



**Interim report  
January-September 2023**



# Good growth and improved margin

## July-September 2023

- Total operating revenue amounted to NOK 792.2 million (612.0), an increase of 29.4%. Currency adjusted organic growth was 7.8%.
- Revenue from customer contracts amounted to NOK 785.1 million (610.6), an increase of 28.6%.
- EBIT amounted to NOK 110.1 million (76.6).
- The period was charged with non-recurring items amounting to NOK 0.9 million (1.1).
- Adjusted EBITA amounted to NOK 124.0 million (86.7), up 43.1%.
- Profit for the period was NOK 70.4 million (49.8), up 41.1%.
- Cash flow from operating activities totaled NOK 131.8 million (133.3).
- Basic/Diluted earnings per share amounted to NOK 0.39 (0.27).

## January-September 2023

- Total operating revenue amounted to NOK 2,296.2 million (1,746.9), an increase of 31.4%. Currency adjusted organic growth was 6.7%.
- Revenue from customer contracts amounted to NOK 2,277.4 million (1,732.7), an increase of 31.4%.
- EBIT amounted to NOK 223.9 million (176.4).
- The period was charged with non-recurring items amounting to NOK 7.7 million (6.7).
- Adjusted EBITA amounted to NOK 266.1 million (207.5), up 28.2%.
- Profit for the period was NOK 159.7 million (126.2), up 26.5%.
- Cash flow from operating activities totaled NOK 309.4 million (199.9).
- Basic/Diluted earnings per share amounted to NOK 0.87 (0.69).

## Significant events during the January-September 2023 period

- Norva24 acquired NRC Gravco in Oslo adding NOK 90 million in revenues and further consolidating Norva24's position in the Oslo and surrounding area.
- Mikael Smedborn assumed the position as new CEO of Sweden from April 1, 2023.
- Henrik Norrbom took on the role as Group CEO from September 18, 2023.

## Significant events after the reporting period

- Norva24 has acquired Baier Rohrreinigung GmbH in Germany and ControTech i Malmö AB in Sweden. Through these acquisitions the Group has added approximately NOK 85 million of revenues.

## FINANCIAL OVERVIEW

NOK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022- Sep 2023	Jan-Dec 2022
Total operating revenue	792.2	612.0	2,296.2	1,746.9	3,015.7	2,466.5
Growth – total revenue, %	29.4	13.1	31.4	21.6	29.1	21.8
Adjusted EBITA	124.0	86.7	266.1	207.5	337.2	278.6
Adjusted EBITA margin, %	15.7	14.2	11.6	11.9	11.2	11.3
Adjusted EBITA growth, %	43.1	19.6	28.2	18.2	16.5	8.1
EBIT	110.1	76.6	223.9	176.4	259.2	211.7
Cash flows from operating activities	131.8	133.3	309.4	199.9	452.7	343.3
Cash conversion, %	67.4	90.7	64.8	52.3	73.6	66.0
Net debt (at period end)	1,275.5	1,083.9	1,275.5	1,083.9	1,275.5	1,074.1
Net debt (at period end)/LTM adjusted EBITDA	2.1	2.1	2.1	2.1	2.1	2.1
Earnings per share (basic and diluted), NOK	0.39	0.27	0.87	0.69	0.95	0.76

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## Uniquely positioned in a market with long-term growth prospects



Having joined Norva24 in September, I'm truly encouraged by the strong performance reflected in my first quarterly report with the team.

Revenue growth in the third quarter was strong at 29 percent, of which 8 percent currency adjusted organic growth. We have improved utilization and cost control significantly, leading to adjusted EBITA margin improvement of 1.5 percentage-points to 15.7 in the third quarter. The Quarter-on-Quarter EBITA margin improvement was 5.9 percentage-points. The report demonstrates the strength of our model and resilience even in a market with weaker macroeconomics.

When I was looking at Norva24 from the outside the company stood out as well positioned to benefit from the long-term secular growth of the Underground Infrastructure Maintenance services (UIM) market. Now that I have had the opportunity to travel to many of the Group's 75 branches and meet with both operators, administrative staff and the management group I am even more excited for the prospects of the industry and am convinced that Norva24 has a great opportunity to strengthen its leading market position.

**“Three areas of special importance going forward are; price optimization, improve utilization and ensure we secure the right talent in key roles.”**





The long-term trends driving Norva24s market are as strong as ever:

- Sewers in our core markets are on average more than 40 years old, and are in need of significant maintenance and renewal in the years to come
- Climate change and extreme weather require upgrades and increased maintenance
- Authorities impose stricter regulations, driving infrastructure investments

As the UIM leader in the Nordics and Germany, we are uniquely positioned to leverage these trends. Norva24 continues to operate through a route based and decentralized branch model which has been key to our success. Norva24 has long-standing relationships with local SMEs and regional customers and is one of few operators able to serve both national and international customers.

