

NOVEDO



Year-end Report 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.

Solid growth and earnings trend

Fourth quarter (October–December 2023)

- Net sales increased by 27.0 percent to SEK 766.1 million (603.0), of which organic growth was -1.9 percent.
- EBITA increased by 40.8 percent to SEK 85.5 million (60.7) and the EBITA margin increased to 11.2 percent (10.1).
- EBIT increased by 41.1 percent to SEK 71.8 million (50.9).
- Cash flow from operating activities amounted to SEK 38.9 (65.7) million.
- Nørgaard Anlæg Holding ApS and its subsidiaries, a Danish group within ground and construction works, with combined annual sales for 2023 of SEK 182.5 million, were acquired and consolidated.

Period (January–December 2023)

- Net sales increased by 52.7 percent to SEK 2,708.2 million (1,773.4), of which organic growth amounted to 1.8 percent.
- EBITA increased by 77.3 percent to SEK 272.3 million (153.6) and the EBITA margin strengthened to 10.1 percent (8.7).
- EBIT increased by 78.4 percent to SEK 218.6 million (122.5).
- Cash flow from operating activities amounted to SEK 108.3 million (52.3).
- Helsingborgs Byggplåt AB, Stantraek A/S, Dundertech AB, and Nørgaard Anlæg Holding ApS with combined annual sales for 2023 of SEK 484.3 million were acquired and consolidated.
- At an EGM on September 21, it was resolved to amend the Articles of Association and to split shares, to authorize the Board of Directors to resolve new issues of shares and direct issues of shares.
- Terms and conditions for senior secured bond loan 2021/2024, states that no dividend may be paid during the term of the loan if the company's shares are unlisted.

Growth in net sales

52.7%

Jan-Dec 2023

Organic growth

1.8%

Jan-Dec 2023

EBITA margin

10.1%

Jan-Dec 2023

No significant events have occurred after balance sheet date

Financial overview					
SEK M	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec	R12 months
Net sales	766.1	603.0	2,708.2	1,773.4	2,928.9
EBITDA	104.9	76.0	339.8	192.2	387.8
EBITDA-margin, %	13.7	12.6	12.5	10.8	13.2
EBITA	85.5	60.7	272.3	153.6	312.2
EBITA-margin, %	11.2	10.1	10.1	8.7	10.7
EBIT	71.8	50.9	218.6	122.5	258.5
EBIT-margin, %	9.4	8.4	8.1	6.9	8.8
Profit/loss for the period	-17.0	-25.6	-97.4	-56.9	
Working capital	357.4	274.1	357.4	274.1	
Cash flow from operating activities	38.9	65.7	108.3	52.3	
Net debt/equity ratio, times	3.3	1.9	3.3	1.9	
Equity/assets ratio, %	12.6	20.4	12.6	20.4	
Return on capital employed, %	14.3	8.7	14.3	8.7	
Earnings per share before/after dilution, SEK ¹⁾	-1.23	-833.95	-6.53	-1,909.42	

¹⁾ On September 21, 2023, an Extraordinary General Meeting was held which, among other things, resolved to increase the number of shares by dividing all shares into 500 (so-called share split 500:1). As of September 30, 2023, the share capital amounted to SEK 551,970.05 (551,970.05) divided into 15,480,000 (30,960) shares, resulting in a quota value of approximately SEK 0.04 (17.83).

²⁾ Pro forma refers to the period January 1 to December 31, 2023, and includes all acquired companies up to and including December 31, 2023. The calculation is based on the assumption that Novedo has owned the companies throughout the period.



Novedo shows solid growth and earnings trend in a tougher market.

Novedo is reporting solid growth and earnings trend for 2023. We are approaching SEK 3 billion in sales and pro forma EBITA at year-end amounted to SEK 312 million. I assess that the market situation for 2024 is largely the same as this year's and that Novedo is well-equipped for continued solid and positive development.

52.7 percent in increased net sales driven by acquisition growth and positive organic growth

Net sales on an annual basis increased by 52.7 percent, of which 1.8 percent was organic growth, and amounted to SEK 2,708.2 million (1,773.4) for the full year 2023. Four company acquisitions, corresponding to combined annual sales of SEK 484.3 million, were acquired and consolidated during the year. The company acquisitions have taken place in all three of Novedo's business segments in the form of: Helsingborgs Byggplåt AB, the industrial company Stantraek A/S, the infrastructure group Nørgaard Anlæg Holding ApS and the product company Dundertech AB, where the latter company is a strategic add-on acquisition within the Group.

In January 2024, the company OVKservice Syd AB was also acquired by Novedo's subsidiary Ventilationskontroll. OVKservice is based in southern part of Sweden and a well-established player in ventilation inspection and ventilation services. The strategic add-on acquisition provides Novedo, through its complementary cus-

tommer offering and established customer base, with a good platform for further expansion in the region.

Solid earnings and positive margin development as well as stronger cash flow

Novedo is mostly exposed to underlying markets that are less sensitive to economic cycles, and Novedo has shown good resilience in the tougher economic situation that Sweden and the rest of the world found itself in in 2023. EBITA increased by 77.3 percent for the full year 2023 on an annual basis and amounted to SEK 272.3 million (153.6). The EBITA margin strengthened to 10.1 percent (8.7), which is in line with Novedo's financial target.

Cash flow from operating activities has been affected by an increase in negative net interest income but has overall strengthened because of increased volume and positive margin development and amounted to SEK 108.3 million (52.3) for the full year.

To finance company acquisitions, Novedo has previ-

ously issued SEK 1,250 million in bond loans and interest-bearing net debt in relation to EBITDA amounted to 2.9x at year-end. Novedo is actively evaluating various financing alternatives such as banks and direct loans but is also in dialogue with financial advisors to evaluate the possibility of a new bond issue. In addition, as previously communicated, we have prepared the Group for an IPO as an additional possible platform for future capital raising.

Even-sized segments and geographical diversification for good risk diversification and long-term profitability

Novedo intends to grow the three business segments over time to be of equal size in terms of sales, which is also confirmed in an annual comparison where the Industry and Infrastructure segments increased in relation to the Installation & Services segment.

Novedo has an active M&A agenda, both in Sweden and abroad, and in 2023 the Group’s net sales from countries outside Sweden increased to 19.3 percent (2.1), most of which came from Denmark.

A sustainable and long-term profitable business often has a clear link to business acumen and healthy corporate culture. For this reason, Novedo focuses on these parameters during an acquisition process and, in addition to customary financial and legal due diligence, also

conducts due diligence in ESG-related areas. During the year, 94.7 percent (45.5) of acquired annual sales were reviewed from an ESG perspective and received a positive outcome.

Good acquisition market and order intake for continued solid and positive development

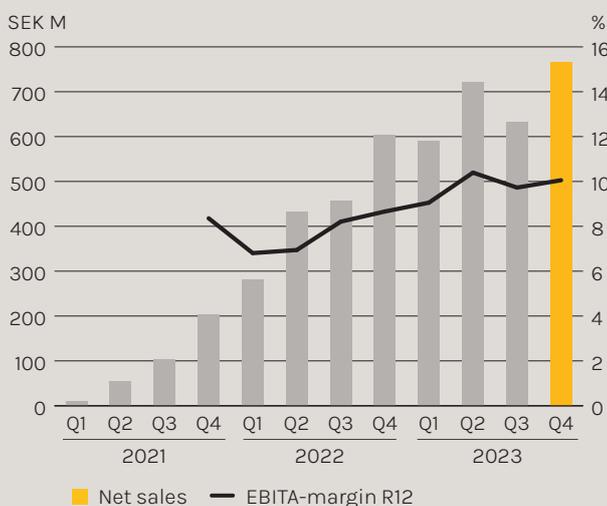
When we sum up 2023, I can state that Novedo is delivering on all financial targets despite a tougher market situation during the year. It is my opinion that Novedo’s decentralized organizational structure, combined with well-established subsidiaries that have been around for a long time and with a proven good financial history, is well placed to manage, develop, and strengthen its operations, even in a more challenging market situations.

