
Novedo sees good opportunities to grow both acquisition-based and organically in the segment, where, for example, the structural trend of product-owning companies moving their supply chains geographically closer to the place of consumption should benefit European electronics manufacturers with highly automated manufacturing in the future.

At the end of the period, the segment consisted of two operating companies and two associated subsidiaries with 159 employees. See also page 11 for more information about Stantraek A/S and Note 11 for a comprehensive overview of the Group's subsidiaries.

Net sales and EBITA margin



Share of consolidated sales, Jan-Jun 2023



Financial overview

SEK M	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Net sales	87.9	20.6	149.8	47.4	227.0	124.6
EBITA	12.8	1.8	23.7	4.0	38.1	18.4
EBITA-margin, %	14.6	8.6	15.8	8.5	16.8	14.8



Stantraek A/S

In February 2023, the Danish industrial company Stantraek A/S was acquired, thus becoming the third company acquisition in the industrial segment. Stantraek with about 70 employees was founded in 1967 and is located in Jutland Lystrup near Aarhus. The company is a specialist in customized components and sheet metal parts for industrial applications and has a stable and diversified B2B customer base in various industries, including wind/energy, electronics and the process industry. Stantraek's sales for 2022 amounted to approximately SEK 220 million.

CEO: Morten Petri Lauritsen
www.stantraek.com

Impab Dundertech AB

During the second quarter of 2023, the subsidiary GBB Group made a strategic add-on acquisition via Dundertech, a product company in the rock industry based in Karlshamn. Together with the existing subsidiary Impab AB, based in Uddevalla, Dundertech has merged and formed a company called Impab Dundertech AB. The new company constellation together offers a strong customer offering in rock-related products. Impab Dundertech is included in the Infrastructure segment.

CEO GBB Group: Nenad Blagojevic
www.gnestabergbyggare.se
www.dundertech.se
www.impab.se



Helsingborgs Byggplåt AB

Helsingborgs Byggplåt AB was acquired and consolidated by Novedo during the first quarter of 2023. The company, which is part of the Installation & Services segment, was founded in 2005 and is today a well-established roofing specialist in the southern part of Sweden. With its broad expertise in both sheet metal storage and roofing, the company offers everything from minor renovations to complete renovation contracts. The customer base is primarily regional public sector and real estate companies. The business, together with its wholly owned subsidiary Bra Tak Entreprenad Skåne AB, currently has around 40 employees in Helsingborg and Malmö and the companies' combined sales for 2022 amounted to circa SEK 124 million.

CEO: Jimmy Wallberg
www.helsingborgsbyggplat.se



Other information

Seasonality

Seasonal trends, in terms of revenue and earnings, vary between Novedo's three business segments, as well as within each segment as a result of specific business and industry conditions. Installation & Services and Infrastructure have an underlying seasonal variation, where the first quarter is generally weaker as a result of winter weather conditions. At the same time, the segments show a similar seasonal variation in connection with the holiday period, which falls in the third quarter. The company's working capital and cash flow also have some seasonal variation as a consequence of a slightly increased invoicing rate at the end of the second and fourth quarters. The effects of these seasonal variations are expected to be balanced to some extent as segments become equally large over time.

Risks and uncertainties

The Group conducts business through some twenty subsidiaries with established market positions in three business segments in three countries. This diversification, together with stable and diversified customers, limits business and financial risks. For detailed information on financial risks, see also Note 3 in Novedo's Annual Report for 2022. In addition to the risks and uncertainties described in Novedo's Annual Report 2022, no significant risks or uncertainties are deemed to have been added or removed.

Parent company

The Parent company's net sales consist of intra-group management services. Net sales amounted to SEK 1.1 million (0) during the quarter and profit amounted to SEK -34.5 million (-14.6). The Parent Company's earnings were negatively impacted by interest expenses for the bond loan of SEK -38.6 million (-13.9) for the quarter.

Employees

At the end of the quarter, the Group had 1,282 (890) employees, of which 3 (0) employees were employed by the Parent Company.

Sustainability

Responsible conduct of Novedo's operations is crucial for creating long-term sustainable growth, development, and profitability. In 2022, Novedo formalized the acquisition analysis and its review also with ESG parameters to understand how the business model and competitiveness of potential acquisitions are affected by ESG-related opportunities and risks, today and in the longer term. If a potential company acquisition does not comply with relevant standards, does not meet requirements regarding, for example, human rights or corruption risks, or is not deemed to be amenable to necessary improvements, Novedo refrains from acquiring the company. Helsingborgs Bygglåt AB and Stantraek A/S, which were acquired during the first quarter of 2023, have successfully undergone a sustainability review by an external party within the framework of the acquisition analysis.



Share capital

Novedo has one class of shares. As of June 30, 2023, the share capital amounted to SEK 551,970 (551,970) divided into 30,960 shares, giving a quotient value of SEK 17.83. Previous owners of companies that Novedo has acquired have chosen to become shareholders in Novedo through preference shares in Novedo AB (a wholly owned subsidiary of Novedo Holding AB (publ)). The total holding corresponds to 10.8 percent ordinary shares upon conversion in connection with the IPO.

Shareholder

Esmaeilzadeh Holding AB owns 67.0 percent of Novedo's shares. In addition, F Holmström PE 3 AB has a shareholding of 13.6 percent. No other shareholder owns more than ten percent of the company's shares.

Significant events after the balance sheet date

Within the framework of stock exchange preparatory activities, Novedo has convened an Extraordinary General Meeting on September 21, 2023 to resolve amendments to the Articles of Association, share splits, authorization for a new issue of shares, and a directed share issue.

