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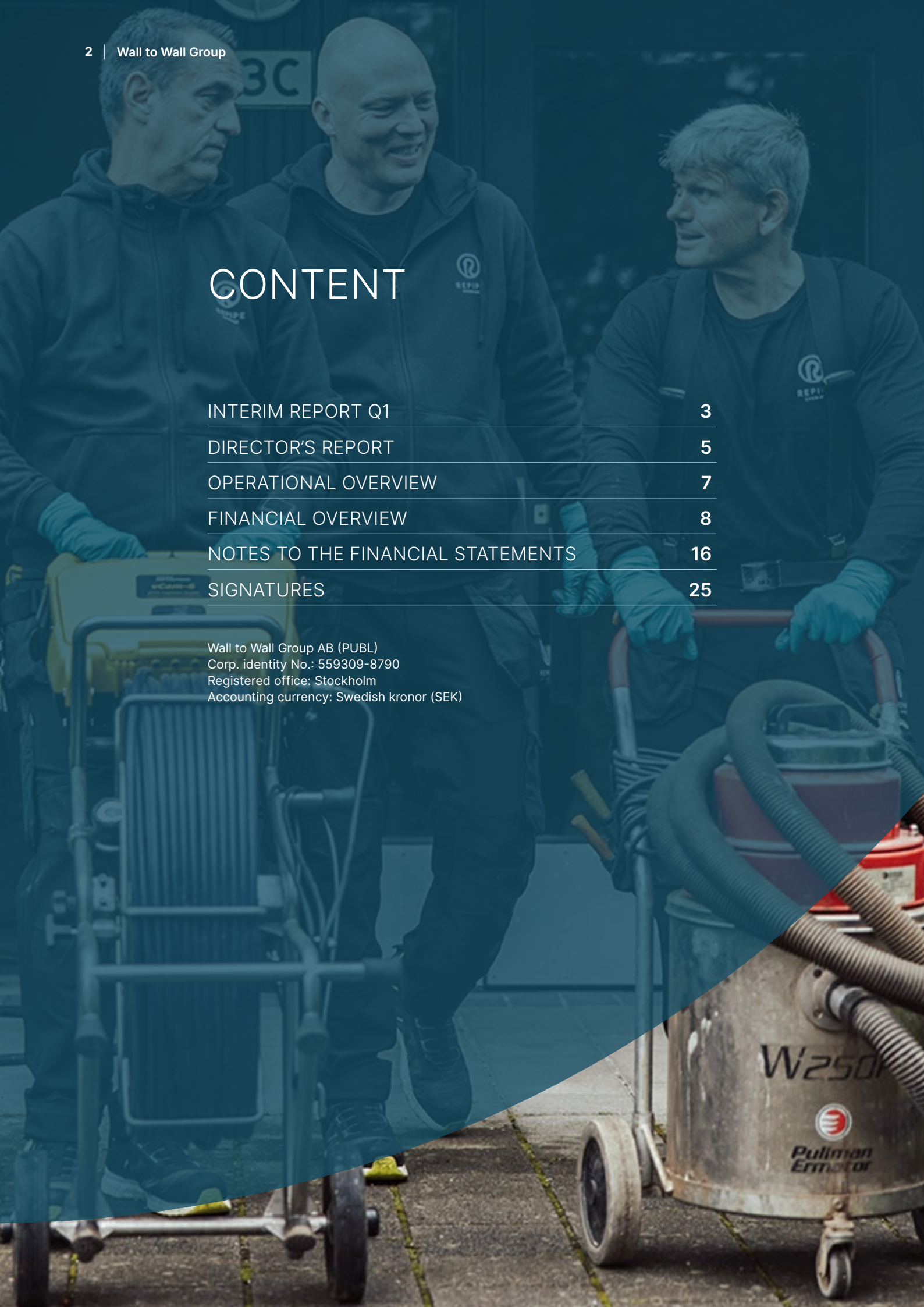
INTERIM REPORT

1 JANUARY – 31 MARCH 2024

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Wall to Wall Group AB (PUBL)
Corp. identity No.: 559309-8790
Registered office: Stockholm
Accounting currency: Swedish kronor (SEK)



INTERIM REPORT Q1

INTERIM PERIOD 1 JANUARY – 31 MARCH

- The Group's net revenue amounted to SEK 231.6 million (217.2), adjusted EBITDA amounted to SEK 23.7 million (22.6) corresponding to an adjusted EBITDA margin of 10.2% (10.4), and adjusted EBITA amounted to SEK 9.5 million (10.6) corresponding to an adjusted EBITA margin of 4.1% (4.9). For comparable entities net revenue was negative -4.4% (19.9).
- Caution remained the dominant factor in the market through the start of the year and impacted contracting services in pipe relining, which have been subject to price pressure that has gradually affected project margins.
- Operating profit (EBIT) amounted to SEK 5.7 million (3.3). Items affecting comparability during the period totalled SEK 0.8 million (4.4) and primarily pertained to restructuring costs, costs related to the change of name, transaction costs and costs for system change and implementation.
- The Group's net earnings amounted to SEK 4.2 million (-27.2).
- The Group's basic and diluted earnings per share amounted to SEK 0.30 (-1.99).