Novedo sees a generally good order intake in all segments, and I assess that the market conditions for 2024 will be similar this year. Novedo has several attractive acquisitions under evaluation, and I see good growth opportunities in all business segments in both existing and new geographic markets.

All in all, Novedo is thus well equipped for continued solide and positive development going forward.

Per-Johan Dahlgren
President & CEO

Net sales and EBITA margin¹⁾



Growth in net sales
Jan-Dec 2023

52.7%

EBITA
Jan-Dec 2023

272.3 MSEK

Cash flow from
operating activities
Jan-Dec 2023

108.3 MSEK

Organic growth
Jan-Dec 2023

1.8%

EBITA margin
Jan-Dec 2023

10.1%

Interest-bearing
net debt/EBITDA²⁾,
Dec 2023

2.9 times

¹⁾ Seasonality, 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, with the first quarter 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 during the third quarter.

²⁾ The ratio is calculated - in accordance with the definitions in the terms and conditions - as interest-bearing net debt 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).

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

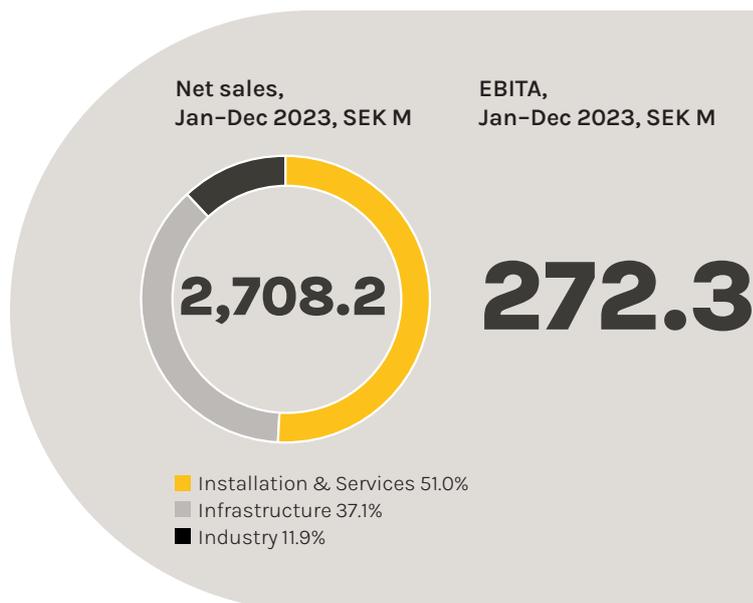
Novedo's vision is to create long-term value by developing a focused and well-balanced industrial group through acquisitions and the development of prominent entrepreneurial-driven B2B companies that grow stronger together and where the entrepreneur wants to run the company further after selling. Novedo 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 September 2023, the Group consisted of approximately 1,300 employees.

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 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).

1 Leksand
Nordsign Aktiebolag

2 Gävle
Hansson & Ekman Isolerings Aktiebolag

3 Uppsala
Hansson & Ekman Isolerings Aktiebolag

4 Västerås
ProvideU AB, ProvideU Electronics AB

5 Stockholm
BATAB Bygg & Akustikteknik AB, GBB Holding AB incl. Gnesta Bergbyggare, AO Entreprenadtjänst i Stockholm AB, Borrspecialisten i Stockholm AB, Impab Dundertech AB etc. Olle Timblads Måleri-firma 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

6 Norrköping
Kulturmålarerna i Norrköping AB

7 Linköping
Kulturmålarerna i Linköping AB

8 Göteborg
Elforum Göteborg AB, Elinzity AB incl. Elinzity Förstärkning AB, Ventilationskontroll Aeolus AB incl. CX Ventilation AB, Ekoion AB, RC El & Styrinstallationer Zeus AB, KG Vent AB, Ventera i Göteborg AB

9 Helsingborg
Elarbeten Helsingborg AB, Helsingborgs Byggplåt AB incl. Bra Tak Entreprenad Skåne AB

10 Malmö
Deramont Entreprenad AB

11 Aars, Danmark (and seven more locations on Jylland) Nordkabel A/S

12 Lystrup, Danmark
Stantraek A/S

13 Ribe, Danmark
Nørgaard Anlæg Holding ApS, Nørgaard Anlæg ApS, Nørgaard Anlæg Maskinudlejning ApS, Sydvestjyllands Miljø og Genbrug ApS, Nørgaard Anlæg Miljø ApS

14 Tallin, Estland
ProvideU Assembly OÜ



Nørgaard Anlæg ApS carries out the establishment of sewage and district heating pipes in Hjortkær, Denmark.

Group development

Sales

Fourth quarter 2023

Net sales increased during the quarter by 27.0 percent and amounted to SEK 766.1 million (603.0). Growth consisted mainly of newly acquired companies. Organic growth was -1.9 percent.

Period January–December 2023

Net sales increased by 52.7 percent during the period and amounted to SEK 2,708.2 million (1,773.4). Growth was mainly attributable to newly acquired companies. Organic growth was 1.8 percent.

Earnings

Fourth quarter 2023

EBITA for the quarter amounted to SEK 85.5 million (60.7), with an EBITA margin of 11.2 percent (10.1). EBIT amounted to SEK 71.8 million (50.9) and the operating margin was 9.4 percent (8.4). The earnings trend is best followed over a longer period, as 2022 was characterized by a high acquisition intensity and where the introduction of the percentage of completion method affected individual quarters, especially in H2 2022.

Net financial items increased and amounted to SEK -82.2 (-60.2) million, of which SEK -47.8 (-24.4) million comprised interest expenses for bond loans and SEK -29.2 million (-29.7) is attributable to revaluation and change in the present value of earn-outs. The change in earn-outs is a result of the companies' improved earnings trend.

Profit before tax amounted to SEK -10.4 (-9.3) million. Profit after tax for the quarter was SEK -17.0 (-25.6) million. Earnings per share amounted to SEK -1.23 (-833.95).

Period January–December 2023

EBITA increased year-on-year to SEK 272.3 million (153.6), with an EBITA margin of 10.1 percent (8.7) for the period. EBIT increased to SEK 218.6 million (122.5) and the operating margin was 8.1 percent (6.9). Net financial items amounted to SEK -299.1 (-154.1) million, of which SEK -147.4 (-66.8) million comprised interest expenses for bond loans and SEK -143.8 million (-65.7) is attributable to revaluation and change in present value of earn-outs. The change in earn-outs is a result of the companies' improved earnings trend.

Profit before tax amounted to SEK -80.5 (-31.5) million. Earnings after tax for the period were SEK -97.4 (-56.9) million. Earnings per share amounted to SEK -6.53 (-1,909.42). In connection with the Extraordinary General Meeting in September 2023, it was resolved to carry out a 500:1 share split.

Financial position

Equity in the Group on December 31, 2023, amounted to SEK 373.5 million (468.0) and the equity/assets ratio was 12.6 percent (20.4). Cash and cash equivalents on December 31, 2023, amounted to SEK 226.9 million (189.0).

To finance company acquisitions, Novedo issued an additional SEK 250 million within the existing bond loan in the first quarter of 2023, after which the outstanding volume amounts to SEK 1,250 million within a framework of SEK 1,500 million in total. The bond loan has a final maturity in November 2024 and the Board of Directors and management are actively working to evaluate various financing alternatives such as bank and direct loans but is also in dialogue with financial advisors to evaluate the possibility of a new bond issue. In addition, as previously communicated, the Group has been prepared for an IPO as an additional possible platform for future capital raising.