Consolidated statement of comprehensive income

SEK thousand	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Operating income	2						
Net sales	3	721,469	432,454	1,310,724	713,145	2,370,929	1,773,350
Other operating income		5,327	5,674	10,247	10,803	18,641	19,197
Total operating income		726,796	438,128	1,320,971	723,947	2,389,570	1,792,547
Operating expenses							
Raw materials and consumables		-253,907	-139,800	-444,991	-214,862	-810,467	-580,330
Goods for resale		-74,496	-64,356	-144,402	-121,931	-298,463	-275,992
Other external expenses		-70,065	-45,576	-137,645	-72,154	-263,364	-197,880
Employee benefit expensed		-221,342	-146,474	-423,275	-255,411	-709,254	-541,390
Depreciation and amortisation		-20,150	-9,882	-38,238	-16,465	-63,082	-41,309
Depreciation of right-of-use assets		-10,098	-6,209	-19,481	-10,966	-36,858	-28,342
Other operating expenses		-1,003	-737	-3,092	-807	-7,058	-4,774
Total operating expenses		-651,062	-413,033	-1,211,125	-692,595	-2,188,547	-1,670,017
Operating profit (EBIT)		75,734	25,095	109,846	31,352	201,023	122,530
Profit/loss from financial items							
	4						
Gain/loss on disposal of subsidiaries		934	189	934	180	-19,033	-19,787
Financial income		7,071	6	7,365	57	8,263	955
Financial expenses		-94,900	-31,272	-162,900	-54,007	-244,122	-135,229
Total financial items		-86,895	-31,077	-154,601	-53,770	-254,892	-154,060
Pre-tax profit/loss		-11,161	-5,983	-44,756	-22,418	-53,869	-31,531
Income tax		-5,167	-5,197	-5,214	-6,704	-23,920	-25,410
Profit/loss for the period		-16,328	-11,180	-49,970	-29,123	-77,788	-56,941
Attributable to shareholders in the Parent Company		-18,130	-11,745	-50,878	-29,219	-80,776	-59,116
Attributable to non-controlling interests		1,802	565	909	96	2,988	2,175
<i>Earnings per share before and after dilution</i>		-585.61	-379.36	-1,643.36	-943.77	-2,609.01	-1,909.42
<i>Average number of shares before and after dilution</i>		30,960	30,960	30,960	30,960	30,960	30,960

Consolidated statement of other comprehensive income

SEK thousand	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Profit/loss for the period	-16,238	-11,180	-49,970	-29,123	-77,788	-56,941
<i>Other comprehensive income:</i>						
<i>Items that may be reclassified to profit or loss</i>						
Exchange-rate differences	10,181	880	8,579	867	16,745	9,033
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-6,147	-10,300	-41,391	-28,256	-61,043	-47,908
Attributable to:						
Shareholders in the Parent Company	-8,937	-10,865	-43,521	-28,352	-65,935	-50,765
Non-controlling interests	2,789	565	2,131	96	4,892	2,857

Consolidated balance sheet

SEK thousand	Note	2023 Jun 30	2022 Jun 30	2022 Dec 31
Intangible assets				
Intangible assets		1,490,615	873,768	1,298,183
Total Intangible assets		1,490,615	873,768	1,298,183
Tangible assets				
Plant and equipment		81,955	81,765	79,161
Furniture, tools and fittings		22,594	8,903	13,007
Buildings		40,734	-	17,609
Leasehold improvements		713	197	164
Total tangible assets		145,996	90,865	109,941
Right-of-use assets		102,570	67,880	88,676
Financial assets				
Other non-current securities holdings		3,858	4,631	4,318
Deferred tax assets		-	5,398	-
Other non-current receivables		2,386	3,424	774
Total financial assets		6,244	13,454	5,092
Total non-current assets		1,745,425	1,045,967	1,501,893
Inventories, etc.				
Raw materials and consumables		145,938	57,356	93,903
Total inventories		145,938	57,356	93,903
Current receivables				
Accounts receivable - trade		435,952	216,512	372,665
Current tax assets		24,107	12,924	23,130
Other current receivables		29,499	28,652	26,878
Contract assets		228,190	46,467	83,617
Prepayments and accrued income		26,175	3,623	11,880
Total current receivables		743,924	308,178	518,170
Liquid investments		1,267	944	1,096
Cash and cash equivalents		325,014	388,324	188,970
Total current assets		1,216,143	754,802	802,140
Total assets		2,961,569	1,800,769	2,304,032

Consolidated balance sheet, cont.

SEK thousand	Note	2023 Jun 30	2022 Jun 30	2022 Dec 31
Equity				
Share capital		552	552	552
Other contributed capital		367,804	362,036	364,205
Profit/loss brought forward, including profit for the period		-84,598	-28,833	-51,238
Equity attributable to shareholders in the Parent Company		283,759	333,755	313,520
Non-controlling interests		167,536	110,029	154,526
Total equity		451,295	443,784	468,047
Non-current liabilities				
Provisions for pensions and similar obligations		5,214	5,394	5,645
Other provisions		2,070	283	2,118
Conditional purchase prices	6	436,196	142,992	295,948
Other acquisition-related liabilities		37,200	37,200	37,200
Deferred tax liabilities		82,580	45,669	76,622
Lease liabilities		65,721	38,862	47,718
Bonds issued	7	1,222,847	739,706	938,001
Liabilities to credit institutions	7	4,212	6,596	4,932
Liabilities to principal shareholder		100,000	-	-
Other non-current liabilities		144	1,052	137
Total non-current liabilities		1,956,184	1,017,754	1,408,321
Current liabilities				
Lease liabilities		20,934	21,747	26,344
Liabilities to credit institutions	7	2,497	5,211	4,123
Acquisition-related liabilities		-	24,579	14,611
Advance payments from customers		112,074	608	1,174
Accounts payable - trade		185,693	119,383	138,329
Bank overdraft facilities		400	-	8,588
Tax liabilities		15,844	14,926	26,687
Liabilities to principal shareholder		-	2,492	30,000
Other current liabilities		59,499	46,083	57,529
Contract liabilities		13,508	9,237	11,224
Accrued expenses and deferred income		144,180	94,964	109,054
Total current liabilities		554,090	339,231	427,663
Total liabilities		2,510,273	1,356,985	1,835,985
Total equity and liabilities		2,961,569	1,800,769	2,304,032