SIGNIFICANT EVENTS DURING THE QUARTER

- Joachim Welin took over as Managing Director and CEO of Wall to Wall Group AB on 1 January 2024.
- During the quarter, the company repurchased its own shares and as of 31 March 2024, treasury shares amounted to 64,357.

SIGNIFICANT EVENTS AFTER THE PERIOD

- The company has appointed André Strömgren as the new CFO and member of the company management. André will assume his role no later than 1 September 2024. The company's current acting CFO, Linus Marmstedt, will remain in his current role until André takes over.
- At the Annual General Meeting, Anders Böös was elected as new chairman and Maria Sidén as new board member. Ulrika Hagdahl was, as previously communicated, not available for re-election.
- By virtue of the authorisation granted by the Annual General Meeting on 15 April 2024, on the same date, the Board resolved to repurchase a maximum of 1,317,372 own Class A shares for a total maximum amount of SEK 120 million.
- The AGM on 15 April 2024 resolved to distribute a dividend of SEK 1.00 per share.
- Molins i Kalmar AB, whose main business is pipe flushing, was acquired in April.

OUTLOOK

- For the full-year 2024, cautious sales growth is expected for comparable entities together with gradual improvement in profitability compared with last year.

SUMMARY OF FINANCIAL PERFORMANCE

SEK million	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 december 2023	1 April 2023 – 31 March 2024
Net revenue	231.6	217.2	956.1	970.4
Adjusted EBITDA ¹	23.7	22.6	112.0	113.2
Adjusted EBITDA-margin, %	10.2%	10.4%	11.7%	11.7%
Adjusted EBITA ¹	9.5	10.6	58.3	57.2
Adjusted EBITA-margin, %	4.1%	4.9%	6.1%	5.9%
Operating profit (EBIT)	5.7	3.3	41.8	44.2
Net earnings	4.2	-27.2	17.2	48.6
Net debt	137.8	24.8	135.8	137.8
Adjusted EBITDA R12 ²	115.9	95.8	115.9	115.9
Net debt/adjusted EBITDA R12 ²	1.2	0.3	1.2	1.2
Average No. of shares outstanding in the period, before and after dilution	13,783,308	13,644,343	13,678,259	13,714,334
No. of shares outstanding at end of period	13,817,291	13,644,343	13,817,291	13,817,291
Treasury shares	64,357	–	–	64,357
Basic and diluted earnings per share by average number of shares, SEK	0.30	-1.99	1.26	3.54

1) Refer to the "Definitions" section.

2) Refers to proforma adjusted EBITDA R12.

DIRECTORS' REPORT

Market conditions remain challenging but with some signs of improvement

PERFORMANCE IN THE FIRST QUARTER OF THE YEAR

During the seasonally quieter first quarter caution continued to dominate the market, primarily due to uncertainty with regard to interest rate levels and their consequent impact on investments in planned maintenance, particularly among housing companies and housing cooperatives. This has mainly impacted demand for pipe relining, which posted net revenue for the quarter that was down 2% year-on-year (on a comparative basis). The picture is mixed as the pipe relining sector in Norway continues to perform well, Denmark has posted a strong recovery while Finland reported significantly lower net revenue, partly linked to previously announced restructuring. In Sweden, the picture is also mixed and down slightly overall on last year. Activity was low during the quarter for duct sealing and geothermal energy and had an impact of 5% on the Group's total net revenue compared with last year. The relatively small sale of these operations mean that the start of individual projects can significantly impact the outcome for a single quarter. Flushing operations continued to perform well with net revenue up 7% on last year. The Group as a whole posted a decrease in net revenue of just over 4% for comparable entities for the first quarter.

The operating margin (adjusted EBITA for comparable entities) for the quarter was on a par with last year with an adjusted EBITA margin of 4.1% (4.5). Compared with last year, adjusted operating profit was higher for Sweden and Denmark, unchanged for Norway and down for Finland. Aside from the developments in Finland, adjusted operating profit was impacted by low activity in duct sealing and geothermal energy, and the closure of two new establishments in Sweden. In addition, ongoing development projects in sustainability, reporting and Group-wide business systems entailed a temporary increase in overhead costs.

SIGNS APPEARING OF TENTATIVELY GROWING MARKET OPTIMISM

A slight uptick in market sentiment was noted during the period, and particularly in the beginning of the second quarter, with increased levels of inquiries and business activity compared with previously. After the end of the quarter, the order stock has posted a positive trend following, among other events, a few major orders being won for pipe relining and duct sealing in April.

GRADUAL IMPACT FROM MEASURES IMPLEMENTED

As previously announced, several efficiency measures were initiated in the quarter. The key measures comprised the consolidation in Finland, whereby three separate companies became one, the closure of two loss-making greenfield operations in Sweden and the operational restructuring in Denmark. In addition, work has continued on improving processes and project management. On an annualised basis compared with 2023, the direct earnings impact of the measures implemented to date is estimated at around SEK 30 million with most of the impact expected to be achieved gradually and to have full impact from the second half of the year onward.

COMMENTS FROM JOACHIM WELIN, MANAGING DIRECTOR AND CEO

"Even in the first months of the year, we noted a general continuation of tough market conditions with our most important customer groups continuing to exercise considerable caution. Nevertheless, through selective work with tendering and internal measures, we have managed to improve our contribution margin compared with last year. It is also gratifying to note the continued good performance of our flushing operations at the same time as we noted a positive turnaround in our Danish pipe relining operations during the quarter.