The UIM market is one that benefits tremendously of structural changes, and Norva24 has been the main consolidation driver in Northern Europe for many years. In total Norva24 has conducted 45 acquisitions, and our refined M&A strategy, which includes screening of targets, the acquisition process and integration of acquired companies is expected to create significant shareholder value. Our M&A pipeline remains rich, and we expect to continue to deliver on this growth driver going forward.

The combination of strong organic growth, strong balance sheet and solid cash conversion puts us in the driver's seat when it comes to consolidation of the UIM industry, and we will be able to fund our communicated growth plans based on our own cash flow.

In a period of macro uncertainty, it is reassuring to see evidence of Norva24s resilience to economical fluctuations. Our services are mission-critical, and we have a large share of public customers. The long term trend is showing strong growth with limited impact from the overall economy.

With a more short-term perspective, there are three areas that will be of special importance to me. These are:

- Price optimization
- Improve utilization
- Right people in the right place

Our vision remains clear and achievable: We want to be the market leader in underground infrastructure maintenance in Europe. We will continue to strengthen our position through both acquisitions and organic growth to fully live up to our promise to our customers: "We always help!"

Operating in the European UIM market, with a total addressable market of more than NOK 140 billion we have a clear number one position in Northern Europe, a market worth NOK 36 billion, our growth prospects are strong, and we are fully committed to our financial target of NOK 4.5 billion of revenue by 2025 and an adjusted EBITA margin of 14-15 percent mid term.

During the third quarter of 2023, Norva24 has seen activity levels in most branches picking up after a weak second quarter with modest growth and activity. This combined with better utilization of personnel and equipment has led to a strong uplift in margins compared to the second quarter this year and the third quarter last year.

In Q3 2023, Norva24 achieved a strong total revenue growth of 29%. Currency adjusted organic growth was solid at 8%. The adjusted EBITA was very strong at NOK 124 million, an increase of 43% up from NOK 87 million last year. The increase is broad-based, with Norway increasing their margin by 5.3%-points and Denmark by 3.5%-points. During the quarter, the extreme weather had a positive impact on the business due to increased demand for UIM services. The direct impact on Norva24s activity is modest, with an estimated added revenue of NOK 8 million or 1% increase of revenues in the quarter, and a profit contribution of approximately NOK 3 million. We do believe that extreme weathers will have a long-term impact on the operations, and that it will increase the awareness of the important role the Underground Infrastructure plays in our society as well as the importance of day-to-day maintenance of it. The back-log of investments in the Underground infrastructure is considerable in our markets, and historical renewal rates are considerable lower than the required rate going forward to maintain the state of the Underground infrastructure.

Cash flow from operating activities was good at NOK 132 million with a cash conversion of 67% of our Adjusted EBITDA. The high activity level of August and September has led to a build up of accounts receivables that will result in cash flow in Q4. Year to date the operating cash flow is up 50% from NOK 200 million in 2022 to NOK 309 million in 2023. We are comfortable with our financial position, excellent cash flow and a leverage of 2.1x LTM adjusted EBITDA at the end of Q3. During the last 12 months we have had cash flow from operating activities amounting to NOK 453 million. This is providing us with significant headroom in relation to our financial covenants in the financing facility. We currently have NOK 488 million available in the credit facility to enable continued strong M&A pace going forward.

We have over the last weeks acquired two UIM companies, one in Germany and one in Sweden, and we are currently in several due diligence processes expected to be signed during the coming months. We have a solid pipeline of potential acquisitions and remain confident that we over the coming years will be able to deliver on the overall revenue targets and increase the M&A pace.

I assumed the position, as Group CEO as from September 18, and the first two months have really strengthened my belief that we will be a European market leader within the UIM service Industry.

Henrik Norrbom  
Group CEO



# Financial overview for the Group

## Total operating revenue (Jul-Sep)

Total operating revenue amounted to NOK 792.2 million (612.0), an increase of 29.4%. Currency adjusted organic growth was 7.8%. The growth was driven by good activity levels and utilization in many branches combined with price adjustments. Acquisition growth was 14.2% in the quarter, driven by acquisitions in Germany in particular.

	Jul-Sep 2023	Jul-Sep 2022
%		
Growth – total operating revenue	29.4	13.1
Organic growth	15.3	4.4
Organic growth – currency adj.	7.8	6.7
Acquisition growth	14.2	8.8

## Total operating revenue (Jan-Sep)

Total operating revenue amounted to NOK 2,296.2 million (1,746.9), an increase of 31.4%. Currency adjusted organic growth was 6.7%. The growth was driven by good activity levels in Norway, Denmark and Germany combined with price adjustments. Acquisition growth was 17.6% in the period, driven by acquisitions in all markets.