Consolidated statement of changes in equity

SEK thousand	Note	Share capital	Other contributed capital	Reserve	Profit/loss brought forward, including profit for the year	Total	Attributable to non-controlling interests	Total equity
Opening balance, Jan 1 2022		552	300,543	-	-1,090	300,005	77,999	378,004
New share issue		-	83,786	-	-	83,786	10,250	94,036
Shareholders' contribution		-	-52,402	-	-	-52,402	52,402	-
Change in attributable to non-controlling interests		-	30 109	-	-	30 109	-30 109	-
Total transactions with shareholders		-	61,493	-	-	61,493	32,543	94,036
Profit/loss for the period		-	-	-	-29,219	-29,219	96	-29,123
Translation effect of foreign operations		-	-	859	-	859	8	867
Change in attributable to non-controlling interests		-	-	-	617	617	-617	0
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	859	-28,602	-27,743	-513	-28,256
Closing balance, Jun 30 2022		552	362,036	859	-29,692	333,755	110,029	443,784
Opening balance, Jan 1 2023		552	364,205	8,351	-59,589	313,520	154,526	468,046
New share issue		-	14,062	-	-	14,062	1,545	15,607
Shareholders' contribution		-	-24,246	-	-	-24,246	24,246	-
Change in attributable to non-controlling interests		-	13,783	-	-	13,783	-13,783	-
Total transactions with shareholders		-	3,600	-	-	3,600	12,007	15,607
Profit/loss for the period		-	-	-	-50,878	-50,878	909	-49,970
Translation effect of foreign operations		-	-	16,238	-	16,328	1,285	17,612
Change in attributable to non-controlling interests		-	-	63	1,128	1,191	-1,191	-
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	16,390	-49,750	-33,360	1,003	-32,357
Closing balance, Jun 30 2023		552	367,804	24,741	-109,339	283,759	167,536	451,295

SEK thousand	2023 Jun 30	2022 Jun 30
Number of ordinary shares at the beginning of the period	30,960	30,960
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 quotient value of SEK 17.83.

Consolidated statement of cash flow

SEK thousand	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Operating profit		75,734	25,095	109,846	31,352	201,024	122,530
Adjustments for non-cash items, etc	8	32,225	11,242	60,151	22,223	110,991	73,063
Net interest income/expenses paid		-34,410	-13,576	-60,930	-26,073	-98,416	-63,559
Income tax paid		-9,586	-10,605	-26,983	-26,658	-50,800	-49,476
Cash flow from operating activities before changes in working capital		63,963	12,156	82,084	1,844	162,798	82,558
Total change in operating receivables		-183,420	-19,103	-151,912	-110	-204,722	-52,921
Total change in operating liabilities		134,576	-5,817	137,784	-26,620	187,026	22,622
Cash flow from operating activities		15,119	-12,763	67,957	-24,886	145,102	52,259
Acquisition of subsidiaries		-11,000	-212,386	-212,268	-362,803	-679,557	-827,441
Divestments of subsidiaries		934	-	934	-2,651	1,601	-1,984
Investments in tangible assets		-16,532	-2,627	-24,219	-2,928	-26,929	-5,638
Disposals of items of property, plant and equipment		3,253	1,615	2,866	1,743	37,150	36,027
Investments in right-to-use assets		51	-2,860	-117	-2,648	-9,510	-12,041
Settlement of short-term financial liabilities		-1,137	-	-2,018	-	-10,018	-8,000
Change in current financial investments		-	-728	-	-	-72	-72
Cash flow from investing activities		-24,431	-216,986	-234,822	-366,636	-687,334	-819,149
Borrowings		1,247	2,913	347,872	3,205	542,635	197,968
Repayment of borrowings to credit institutions		-8,993	-32,174	-14,585	-33,578	-34,498	-53,491
Repayment of lease liabilities		-11,125	-6,036	-18,872	-11,157	-32,814	-25,099
Change in bank overdraft facilities		18	-	-13,372	-	1,603	14,975
Cash flow from financing activities		-18,854	-35,297	301,042	-41,530	476,926	134,353
Cash flow for the period		-28,167	-265,047	134,177	-433,052	-65,307	-632,536
Cash and cash equivalents - opening balance		351,331	653,371	188,970	821,432	388,325	821,432
Exchange-rate differences in cash and cash equivalents		1,850	-	1,867	-56	1,996	74
Cash and cash equivalents - closing balance		325,014	388,324	325,014	388,325	325,014	188,970