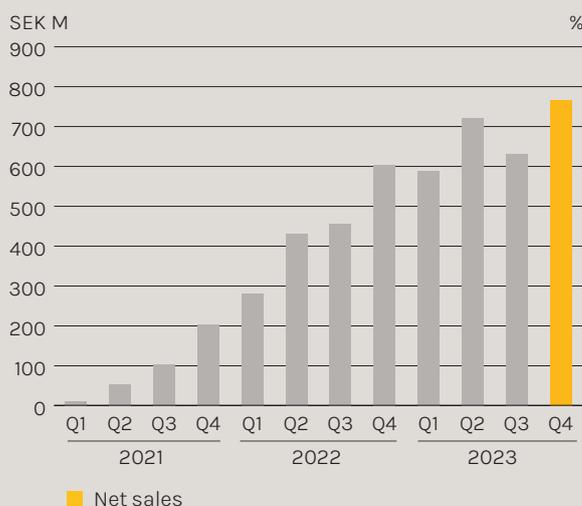
The Group's interest-bearing net debt increased during the period and amounted to SEK 1,215.5 million as of December 31, 2023. The net debt/equity ratio was 3.3x (1.9) at the end of the period.

Cash flow and investments

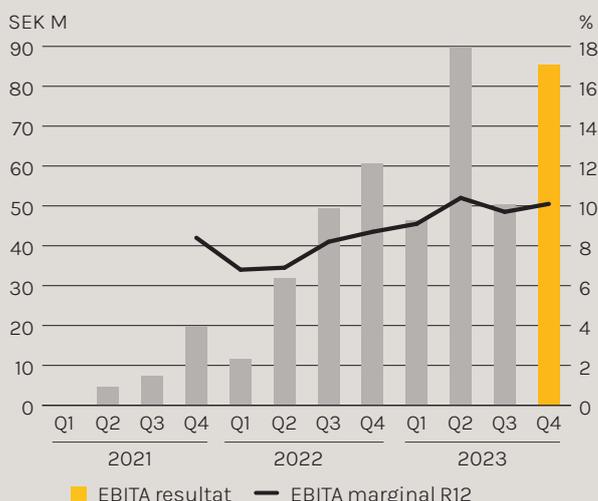
Cash flow from operating activities was affected by an increase in negative net interest income but was positively impacted by increased volume and good margin development and amounted to SEK 38.9 (65.7) million in the fourth quarter and to SEK 108.3 (52.3) million for the period January-December.

Acquisitions of participations in subsidiaries, including settlement of earn-outs relating to previous acquisitions, amounted to net SEK -93.4 (-265.9) million in the fourth quarter and to SEK -308.3 (-827.4) million for the full-year period.

Net sales



EBITA and EBITA margin



The first company acquisition took place in Q1 2021, EBITA margin for Q1 2021 amounted to -10.2%. The change from Q2 to Q3 2023 is a consequence of the holiday period falling during Q3. As a result of Novedo's acquisition intensity in 2022, the comparative figures for H2 2022 are to some extent positively affected in connection with a larger number of companies introducing percentage of completion method at the same time in H2 2022. A more accurate picture of Novedo's earnings and margin development is therefore provided over a longer period of time.

Net sales, Jan–Dec 2023, SEK M

EBITA-margin, Jan–Dec 2023, SEK M



272.3

- Installation & Services 51.0%
- Infrastructure 37.1%
- Industry 11.9%



Installation & Services

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

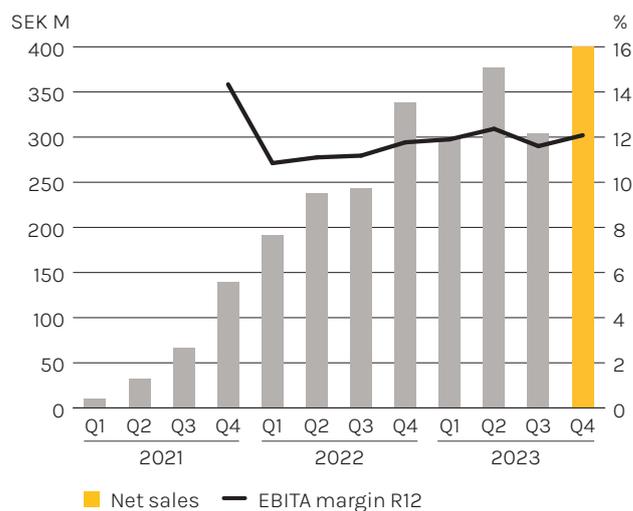
Net sales for the Installation & Services business segment increased year-on-year and amounted to SEK 400.6 million (338.8) for the fourth quarter and to SEK 1,382.0 million (1,013.1) for the full year 2023. EBITA amounted to SEK 62.1 (48.3) million for the quarter and SEK 167.0 (119.2) million for 2023. The EBITA margin was 15.5 percent (14.3) in the fourth quarter and 12.1 percent (11.8) in 2023.

The segment is showing solid development and the segment's companies are showing good resilience in the current market climate, and the existing order intake is generally good, which is a result of 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.

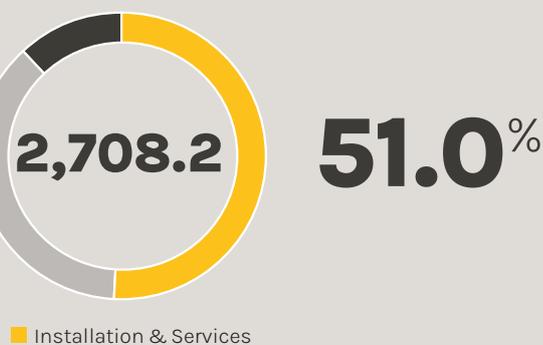
Novedo intends that the company's three business segments will be equal in terms of sales over time. At year-end, segment sales accounted for 51.0 percent (57.1) of the Group's total net sales for the full year 2023. During the year, roofing specialist Helsingborgs Byggplåt, together with its subsidiary Bra Tak Entreprenad Skåne, with around 40 employees and annual sales of SEK 103.3 million, was acquired and consolidated. At the beginning of 2024, an add-on acquisition was also made by OVKsyd Service AB, which primarily performs ventilation inspections and ventilation adjustments.

At the end of the year, the segment consisted of 15 wholly-owned operating companies with 9 associated subsidiaries, comprising a total of 736 employees. See also page 11 for more information about OVKsyd Service AB and Note 11 for an overview of the segment's subsidiaries.

Net sales and EBITA margin



Share of consolidated sales, Jan–Dec 2023



¹⁾ As a result of Novedo's acquisition intensity last year, the comparative figures for H2 2022 are to some extent positively affected in connection with the implementation of the percentage completion method for a large number of companies at the same time. A more accurate picture of Novedo's earnings and margin development is therefore provided over a longer period of time.

Financial overview

SEK M	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Net sales	400.6	338.8	1,382.0	1,013.0
EBITA	62.1	48.3	167.0	119.2
EBITA-margin, %	15.5	14.3	12.1	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.

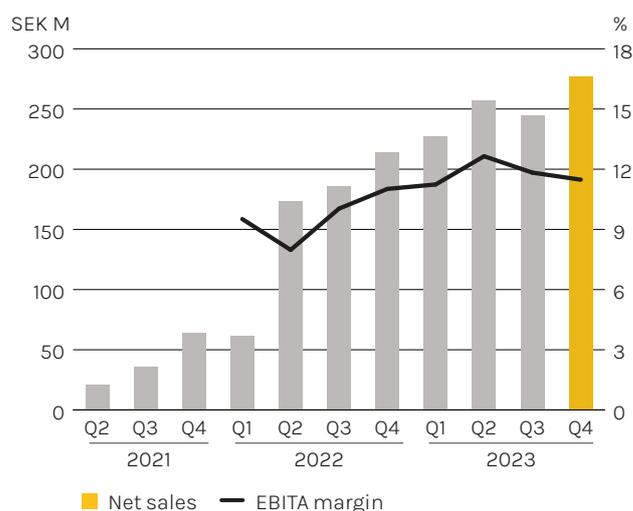
The Infrastructure business segment accounted for 37.1 percent (35.0) of the Group's total net sales for the full year 2023. Novedo intends to grow the segment over time to correspond to one-third of the Group's total sales.