The focus in the coming quarters will remain on strengthening the overall contribution margin and reducing overhead costs in proportion to net revenue.

In conclusion, we are very pleased to welcome Molins i Kalmar to the Wall to Wall Group. Molins generates sales of approximately SEK 30 million and its primary business activity comprises flushing operations in Kalmar and the surrounding area. The acquisition strengthens our market position in flushing as well as our geographical presence in southeastern Sweden. The expansion of the Group's geographical coverage in flushing is a strategic priority."

OUTLOOK FOR THE CURRENT YEAR

Market developments remain fragmented for the Group's business areas, with contracting services in pipe relining and projects still experiencing a cautious market with elements of price pressure, while the market for services and flushing services is favourable. A positive trend for interest rates during the year is expected to contribute to a recovery for property owner investments in planned maintenance. At the same time, several measures are being implemented to optimise the organisation and reduce costs, which are expected to have a positive impact on profitability.

As announced in connection with the year-end report, the company anticipates cautious growth and a gradual improvement in profitability during the year compared with the full-year 2023, driven in part by initiated measures and in part by market improvements.



OPERATIONAL OVERVIEW

The Group is a Nordic market leading player in pipe relining, pipe flushing, maintenance and sealing of ventilation ducts, as well as other complementary services that are sold and performed in the same market channels such as geothermal energy solutions for apartment buildings. The single largest field of activity consists of pipe relining and pipe flushing. The Group's end customers consist of property owners, primarily commercial managers of homes and premises, public housing and housing cooperatives. The Group has high quality and sustainability ambitions, and aspires to be the most attractive employer in the industry. In total, the Group has just over 500 employees

and more than 20 offices in Sweden, Norway, Denmark and Finland. The Nordic market for pipe relining and pipe flushing is fragmented and estimated to amount to just over SEK 10 billion in 2024. Market growth over the past five-year period has been approximately 12% per year and is expected to grow at a similar rate in the years ahead. Sweden is the single largest market and represents approximately 60% of the total Nordic market. The Group has a clear growth strategy with good opportunities to grow both organically and through acquisitions as well as through establishments in new locations.



FINANCIAL OVERVIEW

FIRST QUARTER 1 JANUARY – 31 MARCH

Operating income

Operating income amounted to SEK 231.6 million (217.2) for the quarter, and primarily consisted of income from pipe relining, duct sealing and geothermal energy of SEK 165.7 million (161.0) and pipe flushing of SEK 65.9 million (56.2).

Operating profit

Adjusted EBITDA amounted to SEK 23.7 million (22.6) corresponding to an adjusted EBITDA margin of 10.2% (10.4). Earnings before amortisation, depreciation and impairment (EBITDA) amounted to SEK 23.0 million (18.2) corresponding to an EBITDA margin of 9.9% (8.4). Adjusted EBITA amounted to SEK 9.5 million (10.6) corresponding to an adjusted EBITA margin of 4.1% (4.9). Items affecting comparability primarily comprise the reversal of restructuring costs as well of costs related to the name change, transaction costs and costs for system change and implementation. For more information, see the table below.

Operating profit (EBIT) amounted to SEK 5.7 million (3.3) corresponding to an operating margin of 2.5% (1.5).

	Q1 2024		Q1 2023	
	EBITDA	EBITA	EBITDA	EBITA
Operating profit	23.0	8.7	18.2	6.3
<i>Items affecting comparability</i>				
Transaction costs	0.9	0.9	4.4	4.4
Reversal of restructuring costs	-1.9	-1.9	-	-
Costs related to name change	0.1	0.1	-	-
Costs for system change and implementation	1,7	1,7	-	-
Adjusted operating profit	23.7	9.5	22.6	10.6

Financial items

Net financial items amounted to SEK -1.7 million (-31.2). Financial expenses for the quarter amounted to SEK -4.6 million (-31.4) and mainly pertained to interest expenses. Financial income amounted to SEK 2.9 million (0.2) and pertained primarily to warrant revaluation, in the previous year the revaluation of warrants amounted to SEK -24.8 million.

Tax

Tax for the quarter amounted to SEK 0.1 million (0.7), of which SEK -0.5 million (0.1) pertained to current tax and SEK 0.7 million (0.6) pertained to deferred tax. The tax rate was impacted by revaluations of warrants and by other non-deductible expenses.

Profit for the period

Profit for the period amounted to SEK 4.2 million (-27.2). Basic and diluted earnings per share amounted to SEK 0.30 (-1.99).

Cash flow

Cash flow from operating activities during the period was SEK 11.0 million (7.6).

Cash flow before changes in working capital amounted to SEK 10.6 million (8.6) and changes in working capital amounted to SEK 0.4 million (-0.9). A decrease in accounts receivable impacted cash flow with SEK 22.1 million (10.1) while increased inventories and other current receivables impacted cash flow with SEK -7.6 million (-9.8). A decrease in accounts payable and in other current operating liabilities impacted cash flow with SEK -14.1 million (-1.2).