Statement of comprehensive income

– Parent Company

SEK thousand	Not	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022/2023 R12 month	2022 Jan–Dec
Operating income							
Net sales		1,051	-	1,920	-	3,497	1,577
Other operating income		-	-	-	-	1	1
Total operating income		1,051	-	1,920	-	3,498	1,578
Operating expenses							
Other external expenses		-3,422	-818	-3,298	-1,130	-5,893	-3,725
Employee benefit expenses		-3,505	-	-6,568	-	-11,222	-4,654
Other operating expenses		-	-1	-1	-1	-2	-2
Total operating expenses		-6,927	-819	-9,866	-1,131	-17,116	-8,380
Operating loss		-5,876	-819	-7,946	-1,131	-13,618	-6,803
Profit/loss from operating items							
Interest income		984	115	1,106	115	1,474	664
Interest expenses		-368,601	-13,882	-67,655	-27,087	-103,527	-67,279
Profit/loss after financial items		-43,493	-14,586	-74,495	-28,103	-119,810	-73,417
Group contributions received		-	-	-	-	23,568	23,568
Tax on profit for the year		8,960	-	15,346	-	12,871	-2,475
Profit/loss for the year		-34,533	-14,586	-59,149	-28,103	-83,371	-52,324

The Parent Company does not include any items that are reported as other comprehensive income, which is why total comprehensive income is consistent with profit for the year.

Comprehensive balance sheet

– Parent Company

SEK thousand	2023 Jun 30	2022 Jun 30	2022 Dec 31
Financial assets			
Participation in Group companies	1,278,832	671,910	1,033,927
Deferred tax assets	-	277	-
Total financial assets	1,278,832	672,187	1,033,927
Current assets			
Current tax assets	15,346	-	-
Receivables from Group companies	6,046	33,454	29,614
Other current receivables	598	748	103
Prepayment and accrued income	530	141	197
Cash and cash equivalents	67,201	147,538	1,134
Total current assets	89,722	181,881	31,048
Total assets	1,368,555	854,068	1,064,975
Equity and liabilities			
Equity	25,152	108,522	84,301
Total equity	25,152	108,522	84,301
Bonds issued	1,222,847	739,706	938,001
Total non-current liabilities	1,222,847	739,706	938,001
Accounts payable - trade	100	878	69
Debt to principal shareholder	100,000	-	30,000
Other current liabilities	2,648	4,962	2,190
Accrued expenses and deferred income	17,808	-	10,415
Total current liabilities	120,556	5,840	42,674
Total liabilities	1,343,403	745,546	980,675
Total equity and liabilities	1,368,555	854,068	1,064,975

Quarterly financials

SEK thousand	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Net sales	721,469	589,255	602,982	457,224	432,454	280,691	203,655	102,596	54,082	10,424
Net sales growth, %	66.8	109.9	196.1	345.7	699.6	2,592.7	n.a	n.a	n.a	n.a
Operating profit/loss (EBIT)	75,734	34,112	50,883	40,294	25,095	6,257	16,429	4,382	3,777	-1,311
EBIT margin, %	10.5	5.8	8.4	8.8	5.8	2.2	8.1	4.3	7.0	-12.6
EBITA	89,803	46,518	60,747	49,357	31,874	11,576	19,961	7,356	4,726	-1,065
EBITA margin, %	12.4	7.9	10.1	10.8	7.4	4.1	9.8	7.2	8.7	-10.2
EBITDA	105,982	61,583	76,015	57,383	41,186	17,596	24,582	10,154	5,806	-952
EBITDA margin, %	14.7	10.5	12.6	12.6	9.5	6.3	12.1	9.9	10.7	-9.1
Pre-tax profit/loss	-11,161	-33,595	-9,336	224	-5,982	-16,436	6,256	131	2,100	-1,784
Profit/loss for the period	-16,328	-33,642	-25,591	-2,227	-11,180	-17,493	1,414	-604	1,353	-1,637
Working capital	350,799	288,377	274,125	146,825	73,113	23,482	-13,045	7,509	16,149	-5,357
Net-interest-bearing debt	1,091,056	1,067,224	873,222	605,802	418,224	136,172	-25,376	143,965	37,714	-32,937
Net debt/equity ratio	2.4	2.4	1.9	1.3	0.9	0.3	-0.1	0.6	0.4	-0.6
Equity/assets ratio, %	15.2	16.2	20.4	22.5	24.7	25.4	25.9	30.0	33.0	52.5
Return on equity, %	-3.6	-7.4	-5.5	-0.5	-2.6	-4.2	0.6	-0.3	1.5	-3.0
Return on capital employed, %	4.8	2.3	3.4	3.7	2.9	1.5	3.9	1.4	2.8	-2.9
Number of employees at the end of the period	1,282	1,299	1,122	904	890	769	521	521	160	74

Novedo conducts acquisition-intensive operations. The fair value of acquired assets and liabilities is in some cases preliminary pending final valuation. The final acquisition analysis may thus affect the Group's income statement and balance sheet retroactively. The above quarterly data is based on final acquisition analyses up to June 2023, excluding the acquisitions of Stantraek A/S and Dundertech AB. See also Note 5 for more information.