Net sales increased year-on-year, mainly as a result of the acquisition of Nordkabel A/S in December 2022 and Nørgaard Anlaeg Holding ApS in December 2023, and amounted to SEK 277.0 (213.8) million for the fourth quarter and to SEK 1,005.5 (635.6) million for the full year 2023. The segment shows a solid development and EBITA amounted to SEK 30.4 million (26.5) for the quarter and to SEK 115.4 million (70.0) for 2023. The EBITA margin was 11.0 percent (12.4) for the quarter and 11.5 percent (11.0) for 2023.

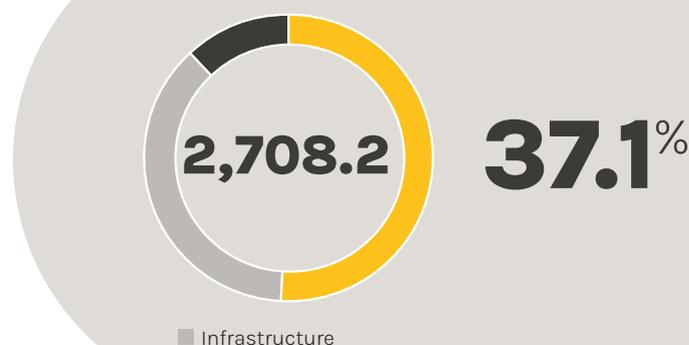
State and regional investments in infrastructure are having a positive impact on the segment. Historically, economic slowdowns have had a low impact on infrastructure investments. The existing order situation is stable, which is partly due to a high degree of government projects and a high proportion of framework agreements.

In 2023, Nørgaard Anlaeg Holding ApS and its subsidiaries with annual sales of SEK 182.5 million were acquired and consolidated. The group of companies carries out ground and construction work, mainly in southern Denmark. A strategic add-on acquisition was also made in the form of Dundertech AB, which is a product company in the mining industry. At the end of the year, the segment consisted of 6 operating companies with 11 associated subsidiaries, comprising 403 employees. See also page 11 for more information about Nørgaard and Note 11 for a comprehensive overview of the Group's subsidiaries.

Net sales and EBITA margin



Share of consolidated sales, Jan–Dec 2023



¹⁾ As a result of Novedo's acquisition intensity last year, the comparative figures for H2 2022 are to some extent positively affected in connection with the implementation of the percentage completion method for a large number of companies at the same time. A more accurate picture of Novedo's earnings and margin development is therefore provided over a longer period of time.

Financial overview

SEK M	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Net sales	277.0	213.8	1,005.5	635.6
EBITA	30.4	26.5	115.4	70.0
EBITA-margin, %	11.0	12.4	11.5	11.0



Industry

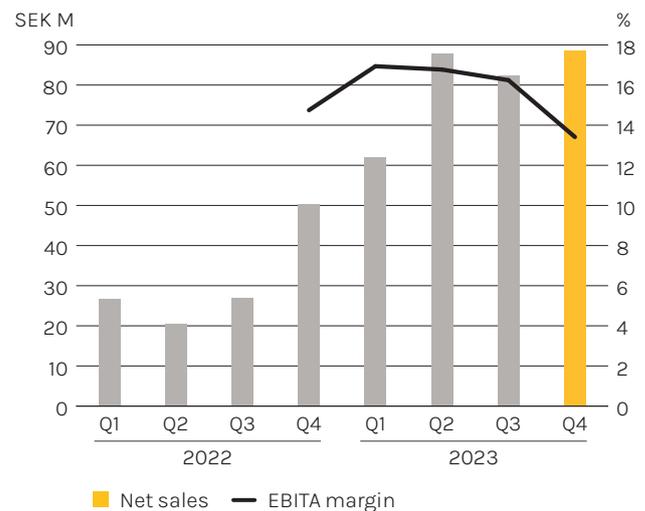
The business segment consists of industrial niche companies that add clear customer value in manufacturing or trade intended for B2B, such as sub-contractors to product companies, distributors and companies with their own product development.

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. Net sales increased significantly year-on-year, as a result of the acquisition of the Danish industrial company Stantraek A/S, whose accounts have been included as of March 2023, and amounted to SEK 88.5 million (50.4) for the fourth quarter and to SEK 320.7 million (124.6) for the full year 2023. EBITA amounted to SEK 7.8 (10.7) million for the quarter and increased to SEK 43.0 (18.4) million for the full year. The EBITA margin was 8.8 percent (21.2) for the quarter and 13.4 percent (14.8) for 2023. The margin for the fourth quarter of 2022 was strongly positively impacted by the current supply chain disruptions due to material shortages. The segment's relatively low sales can also result in larger quarterly variations in earnings and margin development, which is why the segment's development should be reviewed over a longer period for a more accurate picture.

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 point of consumption should benefit European electronics manufacturers with highly automated manufacturing in the future.

Stantraek A/S, with approximately 70 employees and annual sales of SEK 173.0 million for 2023, was acquired and taken possession of during the first quarter of 2023. Stantraek is a specialist in customized components and sheet metal parts for industrial applications. At the end of the period, the segment consisted of two operating companies and two associated subsidiaries with 152 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-Dec 2023



Financial overview

SEK M	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Net sales	88.5	50.4	320.7	124.6
EBITA	7.8	10.7	43.0	18.4
EBITA-margin, %	8.8	21.2	13.4	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 2023 amounted to approximately SEK 173.0 million.

CEO: Morten Petri Lauritsen
www.stantraek.com

Nørgaard Anlæg Holding ApS

In the fourth quarter of 2023, Novedo acquired the Danish infrastructure group Nørgaard (Nørgaard Anlæg Holding ApS and its subsidiaries Nørgaard Anlæg ApS, Nørgaard Anlæg Maskinudlejning ApS, Sydvestjyllands Miljø og Genbrug ApS and Nørgaard Anlæg Miljø ApS). Nørgaard, with approximately 45 employees, was founded in 1979 and carries out ground and construction work primarily for the public sector, such as municipal energy and water and sewage companies (district heating, sewage, and sewage work) or directly for municipalities (urban renewal/pavements and parks). Total turnover for 2023 amounted to SEK 182.5 million.

CEO Nørgaard Group: Michael Nørgaard
www.na-ribe.dk



OVKservice Syd AB

In the first quarter of 2024, Novedo's subsidiary Ventilationskontroll Aeolus Aktiebolag acquired the company OVKservice Syd AB. OVKservice, which was founded in 1996 in Löddeköpinge (southern part of Sweden), primarily performs ventilation inspections, balancing, and ventilation cleaning, which accounts for approximately 90 percent of revenue. The business consists of nine employees who primarily carry out operations in southern part of Sweden. Annual sales for 2023 amount to approximately SEK 10 million. OVKservice is included in the Installation & Services segment as a subsidiary of Ventilationskontroll Aeolus Aktiebolag.

CEO: Fredrik Gyllander
www.ovkservice.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 summer holiday period, which falls in the third quarter. 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 company units 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 1.5 (0.8) million in the fourth quarter and SEK 4.6 (1.6) million for the full-year period. The result amounted to SEK -37.3 (-11.3) million in the fourth quarter and SEK 73.8 (-52.3) million in 2023. The parent company's earnings were negatively impacted by interest expenses for the bond loan of SEK -42.9 (-24.3) million for the quarter and SEK -130.4 (-66.8) million for the full-year period.

Employees

At the end of the quarter, the Group had 1,304 (1,122) employees, of which 3 (3) employees were employed by the Parent Company.

Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

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 Byggplåt AB, Stantraek A/S and Nørgaard Anlæg Holding ApS, which were acquired in 2023, have successfully undergone a sustainability review by an external party within the framework of the acquisition analysis. To further develop Novedo's sustainability work, so-called stakeholder dialogues were initiated in early 2024.



Share capital

Novedo Holding AB (publ) has one class of shares. On September 21, 2023, an EGM was held which, among other things, resolved to amend the Articles of Association and to increase the number of shares by dividing all shares into 500 (so-called share split 500:1). As of December 31, 2023, the share capital amounted to SEK 551,970.05 (551,970.05) divided into 15,480,000 (30,960) shares, resulting in a quota value of approximately SEK 0.04.