Cash flow from investing activities amounted to SEK 0.1 million (-27.8), comprising investments in tangible and intangible assets of SEK -1.0 million (-2.4), divestment of tangible assets of SEK 0.8 million (0.9), and divestment of financial assets of SEK 0.4 million (-).

Cash flow from financing activities amounted to SEK -18.6 million (-10.5), mainly related to the repayment of principal on lease liabilities and loans of SEK -13.2 million (-11.0), and to the buy-back of own shares of SEK -5.5 million (-). Reported cash flow for the period amounted to SEK -7.5 million (-30.7).

Equity

Equity at the end of the period amounted to SEK 1,078.2 million (1,071.6 as of 31 December 2023). For detailed information about redemption procedures, share issues and other events that impact equity, see the "Owner statistics and share capital" section below.

Financial position

Net debt at the end of the quarter amounted to SEK 137.8 million (135.8 as of 31 December 2023). An unutilised overdraft facility at the end of the quarter totalled SEK 10.0 million (10.0 as of 31 December 2023). In addition, there is an unutilised credit facility of SEK 216.5 million (216.5 as of 31 December 2023) within the framework of the existing bank facility.

Net debt

SEK million	31 March 2024	31 December 2023
Borrowings	154.8	157.1
Lease liabilities	81.6	84.9
Cash and cash equivalents	-98.6	-106.1
Net debt	137.8	135.8

Working capital

SEK million	31 March 2024	31 December 2023
Inventories	18.3	17.7
Accounts receivable	129.9	151.0
Other receivables	50.0	42.4
Accounts payable	-41.5	-47.9
Other liabilities	-105.4	-112.0
Net working capital	51.2	51.2

Corporate acquisitions

No corporate acquisitions were conducted during the period.

Parent Company*1 January 2024 – 31 March 2024*

During the period, the Wall to Wall Group AB Parent Company received revenue of SEK 1.8 million (0.6), primarily consisting of management fees from the Spolargruppen subsidiary. Parent Company costs amounted to SEK -6.4 million (-5.5) during the period and primarily consisted of consultancy and salary costs. The Spolargruppen subsidiary received shareholder contributions during the period totalling SEK – million (55.4).

OWNER STATISTICS AND SHARE CAPITAL

At the end of the quarter, equity totalled SEK 1,078.2 million (1,071.6 as of 31 December 2023), of which share capital was SEK 3.5 million (3.5 as of 31 December 2023) with a quotient value of SEK 0.25 (0.25 as of 31 December 2023).

At the end of the period, the company's ten largest shareholders were:

AGB Kronolund	9.8%
Servisen Investment Management	9.8%
Carnegie Fonder	9.1%
RoosGruppen	6.2%
Swedbank Robur	5.1%
Tjärnvall Holding	5.1%
Familjen Nordström	4.3%
Masonly AB	2.7%
Nordnet Pensionsförsäkring	2.3%
Suomen Sukittajat OY	2.1%
Total	56.5%

On 31 March 2024, the total number of shares was 13,817,291 (13,817,291 as of 31 December 2023), all of which were ordinary shares. On 22 December 2023, the Board of Wall to Wall Group AB (publ) announced its decision to utilise its authorisation by the Extraordinary General Meeting held on 22 December 2023 to buy back a maximum of 1,381,729 of the company's own shares. During the quarter, 64,357 shares (-) were bought back and the company's total holding of treasury shares as of 31 March 2024 was 64,357 (-).

RELATED-PARTY TRANSACTIONS

For a description of related-party transactions during the period, see Note 3.

EMPLOYEES

The number of employees (measured as FTEs) amounted to 512 (448) at the end of the period. The average number of FTEs for the 1 January to 31 March 2024 period amounted to 532 (442), of which 4 (4) in the Parent Company.

MATERIAL RISKS AND UNCERTAINTIES

The material risks and uncertainties are unchanged from those presented in the 2023 Annual Report. A detailed description of the Parent Company's material risks and uncertainties can be found in the 2023 Annual Report. For an updated description of financial risks, see Note 1.

FINANCIAL CALENDAR

Interim Report Q2 2024 – 14 August 2024
Interim Report Q3 2024 – 15 November 2024
Year-End Report Q4 2024 – 14 February 2025

CONSOLIDATED INCOME STATEMENT

SEK million		1 January 2024	1 January 2023
	Note	– 31 March 2024	– 31 March 2023
Net revenue	4	231.6	217.2
Other operating income	5, 7	1.8	0.9
Operating expenses			
Raw materials and consumables		-58.0	-68.7
Other external expenses		-46.8	-43.4
Personnel costs		-105.3	-87.6
Depreciation, amortisation and impairment of tangible and intangible assets including right-of-use assets		-17.2	-14.9
Other operating expenses	6, 7	-0.4	-0.2
Total operating expenses		-227.7	-214.8
Operating profit		5.7	3.3
Financial income	7	2.9	0.2
Financial expenses	7	-4.6	-31.4
Financial items – net		-1.7	-31.2
Profit/loss after financial items		4.0	-27.9
Tax		0.1	0.7
Profit/loss for the period		4.2	-27.2
Basic and diluted earnings per share, SEK		0.30	-1.99
Average No. of shares outstanding in the period, before and after dilution		13,783,308	13,644,343