Performance measures not defined pursuant to IFRS

SEK thousand	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
(A) Operating profit/loss (EBIT)	75,734	34,112	50,883	40,294	25,095	6,257	16,429	4,382	3,777	-1,311
Amortisation of acquisition-related intangible assets	14,069	12,406	9,864	9,063	6,779	5,319	3,532	2,974	949	246
(B) EBITA	89,803	46,518	60,747	49,357	31,874	11,576	19,961	7,356	4,726	-1,065
Depreciation and amortisation of other tangible and intangible assets	16,179	15,065	15,268	8,026	9,311	6,021	4,621	2,798	1,080	113
(C) EBITDA	105,982	61,583	76,015	57,383	41,185	17,597	24,582	10,154	5,806	-952
Acquisition-related items	-	7,073	8,074	1,351	2,137	2,170	-	2,239	887	825
Non-recurring items	-2,155	2,155	7,958	2,048	3,520	748	-	-	-	-
(D) Adjusted EBITA	87,648	55,746	76,779	52,756	37,531	14,494	19,961	9,595	5,613	-240
(E) Adjusted EBITDA	103,827	70,811	92,047	60,782	46,842	20,515	24,582	12,393	6,693	-127
(F) Net sales	721,469	589,255	602,982	457,224	432,454	280,691	203,655	102,596	54,082	10,424
(A/F) EBIT margin, %	10.5	5.8	8.4	8.8	5.8	2.2	8.1	4.3	7.0	-12.6
(B/F) EBITA margin, %	12.4	7.9	10.1	10.8	7.4	4.1	9.8	7.2	8.7	-10.2
(C/F) EBITDA margin, %	14.7	10.5	12.6	12.6	9.5	6.3	12.1	9.9	10.7	-9.1
(D/F) Adjusted EBITA margin, %	12.1	9.5	12.7	11.5	8.7	5.2	9.8	9.4	10.4	-2.3
(E/F) Adjusted EBITDA margin, %	14.4	12.0	15.3	13.3	10.8	7.3	12.1	12.1	12.4	-1.2

Notes

Note 1 Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Reporting and the applicable provisions of the Annual Accounts Act. Interim reporting is presented both in notes and elsewhere in the interim report. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act, which is in accordance with the provisions of RFR 2 Accounting for Legal Entity. The accounting and calculation methods are consistent with those applied in the 2022 Annual Report. There are no changes to IFRS in 2023 that have a material impact on earnings and financial position for the Group. Risks and uncertainties that are relevant to Novedo are described in the Annual Report 2022 and there is no change in the assessments. Amounts are in SEK thousand for the Group and the Parent Company unless otherwise stated.

Note 2 Operating segments

The highest executive decision-maker is the function responsible for allocating resources and assessing the performance of the operating system. Within Novedo, the CEO has been identified as the highest executive decision-maker. The Group has three operating segments as follows:

- **Industry**
The segment consists of industrial niche companies that add clear customer value in manufacturing or trade intended for B2B, e.g. subcontractors to product companies, distributors and companies with their own product development.
- **Infrastructure**
The segment consists of specialist companies active in infrastructure projects, such as earthworks with associated areas such as maintenance of road and power infrastructure as well as infrastructural construction in, for example, fiber and water.
- **Installation & Services**
The segment consists of companies that offer installation, service and maintenance of properties, primarily aimed at property owners and public housing.

Segment information is based on the same accounting principles as for the Group as a whole. In addition, consolidated expenses are reported under the category Group items.

2023 Jan-Jun, SEK thousand	Industry	Infrastructure	Installation & Services	Total segment	Group items	Total
Operating segments						
Net sales	149,797	484,094	676,834	1,310,724	-	1,310,724
Other operating income	1,263	5,434	3,548	10,245	1	10,247
Total operating income	151,060	489,528	680,381	1,320,970	1	1,320,971
Operating expenses						
Raw materials, consumables and goods for resale	-73,930	-202,436	-313,028	-589,393	-	-589,393
Other external expenses	-14,307	-67,010	-49,181	-130,497	-7,148	-137,645
Employee benefit expenses	-33,337	-143,348	-229,109	-405,793	-17,482	-423,275
Depreciation, amortisation and impairment of tangible and intangible assets	-1,503	-8,339	-1,842	-11,684	-79	-11,763
Depreciation of right-of-use assets	-2,622	-8,656	-7,981	-19,259	-222	-19,481
Other operating expenses	-1,646	-1,130	-73	-2,849	-243	-3,092
Total operating expenses	-127,344	-430,919	-601,213	-1,159,475	-25,174	-1,184,650
EBITA	23,716	58,609	79,169	161,494	-25,173	136,321
Amortisation brands and customer relationships	-3,005	-9,262	-14,208	-26,475	-	-26,475
Operating profit/loss (EBIT)	20,711	49,347	64,961	135,019	-25,173	109,846
Net financial items	-429	-637	2,233	1,167	-155,769	-154,601
Pre-tax profit/loss	20,282	48,710	67,194	136,186	-180,942	-44,756

2022 Jan-Jun, SEK thousand	Industry	Infrastructure	Installation & Services	Total segment	Group items	Total
Operating segments						
Net sales	47,416	235,423	430,306	713,145	-	713,145
Other operating income	200	1,429	9,173	10,803	-	10,803
Total operating income	47,616	236,852	439,479	723,947	-	723,947
Operating expenses						
Raw materials, consumables and goods for resale	-29,136	-134,947	-172,710	-336,793	-	-336,793
Other external expenses	-4,205	-26,294	-29,985	-60,485	-11,669	-72,154
Employee benefit expenses	-9,302	-51,998	-185,790	-247,090	-8,322	-255,411
Depreciation, amortisation and impairment of tangible and intangible assets	-782	-3,158	-426	-4,366	-	-4,366
Depreciation of right-of-use assets	-152	-3,500	-7,314	-10,966	-	-10,966
Other operating expenses	-28	-158	-618	-804	-3	-807
Total operating expenses	-43,605	-220,055	-396,843	-660,504	-19,993	-680,497
EBITA	4,011	16,797	42,636	63,443	-19,993	43,450
Amortisation brands and customer relationships	-1,310	-3,198	-7,590	-12,098	-	-12,098
Operating profit/loss (EBIT)	2,701	13,599	35,046	51,345	-19,993	31,352
Net financial items	-72	-750	-6,878	-7,699	-46,071	-53,770
Pre-tax profit/loss	2,629	12,849	28,168	43,647	-66,065	-22,418