Owners of companies that Novedo has acquired have chosen to become shareholders of the Novedo Group through preference shares in Novedo AB (a wholly-owned subsidiary of Novedo Holding AB (publ)).

Shareholder

Esmaeilzadeh Holding AB owns 68.0 percent of Novedo's shares. In addition, F Holmström PE 3 AB has a shareholding of 12.7 percent. No other shareholder owns more than ten percent of the company's shares.

Dividend

The terms and conditions for senior secured bond loan 2021/2024 (ISIN: 0017070980) state that no dividend may be paid during the term of the bond loan if the company's shares are unlisted.

Consolidated income statement

SEK thousand	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating income	2				
Net sales	3	766,111	602,982	2,708,228	1,773,350
Other operating income		5,038	6,304	19,223	19,197
Total operating income		771,148	609,286	2,727,451	1,792,547
Operating expenses					
Raw materials and consumables		-276,483	-200,783	-961,260	-580,330
Goods for resale		-74,502	-86,961	-286,017	-275,992
Other external expenses		-77,370	-79,401	-281,514	-197,880
Employee benefit expensed		-236,636	-163,715	-854,757	-541,390
Depreciation and amortisation		-21,497	-14,724	-79,739	-41,309
Depreciation of right-of-use assets		-11,601	-10,408	-41,444	-28,342
Other operating expenses		-1,296	-2,411	-4,078	-4,774
Total operating expenses		-699,385	-558,403	-2,508,808	-1,670,017
Operating profit (EBIT)		71,764	-50,883	218,642	122,530
Profit/loss from financial items	4				
Gain/loss on disposal of subsidiaries		-	-5,985	934	-19,787
Financial income		3,021	835	9,802	955
Financial expenses		-85,176	-55,069	-309,830	-135,229
Total financial items		-82,156	-60,219	-299,094	-154,060
Pre-tax profit/loss		-10,392	-9,336	-80,452	-31,531
Income tax		-6,586	-16,255	-16,960	-25,410
Profit/loss for the period		-16,978	-25,591	-97,412	-56,941
Attributable to shareholders in the Parent Company		-18,991	-25,820	-101,100	-59,116
Attributable to non-controlling interests		2,013	228	3,688	2,175
<i>Earnings per share before and after dilution</i>		-1.23	-833.95	-6.53	-1,909.42
<i>Average number of shares before and after dilution</i>		15,480,000	30,960	15,480,000	30,960

On September 21, 2023, an Extraordinary General Meeting was held which, among other things, resolved to increase the number of shares by dividing all shares into 500 (so-called share split 500:1). As of December 31, 2023, the share capital amounted to SEK 551,970.05 (551,970.05) divided into 15,480,000 (30,960) shares, resulting in a quota value of approximately SEK 0.04 (17.83).

Consolidated statement of other income

SEK thousand	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Profit/loss for the period	-16,978	-25,591	-97,412	-56,941
<i>Other comprehensive income:</i>				
<i>Items that may be reclassified to profit or loss</i>				
Exchange-rate differences	-25,444	7,715	-21,748	9,033
Other comprehensive income for the period		-		-
Total comprehensive income for the period	-42,422	-17,877	-119,160	-47,908
Attributable to:				
Shareholders in the Parent Company	-42,913	-18,105	-121,671	-50,765
Non-controlling interests	491	228	2,511	2,857

Consolidated balance sheet

SEK thousand	Note	2023 Dec 31	2022 Dec 31
Intangible assets			
Intangible assets		1,525,575	1,298,183
Total Intangible assets		1,525,575	1,298,183
Tangible assets			
Plant and equipment		83,693	79,161
Furniture, tools and fittings		36,148	13,007
Buildings		40,932	17,609
Leasehold improvements		1,337	164
Total tangible assets		162,110	109,941
Right-of-use assets		120,534	88,676
Financial assets			
Other non-current securities holdings		3,891	4,318
Deferred tax assets		37,354	-
Other non-current receivables		2,923	774
Total financial assets		44,169	5,092
Total non-current assets		1,852,387	1,501,893
Inventories, etc.			
Raw materials and consumables		128,572	93,903
Total inventories		128,572	93,903
Current receivables			
Accounts receivable - trade		492,823	372,665
Current tax assets		21,946	23,130
Other current receivables		28,204	26,878
Contract assets		172,702	83,617
Prepayments and accrued income		50,658	11,880
Total current receivables		766,333	518,170
Liquid investments		1,522	1,096
Cash and cash equivalents		226,875	188,970
Total current assets		1,123,302	802,140
Total assets		2,975,690	2,304,032

Consolidated balance sheet, cont.

SEK thousand	Note	2023 Dec 31	2022 Dec 31
Equity			
Share capital		552	552
Other contributed capital		389,545	364,205
Profit/loss brought forward, including profit for the period		-162,748	-51,238
Equity attributable to shareholders in the Parent Company		227,349	313,520
Non-controlling interests		146,177	154,526
Total equity		373,526	468,047
Non-current liabilities			
Provisions for pensions and similar obligations		5,033	5,645
Other provisions		2,347	2,118
Conditional purchase prices	6	382,809	295,948
Other acquisition-related liabilities		-	37,200
Deferred tax liabilities		93,830	76,622
Lease liabilities		79,602	47,718
Bonds issued	7	-	938,001
Liabilities to credit institutions	7	2,751	4,932
Other non-current liabilities		111	137
Total non-current liabilities		566,483	1,408,321
Current liabilities			
Lease liabilities		22,404	26,344
Obligationslån	7	1,232,699	-
Liabilities to credit institutions	7	2,298	4,123
Acquisition-related liabilities	6	96,819	-
Övriga förvärvsrelaterade skulder		37,200	14,611
Advance payments from customers		81,710	1,174
Accounts payable - trade		191,514	138,329
Bank overdraft facilities		-	8,588
Tax liabilities		24,547	26,687
Liabilities to principal shareholder		104,167	30,000
Other current liabilities		66,836	57,529
Contract liabilities		21,824	11,224
Accrued expenses and deferred income		153,663	109,054
Total current liabilities		2,035,681	427,663
Total liabilities		2,602,164	1,835,985
Total equity and liabilities		2,975,690	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		-	123,189	-	-	123,189	15,070	138,259
		-	-	-	-	-	-309	-309
Shareholders' contribution		-	-91,862	-	-	-91,862	91,862	-
Change in attributable to non-controlling interests		-	32,335	-	-	32,335	-32,335	-
Total transactions with shareholders		-	63,662	-	-	63,662	74,288	137,950
Profit/loss for the period		-	-	-	-59,116	-59,116	2,175	-56,941
Translation effect of foreign operations		-	-	8,351	-	8,351	682	9,033
Change in attributable to non-controlling interests		-	-	-	617	617	-617	-
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	8,351	-58,499	-50,147	2,239	-47,908
Closing balance, Dec 31, 2022		552	364,205	8,351	-59,589	313,520	154,526	468,047
Opening balance, Jan 1 2023		552	364,205	8,351	-59,589	313,520	154,526	468,047
New share issue		-	14,076	-	-	14,076	1,531	15,607
Shareholders' contribution		-	-1,573	-	-	-1,573	1,573	-
Change in attributable to non-controlling interests		-	12,837	-	-	12,837	-12,837	-
Total transactions with shareholders		-	-	-	-	25,340	-9,733	15,607
Profit/loss for the period		-	-	-	-101,100	-101,100	3,688	-97,412
Translation effect of foreign operations		-	-	-11,602	-	-11,602	-1,114	-12,715
Change in attributable to non-controlling interests		-	-	63	1,128	1,191	-1,191	-
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-11,539	-99,972	-111,511	1,384	-110,127
Closing balance, Dec 31, 2023		552	389,545	-3,188	-159,561	227,349	146,177	373,526

SEK thousand	2023 Dec 31	2022 Dec 31
Number of ordinary shares at the beginning of the period	30,960	30,960
Number of ordinary shares at the end of the period	15,480,000	30,960
Total number of shares at the end of the period	15,480,000	30,960

On September 21, 2023, an Extraordinary General Meeting was held which, among other things, resolved to increase the number of shares by dividing all shares into 500 (so-called share split 500:1). As of December 31, 2023, the share capital amounted to SEK 551,970.05 (551,970.05) divided into 15,480,000 (30,960) shares, resulting in a quota value of approximately SEK 0.04 (17.83).