The entire profit/loss for the period is attributable to the Parent Company's owners.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	1 January 2024 Not – 31 March 2024	1 January 2023 – 31 March 2023
Profit/loss for the period	4.2	-27.2
Other comprehensive income		
<i>Items that will later be able to be reclassified to profit or loss</i>		
Translation differences	7.8	1.3
Total other comprehensive income for the period	7.8	1.3
Total comprehensive income for the period	12.0	-25.9

Comprehensive income for the period is entirely attributable to the Parent Company's shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	31 March 2024	31 December 2023
ASSETS			
Non-current assets			
Brands	8	50.8	50.7
Customer contracts	8	35.8	38.7
Goodwill	8	1,019.5	1,012.1
Other intangible assets		0.8	0.9
Property, plant and equipment		59.8	62.3
Right-of-use assets		84.1	87.7
Deferred tax assets		1.5	-
Other long-term receivables		2.5	2.6
Total non-current assets		1,254.8	1,254.9
Current assets			
Inventories		18.3	17.7
Accounts receivable		129.9	151.0
Contract assets		23.8	25.5
Tax assets		1.8	-
Other receivables		5.0	6.7
Prepaid expenses and accrued income		21.2	10.2
Cash and cash equivalents		98.6	106.1
Total current assets		298.6	317.3
Total assets		1,553.3	1,572.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

SEK million	Note	31 March 2024	31 December 2023
EQUITY			
Share capital		3.5	3.5
Other deferred capital		1,072.1	1,077.6
Translation differences		5.6	-1.7
Retained earnings including profit/loss for the period		-3.0	-7.8
Total equity		1,078.2	1,071.6
LIABILITIES			
Non-current liabilities			
Borrowings		149.6	152.1
Non-current lease liabilities		47.6	49.6
Deferred tax liabilities		29.8	28.9
Other liabilities	7	3.5	21.0
Other provisions		7.0	6.2
Total non-current liabilities		237.4	257.9
Current liabilities			
Borrowings		5.3	5.0
Current lease liabilities		34.0	35.3
Accounts payable		41.5	47.9
Contract liabilities		5.4	6.1
Tax liabilities		–	6.5
Other liabilities	7, 9	85.6	75.1
Accrued expenses and deferred income		66.0	66.8
Total current liabilities		237.8	242.7
Total equity and liabilities		1,553.3	1,572.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other deferred capital	Translation differences	Retained earnings including profit/loss for the period	Total equity
Opening balance on 1 January 2023¹	3.3	1,042.5	1.6	-10.8	1,036.6
Profit/loss for the period				-27.2	-27.2
Other comprehensive income for the period			1.3		1.3
Total comprehensive income for the period	0.0	0.0	1.3	-27.2	-25.9
Transactions with shareholders					
New share issue	-	0.2	-	-	0.2
Non-cash/offset issue	0.1	27.8	-	-	27.9
Total transactions with shareholders	0.1	28.0	-	-	28.1
Closing balance on 31 March 2023	3.4	1,070.4	3.0	-37.9	1,038.9
	Share capital	Other deferred capital	Translation differences	Retained earnings including profit/loss for the period	Total equity
Opening balance on 1 January 2024	3.5	1,077.6	-2.2	-7.2	1,071.6
Profit for the period				4.2	4.2
Other comprehensive income for the period			7.8		7.8
Total comprehensive income for the period	-	-	7.8	4.2	12.0
Transactions with shareholders					
Acquisition of treasury shares	-	-5.5	-	-	-5.5
Total transactions with shareholders	-	-5.5	-	-	-5.5
Closing balance on 31 March 2024	3.5	1,072.1	5.6	-3.0	1,078.2

1) Pertains to equity in the Parent Company Wall to Wall Group AB.

CONSOLIDATED STATEMENT OF CASH FLOW

SEK million	Note	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023
Operating activities			
Operating profit		5.7	3.3
Adjustment for items not included in cash flow		17.6	14.6
Tax paid		-8.9	-5.3
Interest received		0.2	2.0
Interest paid		-4.2	-6.0
Cash flow before changes in working capital		10.6	8.6
Increase/decrease in inventories		-0.3	-6.6
Increase/decrease in accounts receivable		22.1	10.1
Increase/decrease in other current receivables		-7.3	-3.2
Increase/decrease in accounts payable		-6.7	-1.7
Increase/decrease in other current operating liabilities		-7.4	0.5
Cash flow from operating activities		11.0	7.6
Investing activities			
Investments in tangible and intangible non-current assets		-1.0	-2.4
Sale of tangible non-current assets		0.8	0.9
Acquisition of subsidiaries, net of cash acquired	8	-	-26.1
Investments in financial non-current assets		-0.0	-0.2
Divestment of financial assets		0.4	-
Cash flow from investing activities		0.1	-27.8
Financing operations			
New share issue		-	0.2
Proceeds from borrowings		-	0.4
Repayment of loans		-2.4	-2.8
Repayment of lease liabilities		-10.8	-8.2
Acquisition of treasury shares		-5.5	-
Cash flow from financing activities		-18.6	-10.5
Decrease/increase in cash and cash equivalents		-7.5	-30.7
Opening cash and cash equivalents		106.1	278.9
Translation differences in cash and cash equivalents		0.0	-0.3
Closing cash and cash equivalents		98.6	247.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ACCOUNTING POLICIES

The accounting policies and methods of calculation applied in this interim report are in accordance with the policies described in the 2023 Annual Report.