Not 3 Net sales by geographic market

SEK thousand	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Sweden	590,711	429,794	1,076,490	708,463	2,104,418	1,736,391
EU	128,650	2,173	230,109	3,852	262,979	36,721
Rest of the world	2,108	487	4,126	830	3,533	238
Total	721,469	432,454	1,310,724	713,145	2,370,929	1,773,350

Note 4 Financial items

SEK thousand	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Capital gain/loss on divestment of subsidiary	934	-	934	-	934	-
Exchange rate differences	6,219	-	6,219	-	6,219	-
Other financial income	852	14	1,146	57	2,044	955
Total financial income	8,005	14	8,299	57	9,197	955
Interest expenses, bonds issued	-36,146	-13,882	-63,335	-27,087	-103,038	-66,791
Interest expenses, lease liabilities	-888	-426	-1,669	-588	-2,560	-1,478
Capital gain/loss on divestment of subsidiary	-	-	-	-	-19,787	-19,787
Change in present value of conditional purchase prices following acquisitions	-15,501	-5,047	-25,467	-6,652	-41,599	-22,784
Remeasurement and discounting of conditional purchase price	-40,329	-11,478	-67,085	-19,116	-90,906	-42,937
Interest expenses, principal shareholder	-2,454	-	-4,320	-	-4,768	-448
Other interest-related and financial expenses	417	-258	-1,024	-383	-1,432	-791
Total financial expenses	-94,900	-31,091	-162,900	-53,827	-264,089	-155,015
Financial items - net	-86,895	-31,077	-154,601	-53,770	-254,892	-154,060

Note 5 Business combinations

Acquisitions during the period January – June 2023

Acquisition	Segment	Consolidated	Country	Proportion of shares and votes	Net sales, SEK million ¹	No. of employees
Helsingborgs Byggplåt AB	Installation & Services	Mars 2023	Sweden	100%	123.6	40
Stantraek A/S	Industry	Mars 2023	Denmark	100%	220.4	71
Dundertech AB	Infrastructure	April 2023	Sweden	100%	22.6	2

¹ Refers to the full year 2022.

During the period January – June 2023, Novedo has acquired and consolidated three companies; Helsingborgs Byggplåt AB, Stantraek A/S and Dundertech AB. Stantraek A/S is a significant acquisition and is reported separately in the table to the right. The fair value of acquired assets and liabilities is in some cases preliminary pending final valuation. Unallocated surplus values are preliminarily reported as goodwill. Allocation of the purchase price is a complex process and the assessment is that further analysis is required to fully assess future profit generation ability based on employees' knowledge and access to new markets, synergies and customer contracts. The acquisition balance sheet may thus be adjusted in the coming quarters. Therefore, the established acquisition balance sheet is regarded as preliminary.

The total purchase price for acquisitions during the period January–June 2023 amounts to SEK 271 million. Goodwill relates to surplus values from business combinations. Identified goodwill is primarily related to employees, expected future potential and profitability of the acquired business. The Group's goodwill impairment is assessed annually per cash-generating unit. Trademarks consist of acquired corporate trademarks and are depreciated in 10 years. Customer relationships derive from the written agreements that make up the order backlog at the time of acquisition and are amortized over 5-10 years. Acquisition-related costs for the period January–June 2023 preliminarily amount to SEK 7.1 million. Contingent purchase price shall be paid when future operating profit for the years 2022, 2023, 2024 and 2025 exceeds a level agreed upon by both parties according to agreement. The maximum undiscounted amount that may be paid to the previous owners amounts to SEK 558,3 million as of June 30, 2023.

Material acquisition, SEK thousand	Stantraek
	Included in Industry
Other non-current assets	49,805
Inventories	30,969
Other current assets, excluding cash and cash equivalents	38,541
Cash and cash equivalents	6,478
Liabilities to creditors	-33,855
Other liabilities	-38,704
Acquired net assets	53,234
Customer contracts	15,587
Trademarks	4,157
Goodwill	83,621
Deferred tax liabilities	-4,067
Purchase price	152,531
Less, cash and cash equivalents in acquired operations	-6,478
Less, unpaid purchase price	-25,314
Impact on the Group's cash and cash equivalents	120,739

NOTES

Note 5, cont.

Impact of acquisitions after the date of acquisition on the Group's profit January–June 2023

SEK thousand	Installation & Services	Infrastructure	Industry	Total
Net sales	30,725	5,322	56,700	92,747
EBIT	5,179	1,056	5,987	12,222

Pro forma impact of the acquisitions from January 1, 2023

SEK thousand	Installation & Services	Infrastructure	Industry	Total
Net sales	48,811	10,037	87,233	146,081
EBIT	5,958	2,067	9,191	17,216

The GBB Group, which is a subsidiary within Novedo's infrastructure segment, made an add-on acquisition in April 2023 via a company acquisition of Dundertech AB, a product and service company in the rock industry, with net sales in 2022 of SEK 23 million.

Note 6 Conditional purchase prices

The conditional purchase price shall be paid when future operating profit for the years 2022, 2023, 2024 and 2025 exceeds a level agreed upon by both parties according to agreement.

The fair value of conditional purchase prices has been calculated based on the expected outcomes for the contractual targets given a discount rate of 13.9 percent.