Consolidated statement of cash flow

SEK thousand	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating profit		71,764	50,883	218,642	122,530
Adjustments for non-cash items, etc	8	31,055	29,836	120,409	73,063
Net interest income/expenses paid		-42,465	-19,142	-130,419	-63,559
Income tax paid		-18,862	-1,574	-64,160	-49,476
Cash flow from operating activities before changes in working capital		41,492	60,003	144,472	82,558
Total change in operating receivables		-10,895	-31,858	-149,497	-52,921
Total change in operating liabilities		8,280	37,557	113,324	22,622
Cash flow from operating activities		38,877	65,702	108,299	52,259
Acquisition of subsidiaries		-93,414	265,846	-308,261	-827,441
Divestments of subsidiaries		-	42	934	-1,984
Investments in tangible assets		-10,242	-2,162	-43,874	-5,638
Disposals of items of property, plant and equipment		2,285	1,297	8,482	36,027
Investments in right-to-use assets		-1,769	-339	-2,865	-12,041
Settlement of short-term financial liabilities		-102	-5,000	-2,197	-8,000
Change in current financial investments		-	-	-	-72
Cash flow from investing activities		-103,243	-272,008	-347,780	-819,149
Borrowings		-	11	391,624	197,968
Repayment of borrowings to credit institutions		-761	-4,581	-59,991	-53,491
Repayment of lease liabilities		-12,571	-8,107	-38,130	-25,099
Change in bank overdraft facilities		-394	11,854	-16,738	14,975
Cash flow from financing activities		-13,725	-821	276,765	134,353
Cash flow for the period		-78,091	-207,129	37,283	-632,536
Cash and cash equivalents - opening balance		305,614	396,051	188,970	821,432
Exchange-rate differences in cash and cash equivalents		-648	48	622	74
Cash and cash equivalents - closing balance		226,875	188,970	226,875	188,970

Statement of comprehensive income

– Parent Company

SEK thousand	Not	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating income					
Net sales		1,492	788	4,564	1,577
Other operating income		2	1	2	1
Total operating income		1,493	789	4,566	1,578
Operating expenses					
Other external expenses		-65	-1,711	-4,888	-3,725
Employee benefit expenses		-6,374	-2,261	-18,634	-4,654
Other operating expenses		-204	-1	-205	-2
Total operating expenses		-6,643	-3,972	-23,727	-8,380
Operating loss		-5,150	-3,184	-19,161	-6,803
Profit/loss from operating items					
Result from shares in subsidiaries		-	-	208,435	-
Interest income		4,828	301	5,637	664
Interest expenses		-54,237	-24,805	-160,693	-67,279
Profit/loss after financial items		-54,559	-27,687	34,217	-73,417
Group contributions received		-	23,568	-	23,568
Tax on profit for the year		17,246	-7,186	39,552	-2,475
Profit/loss for the year		-37,313	-11,305	73,769	-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 Dec 31	2022 Dec 31
Financial assets		
Participation in Group companies	1,258,248	1,033,927
Deferred tax assets	37,354	-
Total financial assets	1,295,602	1,033,927
Current assets		
Aktuella skattefordringar	280	-
Receivables from Group companies	181,791	29,614
Other current receivables	662	103
Prepayment and accrued income	25,867	197
Cash and cash equivalents	21,938	1,134
Total current assets	230,538	31,048
Total assets	1,526,140	1,064,975
Equity and liabilities		
Equity	158,070	84,301
Total equity	158,070	84,301
Bonds issued	-	938,001
Total non-current liabilities	-	938,001
Obligationslån	1,232,699	-
Accounts payable - trade	1,243	69
Debt to principal shareholder	104,167	30,000
Other current liabilities	674	2,190
Accrued expenses and deferred income	29,287	10,415
Total current liabilities	1,368,070	42,674
Total liabilities	1,368,070	980,675
Total equity and liabilities	1,526,140	1,064,975

Quarterly financials

SEK thousand	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Net sales	766,111	631,393	721,469	589,255	602,982	457,224	432,454	280,691	203,655	102,596	54,082	10,424
Net sales growth, %	27.1	38.1	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)	71,764	37,033	75,734	34,112	50,883	40,294	25,095	6,257	16,429	4,382	3,777	-1,311
EBIT margin, %	9.4	5.9	10.5	5.8	8.4	8.8	5.8	2.2	8.1	4.3	7.0	-12.6
EBITA	85,484	50,473	89,803	46,518	60,747	49,357	31,874	11,576	19,961	7,356	4,726	-1,065
EBITA margin, %	11.2	8.0	12.4	7.9	10.1	10.8	7.4	4.1	9.8	7.2	8.7	-10.2
EBITDA	104,862	67,398	105,982	61,583	76,015	57,383	41,186	17,596	24,582	10,154	5,806	-952
EBITDA margin, %	13.7	10.7	14.7	10.5	12.6	12.6	9.5	6.3	12.1	9.9	10.7	-9.1
Pre-tax profit/loss	-10,392	-25,304	-11,161	-33,595	-9,336	224	-5,982	-16,436	6,256	131	2,100	-1,784
Profit/loss for the period	-16,978	-30,465	-16,328	-33,642	-25,591	-2,227	-11,180	-17,943	1,414	-604	1,353	-1,637
Net-interest-bearing debt	1,215,525	1,121,348	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	3.3	2.7	2.4	2.4	1.9	1.3	0.9	0.3	-0.1	0.6	0.4	-0.6
Equity/assets ratio, %	12.6	13.9	15.2	16.2	20.4	22.5	24.7	25.4	25.9	30.0	33.0	52.5
Return on equity, %	-4.5	-7.5	-3.6	-7.4	-5.5	-0.5	-2.5	-4.4	0.6	-0.3	1.5	-3.0
Number of employees at the end of the period	1,304	1,284	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 as per December 31, 2023. See also Note 5 for more information.

Performance measures not defined pursuant to IFRS

SEK thousand	2023 Q4	2023 Q3	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)	71,764	37,033	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	13,720	13,440	14,069	12,406	9,864	9,063	6,779	5,319	3,532	2,974	949	246
(B) EBITA	85,484	50,473	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	19,378	16,925	16,179	15,065	15,268	8,026	9,311	6,021	4,621	2,798	1,080	113
(C) EBITDA	104,862	67,398	105,982	61,583	76,015	57,383	41,185	17,597	24,582	10,154	5,806	-952
Acquisition-related items	1,863	-	-	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	87,347	50,473	87,648	55,746	76,779	52,756	37,531	14,494	19,961	9,595	5,613	-240
(E) Adjusted EBITDA	106,725	67,398	103,827	70,811	92,047	60,782	46,842	20,515	24,582	12,393	6,693	-127
(F) Net sales	766,111	631,393	721,469	589,255	602,982	457,224	432,454	280,691	203,655	102,596	54,082	10,424
(A/F) EBIT margin, %	9.4	5.9	10.5	5.8	8.4	8.8	5.8	2.2	8.1	4.3	7.0	-12.6
(B/F) EBITA margin, %	11.2	8.0	12.4	7.9	10.1	10.8	7.4	4.1	9.8	7.2	8.7	-10.2
(C/F) EBITDA margin, %	13.7	10.7	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, %	11.4	8.0	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, %	13.9	10.7	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, e.g. 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 Oct–Dec, SEK thousand	Industry	Infrastructure	Installation & Services	Total segment	Group items	Total
Operating segments						
Net sales	88,466	277,028	400,617	766,111	-	766,111
Other operating income	553	1,559	2,920	5,032	5	5,038
Total operating income	89,019	278,587	403,538	771,143	5	771,148
Operating expenses						
Raw materials, consumables and goods for resale	-49,214	-121,984	-179,787	-350,985	-	-350,985
Other external expenses	-7,176	-37,452	-30,998	-75,626	-1,744	-77,370
Employee benefit expenses	-21,504	-78,396	-125,020	-224,919	-11,716	-236,636
Depreciation, amortisation and impairment of tangible and intangible assets	-1,851	-4,553	-1,106	-7,511	-266	-7,777
Depreciation of right-of-use assets	-557	-5,754	-4,442	-10,753	-848	-11,601
Other operating expenses	-960	-6	-123	-1,089	-206	-1,296
Total operating expenses	-81,262	-248,145	-341,477	-670,884	-14,781	-685,665
EBITA	7,757	30,442	62,060	100,259	-14,776	85,483
Amortisation brands and customer relationships	-1,742	-4,707	-7,272	-13,720	-	-13,720
Operating profit/loss (EBIT)	6,015	25,735	54,788	86,538	-14,776	71,764
Net financial items	-282	7,605	15,968	23,291	-105,447	-82,156
Pre-tax profit/loss	5,733	33,342	70,756	109,831	-120,223	-10,392

NOTES

Note 2, cont.