Basis for preparation

The financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Reporting Rules for Groups, as well as the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. This interim report is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial statements have been prepared on a historical cost convention.

The company operates with one operating segment.

Risks

The Group is exposed through its operations to general business and financial risks. The risks are divided into four categories: Strategic risks, operational risks, compliance risks and financial risks. For further description of the risks connected with the Group's operations, see the 2023 Annual Report as well as below.

The economy and interest rates

The Group's end customers consist of property owners, primarily commercial managers of homes and premises, public housing and housing cooperatives. As such, the Group is impacted by macroeconomic factors and cycles and current interest rates that impact the property industry. To date, we have yet to note any elevated risk in terms of our accounts receivable or longer payment periods from our customers.

Geopolitical conditions

Geopolitical conditions have resulted in increased uncertainty in global economic developments, and disruptions in supply and logistics chains, which have indirectly resulted in higher inflation and higher interest rates. As a result, there is a risk of disruption in our production, which is dependent on a properly functioning supply of materials. Such disruption could have a direct and indirect impact on our sales and profitability.

NOTE 2 – SIGNIFICANT ESTIMATES AND JUDGEMENTS

Significant estimates and judgements are unchanged from those described in Note 2 of the Group's 2023 Annual Report.

NOTE 3 – RELATED-PARTY TRANSACTIONS

No transactions between the Group and its related parties have materially impacted the Group's financial position or profit/loss for the period.

NOTE 4 – DISTRIBUTION OF NET REVENUE

The Group

SEK million	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023
Income is distributed as follows:		
Contracting, pipe relining and service	165.7	161.0
Flushing	65.9	56.2
Total	231.6	217.2

NOTE 5 – OTHER OPERATING INCOME

The Group

SEK million	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023
Other items	1.8	0.9
Total	1.8	0.9

NOTE 6 – OTHER OPERATING EXPENSES

The Group

SEK million	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023
Other items	-0.4	-0.2
Total	-0.4	-0.2

NOTE 7 – FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Issued series 2021:2 and 2021:3 warrants offer the company the possibility to conduct settlement through net strike. This means there is a variability in the number of shares that will be issued and the fixed for fixed condition in IAS 32 is therefore not fulfilled. In the event of net settlement, the company uses its own shares as payment to settle the existing obligation.

The number of shares issued depends on the fair value of the company's shares on the settlement date. Series 2021:2 and 2021:3 warrants are therefore recognised in accordance with IAS 32 and classified as financial liabilities and not as equity. The Group's issued investor warrants and contingent earnouts are classified as financial liabilities and are measured at fair value through profit or loss (FVTPL).

Change in value for investor warrants is recognised in profit or loss under financial items and the change in value for contingent earnouts is recognised in profit or loss in the operating profit.

SEK million	31 March 2024	31 December 2023
Series 2021:2 warrants issued	1.2	4.0
Series 2021:3 warrants issued	2.0	2.0
Total	3.2	6.0

At the end of the first quarter, the value of liabilities connected to series 2021:2 and 2021:3 warrants outstanding amounted to SEK 3.2 million (6.0 on 31 December 2023).

Series 2021:2 and 2021:3 warrants are valued according to level 1 and are, as of the balance-sheet date, respectively valued at SEK 1.2 million, 1,200,960 at SEK 1.00 (SEK 4.0 million, 1,200,960 at SEK 3.30 as of 31 December 2023) and SEK 2.0 million, 1,965,978 at SEK 1.00 (SEK 2.0 million, 1,965,978 at SEK 1.01 as of 31 December 2023) and recognised as other current liabilities.

During the 1 January – 31 March 2024 quarter, SEK 2.8 million (-24.8) was recognised as financial income in the Group and the Parent Company as a result of warrant revaluations. On the balance-sheet date, 3,666,944 warrants (8,855,585 as of 31 December 2023) were outstanding (series 2021:2 and 2021:3), of which 3,166,938 (3,166,938 as of 31 December 2023) were possible to exercise.

**Contingent earnouts
Financial instruments Level 3**

	31 March 2024	31 December 2023
Opening balance	51.2	68.9
Acquisitions	-	23.8
Remeasurements	-	-17.9
Payments	-	-24.0
Discount effect	0.3	0.7
Currency effect	0.5	-0.3
Closing balance	52.0	51.2
of which non-current	3.5	21.0
of which current	48.5	30.2

Contingent earnout: The company usually uses an acquisition structure with a base consideration and contingent earnout for corporate acquisitions.

In each quarter, the contracts and conditions that govern the size of the contingent earnouts is assessed. Based on these assessments, remeasurements of the size of the contingent earnouts can occur. There were no remeasurements in the quarter.

The contingent considerations fall due for payment within three years and are limited to not more than SEK 118.1 million (115.8 on 31 December 2023). During the 1 January – 31 March 2024 quarter, SEK -0.3 million (-0.4) in interest was recognised in net financial items pertaining to contingent earnouts.

NOTE 8 – BUSINESS COMBINATIONS

No business combinations were conducted during the quarter.