Changes in recognised conditional purchase prices, SEK thousand

As of January 1 2023	295,948
Added through acquisition	44,546
Paid	-
Revaluation contingent purchase prices	67,085
Change in present value of interest-bearing time factor	25,467
Currency effect	3,151
As of June 30 2023	436,196

Note 7 Bonds issued and liabilities to credit institutions

SEK thousand	2023 Jun 30	2022 Jun 30	2022 Dec 31
Opening carrying amount	947,056	745,652	745,652
Acquired borrowings	3,393	33,626	34,777
Borrowings for the period	276,622	3,466	199,398
Amortisation of borrowing expenses	8,222	2,288	5,975
Amortisation for the period	-5,827	-33,518	-38,746
Closing carrying amount	1,229,555	751,513	947,056

Borrowing on Jun 30, 2023	Interest rate, % maturity	Year of maturity	Nominal value	Carrying amount
Bonds issued	STIBOR +6.5	2024	1,250,000	1,222,847
Liabilities to credit institutions	0.8–4.0%	2023–26	6,709	6,709
Closing carrying amount			1,256,709	1,229,555

Borrowing on Dec 31, 2022	Interest rate, % maturity	Year of maturity	Nominal value	Carrying amount
Bonds issued	STIBOR +6.5	2024	956,250	938,001
Liabilities to credit institutions	0.8–4.0%	2023–26	9,055	9,055
Closing carrying amount			965,305	947,056

Borrowing on Jun 30, 2022	Interest rate, % maturity	Year of maturity	Nominal value	Carrying amount
Bonds issued	STIBOR +6.5	2024	750,000	739,706
Liabilities to credit institutions	0.8–3.1%	2023–26	11,807	11,807
Closing carrying amount			761,807	751,513

Note 8 Adjustments for non-cash items

SEK thousand	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022/2023 R12 month	2022 Jan-Dec
Depreciation, equipment	6,078	3,103	11,753	4,367	17,670	10,266
Depreciation, intangible assets	14,071	3,451	26,485	8,770	48,740	31,043
Depreciation, right-of-use assets	10,098	6,209	19,481	10,966	36,857	28,342
Gain/loss on other securities and receivables	184	-190	-117	-190	936	863
Disposals of tangible assets	-2,779	-808	-2,377	-1,014	-512	851
Change in provisions	-375	-471	-714	-661	-98	-45
Exchange rate differences	4,947	-51	5,640	-14	7,397	1,743
Total	32,224	11,242	60,151	22,223	110,991	73,063

Note 9 Related-party transactions

There are no related-party transactions during the second quarter 2023. During the period January-June 2023, a new subordinated shareholder loan from the principal owner totalling SEK 100 million was raised. Previous shareholder loans have been repaid in full.

Note 10 Pledged securities and contingent liabilities

Pledge assets, SEK thousand	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Floating charge	65,616	40,750	40,497
Assets with retention of title	23,652	13,702	24,206
Assets pledged for pension commitments	4,338	1,961	-
Shares in Group companies	552,825	567,842	537,267
Total	646,431	624,255	601,970

Contingent liabilities, SEK thousand	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Performance guarantees	13,240	1,092	18,424
Guarantee commitments	10,247	941	5,249
Total	23,487	2,033	23,673

Note 11 Investments in subsidiaries

Name of company	Segment	Consolidated	Country of registration and country of operation	Corp. ID No.	Proportion of ordinary shares/votes owned by the Group, %
Novedo AB	-	-	Sweden	559264-9841	100%
Novedo Danmark OpCo ApS	-	-	Denmark	43529374	100%
Novedo OpCo AB	-	-	Sweden	559334-8344	100%
BATAB Bygg & Akustikteknik AB	Installation & Services	Jul 2022	Sweden	556133-7642	100%
Elarbeten Helsingborg AB	Installation & Services	Jan 2022	Sweden	556464-1354	100%
Elforum Göteborg AB	Installation & Services	Aug 2021	Sweden	559133-4031	100%
Elinzity AB	Installation & Services	Jan 2022	Sweden	556694-5878	100%
Elinzity Förstärkning AB	Installation & Services	Jan 2022	Sweden	556187-5088	100%
Hansson & Ekman Isolerings Aktiebolag	Installation & Services	Sep 2021	Sweden	556459-0379	100%
Helsingborgs Byggplåt AB	Installation & Services	Mar 2023	Sweden	556722-7532	100%
Bra Tak Entreprenad Skåne AB	Installation & Services	Mar 2023	Sweden	556889-9362	100%
Kulturmålarna i Linköping Aktiebolag	Installation & Services	Sep 2021	Sweden	559203-8177	100%
Kulturmålarna i Norrköping Aktiebolag	Installation & Services	Sep 2021	Sweden	556435-2887	100%
Nordsign Aktiebolag	Installation & Services	Sep 2022	Sweden	556699-2706	100%
Olle Timblads Målerifirma AB	Installation & Services	Sep 2021	Sweden	556688-5488	100%
Tyresö Målericentral AB	Installation & Services	Sep 2021	Sweden	556909-8725	100%
Sentexa AB	Installation & Services	May 2022	Sweden	556637-4921	100%
Skanstulls Måleri Aktiebolag	Installation & Services	Jan 2021	Sweden	556543-8974	100%
Total Fasad Stockholm AB	Installation & Services	Jun 2022	Sweden	559004-4375	100%
Total Fönsterrenovering Stockholm AB	Installation & Services	Jun 2022	Sweden	559133-9444	100%
Uni-Vent Rör AB	Installation & Services	May 2021	Sweden	556665-6889	100%
Ventilationskontroll Aeolus Aktiebolag	Installation & Services	Jan 2022	Sweden	556211-1343	100%
RC EI & Styrinstallationer Zeus AB	Installation & Services	Jan 2022	Sweden	556310-2010	100%
CX Ventilation AB	Installation & Services	Jan 2022	Sweden	556846-1882	100%
KG Vent AB	Installation & Services	Sep 2022	Sweden	559000-5921	100%
Ekoion AB	Installation & Services	Jan 2022	Sweden	556700-0814	100%
Deramont Entreprenad AB	Infrastructure	Sep 2021	Sweden	556803-5421	100%
GBB Holding AB	Infrastructure	Apr 2022	Sweden	556910-5652	100%
Gnesta Bergbyggare AB	Infrastructure	Apr 2022	Sweden	556599-9355	100%
AO Entreprenadtjänst i Stockholm AB	Infrastructure	Apr 2022	Sweden	556995-2269	100%
Borrspecialisten i Stockholm AB	Infrastructure	Apr 2022	Sweden	556929-2591	100%
GBB Syd AB	Infrastructure	Apr 2022	Sweden	559234-7297	100%
IMPAB DUNDERTECH AB (previous IMPAB AB)	Infrastructure	Apr 2022	Sweden	556718-1069	100%
Impab International AB	Infrastructure	Apr 2022	Sweden	556881-7547	100%
Dundertech AB	Infrastructure	Apr 2023	Sweden	559181-4602	100%
Nordkabel A/S	Infrastructure	Dec 2022	Denmark	28851782	100%
Valter Eklund Stenentreprenader AB	Infrastructure	May 2021	Sweden	556071-7463	100%
VE Sten AB	Infrastructure	May 2021	Sweden	556143-4126	100%
ProvideU AB	Industry	Jan 2022	Sweden	556754-0231	100%
ProvideU Assembly OÜ	Industry	Jan 2022	Estonia	11066054	100%
ProvideU Electronics AB	Industry	Sep 2022	Sweden	556506-1560	100%
Stantraek A/S	Industry	Mar 2023	Denmark	12630077	100%