2022 Oct–Dec, SEK thousand	Industry	Infrastructure	Installation & Services	Total segment	Group items	Total
Operating segments						
Net sales	50,375	213,824	338,783	602,982	-	602,982
Other operating income	1,752	2,753	1,795	6,300	-	6,304
Total operating income	52,127	216,576	340,578	609,281	-	609,286
Operating expenses						
Raw materials, consumables and goods for resale	-29,906	-113,694	-147,150	-287,750	-	-287,744
Other external expenses	-3,733	-26,133	-29,287	-59,153	-19,914	-79,401
Employee benefit expenses	-8,712	-40,068	-110,268	-159,048	-4,667	-163,715
Depreciation, amortisation and impairment of tangible and intangible assets	-609	-3,315	-936	-4,860	-	-4,860
Depreciation of right-of-use assets	-780	-5,002	-4,626	-10,408	-	-10,408
Other operating expenses	-690	-1,862	-29	-2,581	-152	-2,411
Total operating expenses	-41,431	-190,075	-292,297	-523,803	-24,733	-548,539
EBITA	10,697	26,502	48,281	85,480	-24,733	60,747
Amortisation brands and customer relationships	-985	-2,111	-6,768	-9,864	-	-9,864
Operating profit/loss (EBIT)	9,712	24,391	41,513	75,616	-24,733	50,883
Net financial items	-79	-102	1,568	1,387	-61,606	-60,219
Pre-tax profit/loss	9,633	24,289	43,081	77,003	-86,339	-9,336
2023 Jan–Dec, SEK thousand						
	Industry	Infrastructure	Installation & Services	Total segment	Group items	Total
Operating segments						
Net sales	320,692	1,005,515	1,382,021	2,708,228	-	2,708,228
Other operating income	2,301	8,352	8,543	19,196	27	19,223
Total operating income	322,992	1,013,867	1,390,564	2,727,424	27	2,727,451
Operating expenses						
Raw materials, consumables and goods for resale	-163,716	-433,929	-649,631	-1,247,277	-	-1,247,277
Other external expenses	-27,725	-137,203	-102,582	-267,509	-14,005	-281,514
Employee benefit expenses	-77,301	-290,497	-451,024	-818,821	-35,935	-854,757
Depreciation, amortisation and impairment of tangible and intangible assets	-4,589	-17,032	-3,901	-25,521	-583	-26,104
Depreciation of right-of-use assets	-4,569	-18,556	-16,155	-39,279	-2,165	-41,444
Other operating expenses	-2,106	-1,201	-321	-3,628	-449	-4,078
Total operating expenses	280,006	-898,417	-1,223,614	-2,402,036	-53,137	-2,455,174
EBITA	42,987	115,450	166,951	325,387	-53,110	272,277
Amortisation brands and customer relationships	-6,431	-18,452	-28,752	-53,635	-	-53,635
Operating profit/loss (EBIT)	36,556	96,998	138,199	271,752	-53,110	218,642
Net financial items	-948	495	5,762	5,309	-304,404	-299,094
Pre-tax profit/loss	35,608	97,493	143,961	277,061	-357,514	-80,452

NOTES

Note 2, cont.

2022 Jan–Dec, SEK thousand	Industry	Infrastructure	Installation & Services	Total segment	Group items	Total
Operating segments						
Net sales	124,645	635,570	1,013,135	1,773,350	-	1,773,350
Other operating income	1,949	5,153	12,090	19,192	5	19,197
Total operating income	126,593	640,723	1,025,225	1,792,541	5	1,792,547
Operating expenses						
Raw materials, consumables and goods for resale	-70,524	-351,476	-434,323	-856,323	-	-856,323
Other external expenses	-10,592	-77,760	-73,988	-162,340	-35,540	-197,880
Employee benefit expenses	-23,334	-120,011	-379,623	-522,968	-18,422	-541,390
Depreciation, amortisation and impairment of tangible and intangible assets	-1,855	-6,523	-1,906	-10,284	-	-10,284
Depreciation of right-of-use assets	-1,022	-11,515	-15,807	-28,342	-	-28,342
Other operating expenses	-847	-3,428	-342	-4,617	-157	-4,774
Total operating expenses	-108,172	-570,713	-905,989	-1,584,874	-54,119	-1,638,993
EBITA	18,421	70,010	119,238	207,669	-54,114	153,555
Amortisation brands and customer relationships	-2,950	-7,420	-20,655	-31,025	-	-31,025
Operating profit/loss (EBIT)	15,471	62,590	98,583	176,644	-54,114	122,530
Net financial items	-99	-1,626	547	-1,178	-152,883	-154,060
Pre-tax profit/loss	15,372	60,964	99,130	175,466	-206,997	-31,531

Note 3 Net sales and revenue distribution

Net sales by segment and time for revenue, SEK thousand	2023 okt-dec	2022 okt-dec	2023 jan-dec	2022 jan-dec
Installation & Services				
Services transferred over time	400,617	338,783	1,382,021	1,013,135
Goods transferred at a single point in time	-	-	-	-
Total	400,617	338,783	1,382,021	1,013,135
Infrastructure				
Services transferred over time	261,517	194,535	951,510	584,413
Goods transferred at a single point in time	15,510	19,289	54,004	51,157
Total	277,028	213,824	1,005,515	635,570
Industry				
Services transferred over time	-	-	-	-
Goods transferred at a single point in time	88,466	50,375	320,692	124,645
Total	88,466	50,375	320,692	124,645
Total net sales by time for revenue				
Services transferred over time	662,135	533,318	2,333,532	1,597,548
Goods transferred at a single point in time	103,976	69,664	374,696	175,802
Total	766,111	602,982	2,708,228	1,773,350

Novedo manages and monitors the Group's operations through three business segments: Industry, Infrastructure, and Installation & Services. Net sales are recognized as services transferred over time and goods transferred at a single point in time.

NOTES

Note 3, cont.

Net sales distributed by segment and geography, SEK thousand	2023 okt-dec	2022 okt-dec	2023 jan-dec	2022 jan-dec
Installation & Services				
Sweden	398,210	334,765	1,362,463	1,006,257
Other EU	956	3,934	16,033	6,641
Rest of the world	1,452	84	3,525	238
Total	400,617	338,783	1,382,021	1,013,135
Infrastructure				
Sweden	165,539	184,036	634,296	605,782
Other EU	111,246	29,788	370,731	29,788
Rest of the world	242	-	488	-
Total	277,028	213,824	1,005,515	635,570
Industry				
Sweden	48,130	50,968	187,579	124,352
Other EU	29,999	-593	110,199	292
Rest of the world	10,338	-	22,914	-
Total	88,466	50,375	320,692	124,645
Total net sales distributed by geography				
Sweden	611,878	569,769	2,184,338	1,736,391
Other EU	142,201	33,130	496,963	36,721
Rest of the world	12,032	84	26,927	238
Total	766,111	602,982	2,708,228	1,773,350

Novedo manages and monitors the Group's operations through three business segments: Industry, Infrastructure, and Installation & Services. Net sales from the Swedish market amounted to 80.7 percent (97.9) for the full year 2023. In 2023, the Group's revenue from countries outside Sweden increased to 19.3 percent (2.1), most of which came from the Danish market.