Acquisition-related costs

Acquisition-related costs during the 1 January – 31 March 2024 quarter of SEK -0.9 million (-4.4) are included in other operating expenses in the consolidated statement of comprehensive income and in operating activities in the cash-flow statement.

NOTE 9 – OTHER CURRENT LIABILITIES

SEK million	31 March 2024	31 December 2023
Contingent earnouts	48.5	30.2
Warrants	3.2	6.0
Other liabilities	34.0	39.0
Total	85.6	75.1

PARENT COMPANY INCOME STATEMENT

SEK million	Note	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023
Net revenue		1.8	0.6
Operating expenses			
Other external expenses		-3.3	-2.1
Personnel costs		-3.1	-3.4
Total operating expenses		-6.4	-5.5
Operating profit/loss		-4.6	-4.9
Financial income and expenses¹			
Other interest income and similar profit/loss items		2.8	-
Interest expenses and similar profit/loss items		-0.0	-24.8
Total financial income and expenses		2.8	-24.8
Profit/loss after financial items		-1.8	-29.7
Profit/loss before tax		-1.8	-29.7
Tax on profit/loss for the period		-	0.0
Profit/loss for the period		-1.8	-29.7

There are no items that are recognised as other comprehensive income. Total comprehensive income is therefore the same as profit/loss for the period.

1) See Group Note 7.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEK million	31 March 2024	31 December 2023
ASSETS		
Financial non-current assets		
Participations in subsidiaries	989.3	989.3
Total financial non-current assets	989.3	989.3
Current assets		
Receivables with Group companies	16.6	16.8
Tax assets	0.0	0.0
Other receivables	0.9	2.6
Total current receivables	17.5	19.3
Cash and bank balances	36.9	43.3
Total cash and bank balances	36.9	43.3
Total current assets	54.4	62.6
Total assets	1,043.7	1,052.0
EQUITY		
<i>Restricted equity</i>		
Share capital	3.5	3.5
Total restricted equity	3.5	3.5
<i>Non-restricted equity</i>		
Share premium reserve	1,072.1	1,077.6
Retained earnings including profit/loss for the period	-40.7	-38.9
Total non-restricted equity	1,031.4	1,038.7
Total equity	1,034.9	1,042.2
Current liabilities		
Accounts payable	0.6	0.4
Other liabilities	4.6	6.9
Accrued expenses and deferred income	3.7	2.4
Total current liabilities	8.9	9.8
Total liabilities	8.9	9.8
Total equity and liabilities	1,043.7	1,052.0

MULTI-YEAR REVIEW GROUP

	1 January 2024 – 31 March 2024	1 January 2023 – 31 December 2023	28 April 2022 – 31 December 2022 ¹
Adjusted EBITDA, SEK million	23.7	112.0	65.8
Adjusted EBITDA margin, %	10.2%	11.7%	15.4%
Adjusted EBITA, SEK million	9.5	58.3	39.2
Adjusted EBITA margin, %	4.1%	6.1%	9.2%
EBIT, SEK million	5.7	41.8	4.2
Net earnings	4.2	17.2	-5.8
Adjusted EBITDA R12 ²	115.9	115.9	116.8
Net debt at the end of the period, SEK million	137.8	135.8	-8.9
Net debt at the end of the period/Adjusted EBITDA R12 ³	1.2	1.2	-0.1
Average No. of shares outstanding in the period, before and after dilution	13,783,308	13,678,259	13,348,394
No. of shares outstanding at end of period	13,817,291	13,817,291	13,348,394
Treasury shares	64,357	-	-
Basic and diluted earnings per share, SEK	0.30	1.26	-0.43
Average number of employees	532	490	331

1) The Group was formed on 28 April 2022 when Wall to Wall Group AB acquired Spolargruppen Sverige AB.

2) Refers to proforma adjusted EBITDA.

3) Refers to proforma adjusted EBITDA.

DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES

	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
Operating margin				
Net revenue	231.6	217.2	956.1	970.4
Operating profit (EBIT)	5.7	3.3	41.8	44.2
Operating margin	2.5%	1.5%	4.4%	4.6%

	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
EBITDA				
Operating profit (EBIT)	5.7	3.3	41.8	44.2
Depreciation and impairment property, plant and equipment	14.2	11.9	53.7	56.0
Amortisation and impairment of intangible assets	3.0	2.9	11.9	11.9
EBITDA	23.0	18.2	107.4	112.1

	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
EBITDA margin				
Net revenue	231.6	217.2	956.1	970.4
EBITDA	23.0	18.2	107.4	112.1
EBITDA-marginal	9.9%	8.4%	11.2%	11.6%

	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
Adjusted EBITDA				
Operating profit (EBIT)	5.7	3.3	41.8	44.2
Depreciation and impairment property, plant and equipment	14.2	11.9	53.7	56.0
Amortisation and impairment of intangible assets	3.0	2.9	11.9	11.9
Items affecting comparability	0.8	4.4	4.7	1.0
Adjusted EBITDA	23.7	22.6	112.0	113.2

	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
Adjusted EBITDA margin				
Net revenue	231.6	217.2	956.1	970.4
Adjusted EBITDA	23.7	22.6	112.0	113.2
Adjusted EBITDA margin	10.2%	10.4%	11.7%	11.7%

	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
EBITA				
Operating profit (EBIT)	5.7	3.3	41.8	44.2
Amortisation and impairment of intangible assets	3.0	2.9	11.9	11.9
EBITA	8.7	6.3	53.7	56.2

DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES (CONT.)