Note 12 Changes compared to Annual Report 2022

During 2023, a final acquisition analyse for Nordkabel A/S has been prepared, resulting in changes in Consolidated Balance Sheet as per December 31, 2022. Customer relationships have increased SEK 38,016 thousand and trademarks have increased 8,478 thousand. Deferred tax liabilities have increased SEK -9,578 thousand and goodwill have decreased SEK -36,916 thousand.

Definitions

In the interim report, Novedo presents key performance measures that complement the financial measures defined in accordance with IFRS, so-called alternative performance measures, APM. The Company believes that these KPIs provide valuable information to stakeholders as they enable evaluation of the Company's performance, trends, ability to repay debt, invest in new business opportunities and reflect the Group's business model.

Since not all companies calculate financial ratios in the same way, these are not always comparable. They should therefore not be seen as a substitute for key performance measures defined in accordance with IFRS. Definitions are presented below, most of which are alternative performance measures.

IFRS measures	Definition/Calculation
Earnings per share	Profit/loss for the period divided by the average number of shares.
APM/definitions:	Definition/Calculation
Adjusted EBITA	EBITA adjusted for acquisition-related items and non-recurring items.
Adjusted EBITA margin, %	EBITA adjusted for acquisition-related items and non-recurring items, as a percentage of net sales.
Adjusted EBITDA	EBITDA adjusted for acquisition-related items and non-recurring items.
Adjusted EBITDA-margin, %	EBITDA adjusted for acquisition-related items and non-recurring items, as a percentage of net sales.
EBITA	EBIT before amortisation and impairment of acquisition-related 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.
Equity/assets ratio, %	Equity at the end of the period as a percentage of total assets at the end of the period.
Net debt/equity ratio, multiple	Net interest-bearing debt in relation to equity including non-controlling interests.
Net interest-bearing debt	Current and non-current interest-bearing liabilities, less cash and cash equivalents at the end of the period.
Net sales growth, %	Change in sales compared with total net sales in the preceding period.
Operating margin (EBIT), %	EBIT in relation to net sales.
Operating profit/loss (EBIT)	Profit/loss before financial items and tax.
Pro forma organic growth	Organic growth calculated as if all consolidated companies had been owned for the entire period in question.
Pro forma	Pro forma refers to companies that Novedo has been acquired and taken over during the current period, and has been recalculated to show the results as if Novedo had owned the companies during the entire period.
Return on capital employed, %	EBITA for the period as a percentage of, total assets less operational liabilities less cash and cash equivalents 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.
Working capital	Current assets, excluding cash and cash equivalents and tax assets, less current liabilities of a non-financial nature excluding tax liabilities.

Assurance

The Board of Directors and the CEO assure that the Interim Report gives a fair view of the Parent Company's and the Group's operations, financial position and results and that it describes the significant risks and uncertainties to which the Parent Company and its subsidiaries are subject.

Stockholm August 23, 2023

Novedo Holding AB (publ)

Jan Johansson
Chairman

Mouna Esmailzadeh
Board member

Saeid Esmailzadeh
Board member

Christer Hellström
Board member

Mona Öljansdotter Johansson
Board member

Fredrik Lidjan
Board member

Erik Rune
Board member

Per-Johan Dahlgren
President & CEO

This interim report has been subject to Auditors' limited assurance.

Financial calendar

Extraordinary General Meeting	September 21, 2023
Interim Report Q3 2023	November 16, 2023



Auditor's report

Novedo Holding AB corp. reg. no. 559334-4202

Introduction

We have reviewed the condensed interim financial information (interim report) of Novedo Holding AB as of June 30, 2023 and the six-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other

generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, August 23, 2023

Öhrlings PricewaterhouseCoopers AB

Victor Lindhall

Authorized Public Accountant

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This information is information that Novedo Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the contact persons set out above, at 07:00 CEST on August 24, 2023.

The Interim Report is published in Swedish and English. In the event of any discrepancies between the English version and the original Swedish text, the Swedish version shall prevail.

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