Note 4 Financial items

SEK thousand	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Capital gain/loss on divestment of subsidiary	-	-	934	-
Exchange rate differences	-411	-	5,058	-
Other financial income	3,433	835	4,744	955
Total financial income	3,021	835	10,736	955
Interest expenses, bonds issued	-47,793	-24,351	-147,448	-66,791
Interest expenses, lease liabilities	-1,385	-389	-4,026	-1,478
Capital gain/loss on divestment of subsidiary	-	-5,985	-	-19,787
Change in present value of conditional purchase prices following acquisitions	-17,213	-7,630	-55,131	-22,784
Remeasurement and discounting of conditional purchase price	-11,950	-22,123	-88,664	-42,937
Interest expenses, principal shareholder	-5,194	-448	-11,995	-448
Other interest-related and financial expenses	-1,642	-128	-2,566	-791
Total financial expenses	-85,176	-61,054	-309,830	-155,015
Financial items - net	-82,156	-60,219	-299,094	-154,060

Note 5 Business combinations

Acquisitions during the period January–December 2023

Acquisition	Segment	Consolidated	Country	Proportion of shares and votes	Net sales, SEK million ¹⁾	No. of employees
Helsingborgs Byggplåt AB	Installation & Services	March	Sweden	100%	103.3	40
Stantraek A/S	Industry	March	Denmark	100%	173.0	71
Dundertech AB	Infrastructure	April	Sweden	100%	25.6	2
Nørgaard Anlaeg Holding ApS	Infrastructure	December	Danmark	100%	182,5	45

¹⁾ Refers to the full year 2023.

During the full year 2023, Novedo has acquired four companies: Helsingborgs Byggplåt AB, Stantraek A/S, Dundertech AB and Nørgaard AnlaegHolding ApS. No acquisition is individually significant for the Group at the end of the year. Allocation of the purchase price is a complex process, and the assessment is that analyses are required to fully assess future profit generation capacity based on employees' knowledge and access to new markets, synergies, and customer contracts. Final acquisition analyses for all acquisitions completed in 2023 have been prepared. These acquisition analyses show no significant deviations from reported surplus values in previous quarters.

The total purchase price for acquisitions in 2023 amounts to SEK 372.2 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.

Goodwill attributable to acquisitions carried out in 2023 amounts to SEK 223.5 million. The Group's goodwill is tested for impairment annually per cash-generating unit. Trademarks consist of acquired corporate brands and are depreciated over 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. Customer relationships and trademarks attributable to acquisitions in 2023 amounted to SEK 40.3 million and SEK 13.3 million, respectively. Acquisition-related costs for 2023 amount to SEK 8.9 million.

The contingent consideration is based on the operating profit of the acquired company over the next few years and shall exceed a level agreed upon by both parties in accordance with the agreement. As of December 31, 2023, the undiscounted amount that may be paid to the former owners amounts to SEK 584.6 million.

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

SEK thousand	Installation & Services	Infrastructure	Industry	Total
Net sales	85,177	36,172	142,445	263,794
EBIT	13,593	16,477	15,296	45,366

Pro forma impact of the acquisitions from January 1, 2023

SEK thousand	Installation & Services	Infrastructure	Industry	Total
Net sales	103,263	208,037	172,978	484,278
EBIT	14,373	43,180	18,499	76,052

Note 6 Conditional purchase prices

The contingent consideration is based on the operating profit of the acquired company over the next few years and shall exceed a level agreed upon by both parties according to the agreement. Conditional consideration is usually paid after three years from the date of acquisition if the conditions are met.

The fair value of the earn-out is calculated based on the expected outcome of targets set in agreements, given a discount rate of 13.9 percent.

Changes in recognised conditional purchase prices, SEK thousand

As of January 1 2023	295,947
Added through acquisition	60,476
Paid	-20,000
Revaluation contingent purchase prices	88,664
Change in present value of interest-bearing time factor	55,130
Currency effect	-590
As of December 31 2023	479,628

Note 7 Bonds issued and liabilities to credit institutions

SEK thousand	2023 Dec 31	2022 Dec 31	Borrowing on Dec 31, 2023	Interest rate, % maturity	Year of maturity	Nominal value	Carrying amount
Opening carrying amount	947,056	745,652	Bonds issued	STIBOR +6.5	2024	1,250,000	1,232,699
Acquired borrowings	3,461	34,777	Liabilities to credit institutions	0.8-4.0%	2023-26	5,049	5,049
Borrowings for the period	276,636	199,398	Closing carrying amount			1,255,049	1,237,748
Amortisation of borrowing expenses	18,074	5,975					
Amortisation for the period	-7,484	-38,746					
Closing carrying amount	1,237,748	947,056	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	0.8-3.1%	2023-26	9 055	9 055
			Closing carrying amount			965 305	947 056

Note 8 Adjustments for non-cash items

SEK thousand	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Depreciation, equipment	7,777	4,860	26,094	10,266
Depreciation, intangible assets	13,720	9,864	53,645	31,043
Depreciation, right-of-use assets	11,601	10,408	41,444	28,342
Gain/loss on other securities and receivables	1,430	995	1,373	863
Disposals of tangible assets	-1,263	1,168	-5,062	851
Change in provisions	71	881	-511	-45
Exchange rate differences	-2,282	1,661	3,426	1,743
Total	31,055	29,836	120,409	73,063

Note 9 Related-party transactions

During the year, in addition to salaries and other remuneration, transactions with related parties amounted to SEK 285 thousand in the form of consultancy fees. In 2023, a subordinated shareholder loan from the principal owner totaled SEK 104.2 million. Previous shareholder loans have been amortized in full.

Note 10 Pledged securities and contingent liabilities

Pledge assets, SEK thousand	Dec 31, 2023	Dec 31, 2022
Floating charge	50,031	40,497
Assets with retention of title	10,136	24,206
Assets pledged for pension commitments	2,169	-
Shares in Group companies	1,467,090	537,267
Total	1,529,426	601,970

Contingent liabilities, SEK thousand	Dec 31, 2023	Dec 31, 2022
Performance guarantees	17,696	18,424
Guarantee commitments	1,704	5,249
Total	19,400	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%
Novum Vetus Domus OpCo Germany (pending name change)	-	-	Germany	HRB 131390	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%
Ventera i Göteborg AB	Installation & Services	Oct 2023	Sweden	559453-8489	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	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%
Norgaard Anlaeg Holding A/S	Infrastructure	Dec 2023	Denmark	37418226	100%
Norgaard Anlaeg ApS	Infrastructure	Dec 2023	Denmark	14546294	100%
Norgaard Anlaeg Maskinudlejning ApS	Infrastructure	Dec 2023	Denmark	36507063	100%
Sydvestjyllands Miljø og Genbrug ApS	Infrastructure	Dec 2023	Denmark	37523763	100%
Norgaard Anlaeg Miljø ApS	Infrastructure	Dec 2023	Denmark	37638846	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.

Financial calendar

Annual Report 2023	April 23, 2024
Interim Report Q1 2024	May 8, 2024
AGM 2024	May 16, 2024
Interim Report Q2 2024	August 22, 2024
Interim Report Q3 2024	November 6, 2024



Assurance

The Board of Directors and the CEO assure that the Year-End 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, February 14, 2024

Novedo Holding AB (publ)

Jan Johansson
Chairman

Mouna Esmaeilzadeh
Board member

Saeid Esmaeilzadeh
Board member

Christer Hellström
Board member

Mona Öljansdotter Johansson
Board member

Erik Rune
Board member

Per-Johan Dahlgren
President & CEO

This interim report has not been subject to Auditors' limited assurance.

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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. The information was submitted for publication, through the contact persons set out above, at 07:30 CET on February 14, 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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