Adjusted EBITA	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
Operating profit (EBIT)	5.7	3.3	41.8	44.2
Amortisation and impairment of intangible assets	3.0	2.9	11.9	11.9
Items affecting comparability	0,8	4.4	4.7	1.0
Adjusted EBITA	9.5	10.6	58.3	57.2
Adjusted EBITA margin	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023	1 January 2023 – 31 December 2023	1 April 2023 – 31 March 2024
Net revenue	231.6	217.2	956.1	970.4
Adjusted EBITA	9,5	10.6	58.3	57.2
Adjusted EBITA margin	4.1%	4.9%	6.1%	5.9%

DEFINITIONS

IFRS metrics:	Definitions:	
Earnings per share	Net earnings in SEK in relation to the average number of shares during the period, according to IAS 33.	
Diluted earnings per share	Net earnings in SEK in relation to the average number of shares during the period, according to IAS 33.	
Alternative performance measures:	Definitions:	Purpose:
Net debt	Non-current and current interest-bearing liabilities, excluding acquisition-related liabilities, less cash and cash equivalents at the end of the period.	Presents the Group's total debt adjusted for cash and cash equivalents. Used to monitor debt developments and the scope of refinancing needs.
EBITDA	Profit/loss before interest income and interest expenses, tax, depreciation and impairment of tangible assets, amortisation and impairment of intangible assets, and write-downs and impairment of right-of-use assets.	Reflects the operations' profitability and enables comparison of profitability over time, irrespective of depreciation, amortisation and impairment of intangible and tangible non-current assets, and independent of taxes and financing structure.
EBITDA margin	Adjusted EBITDA in % of net revenue.	Reflects the operations' profitability before depreciation, amortisation and impairment of intangible and tangible non-current assets. The performance metric is an important component for monitoring value creation in the Group and for increasing comparability over time.
Items affecting comparability	Transaction-related costs, contingent earnout revaluations and capital gains/losses from the sale of operations as well as other revenue and costs considered to affect comparability.	Separate reporting of these items increases comparability between periods and over time regardless of the timing.
Adjusted EBITDA	EBITDA adjusted for contingent earnout revaluations, transaction-related costs and capital gains/losses from the sale of operations as well as other revenue and costs considered to affect comparability.	Reflects the operations' profitability and enables comparison of profitability over time, irrespective of depreciation, amortisation and impairment of intangible and tangible non-current assets, and independent of taxes, financing structure and the impact of items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA in % of net revenue.	Reflects the operations' profitability before depreciation, amortisation and impairment of intangible and tangible non-current assets. The performance metric is an important component for monitoring value creation in the Group after adjustment for items affecting comparability and for increasing comparability over time.
EBITA	Profit/loss before interest income and interest expenses, tax, and amortisation and impairment of intangible assets.	Reflects the operations' profitability and enables comparison of profitability over time, irrespective of amortisation and impairment of intangible assets, and independent of taxes and financing structure.

DEFINITIONS (CONT.)

Alternative performance measures:	Definitions:	Purpose:
Adjusted EBITA	EBITA adjusted for contingent earnout revaluations, transaction-related costs and capital gains/losses from the sale of operations as well as other revenue and costs considered to affect comparability.	Reflects the operations' profitability and enables comparison of profitability over time, irrespective of amortisation and impairment of intangible assets, and independent of taxes, financing structure and the impact of items affecting comparability.
Adjusted EBITA margin	Adjusted EBITA in % of net revenue.	Reflects the operations' profitability and enables comparison of profitability over time, irrespective of amortisation and impairment of intangible assets, and independent of taxes, financing structure and the impact of items affecting comparability, and to increase comparability over time.
Operating profit (EBIT)	Operating profit after depreciation/amortisation and impairment of tangible and intangible non-current assets.	Reflects the operations' profitability and enables comparison of profitability over time.
Operating margin	EBIT in % of net revenue.	Reflects the operations' profitability and enables comparison of profitability and value creation over time.
Net earnings	Consolidated profit for the period.	Reflects the operations' profitability and value creation over time.
Net debt/adjusted EBITDA R12	Net debt in relation to adjusted proforma EBITDA for the most recent 12-month period.	Used to illustrate the company's total liabilities adjusted for cash and cash equivalents, and the company's ability to repay debt.
Proforma	Proforma means that companies in the Group are regarded as having been included since 1 January 2021.	Reflects what the Group would look like if all companies were included since 1 January 2021 and is used to increase comparability over time. Since acquisitions are made on an ongoing basis.
Working capital	Total current assets less cash and cash equivalents, tax assets and current non-interest-bearing liabilities excluding contingent earnouts and debt warrants at period end.	A measure of the Group's short-term financial position.
Contribution margin	Net sales minus the direct costs of the operations as a percentage of net sales.	Reflects the operations' profitability.

SIGNATURES

AUDIT REVIEW

This report has not been audited.

Stockholm, 17 May 2024

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