	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
%			
Growth – total operating revenue	31.4	21.6	21.8
Organic growth	13.8	8.7	7.7
Organic growth – currency adj.	6.7	10.7	8.9
Acquisition growth	17.6	12.9	14.1

## Total operating expenses (Jul-Sep)

Total operating expenses amounted to NOK 597.5 million (466.2). The increase was driven by a higher cost base due to the acquisitions in Norway, Denmark and Germany. Operational service expenses increased mainly due to an acquisition in Germany in September 2022, with a higher usage of subcontractors and material cost. Corporate cost increased from NOK 8.9 million in 2022 to NOK 13.5 million in 2023.

## Total operating expenses (Jan-Sep)

Total operating expenses amounted to NOK 1,826.2 million (1,371.1). The increase was driven by a higher cost base due to the acquisitions in all markets, as well as a relative increase in Operational service expenses. The relative increase was mainly due to an acquisition in Germany in September 2022, with a higher usage of subcontractors and material cost than the Group average. Corporate costs increased from NOK 33.8 to NOK 47.3 million mainly due to M&A related costs, recruitment costs and costs related to key projects.

## Adjusted EBITA (Jul-Sep)

Adjusted EBITA increased strongly to NOK 124.0 million (86.7), with an EBITA margin of 15.7% (14.2), an increase of 1.5 %-points. The margin increase is due to higher activity levels and improved utilization in most branches and markets.

## Adjusted EBITA (Jan-Sep)

The increase in adjusted EBITA to NOK 266.1 million (207.5) resulted in an adjusted EBITA margin of 11.6% (11.9). The increase in adjusted EBITA is mainly attributable to the growth of the Group.

## Depreciation, amortization and impairment (Jan-Sep)

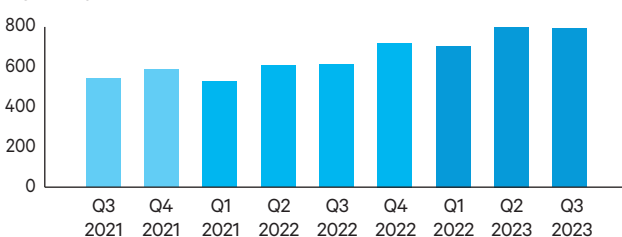
Total depreciation for the period amounted to NOK 211.5 million (175.1). The increase was primarily attributable to vehicles and equipment in the companies acquired. Total depreciation as a share of revenues was reduced from 10.0% in 2022 to 9.2% in 2023. Amortizations during the period amounted to NOK 34.6 million (24.4), primarily related to amortization of customer relationships.

## EBIT (Jan-Sep)

EBIT amounted to NOK 223.9 million (176.4). The increase in EBIT was mainly attributable to the performance in all segments, and contribution from the newly acquired companies. The non-recurring cost for the period was NOK 7.7 (6.7) million.

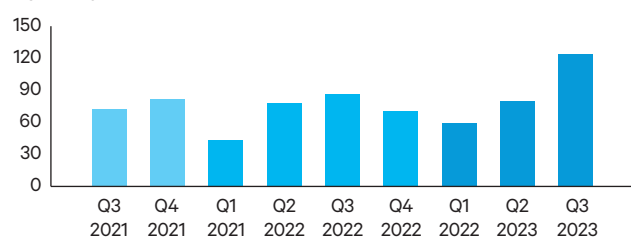
## Total operating revenue

NOK million



## Adjusted EBITA

NOK million



**Financial items (Jul-Sep)**

Net financial items amounted to NOK –22.2 million (–7.3) and consisted primarily of currency exchange gains as well as increased interest expenses on loans and lease liabilities. Interest expenses on loans in Q3 2023 were up compared to 2022 due to the increased debt and interest rate. Lease liabilities increased primarily due to recent acquisitions.

**Financial items (Jan-Sep)**

Net financial items amounted to NOK –13.5 million (–6.8) and consisted primarily of currency exchange gains as well as increased interest expenses on loans and lease liabilities. Interest expenses on loans in the period 2023 were up compared to 2022 due to the increased debt and interest rate. Lease liabilities increased primarily due to the recent acquisitions.

**Earnings (Jul-Sep)**

Profit before income tax was NOK 87.8 million (69.3). Profit for the period was NOK 70.4 million (49.8). Basic and diluted earnings per share amounted to NOK 0.39 (0.27).

**Earnings (Jan-Sep)**

Profit before income tax was NOK 210.3 million (169.6). Profit for the period was NOK 159.7 million (126.2). Basic and diluted earnings per share amounted to NOK 0.87 (0.69).

**Cash flow and capital expenditures (Jan-Sep)**

Net cash flow from operating activities varies across the year depending on the weather and vacation periods, with a strong cash flow in second half. Net cash flow from operating activities for the period amounted to NOK 309.4 million (199.9). In the first half of 2022 the net cash flow from operating activities was impacted by cash payments related to the IPO in December 2021.

Cash flow from investing activities in the period was NOK –215.5 million (–261.7), of which payments of earn-outs from acquisitions of subsidiaries amounted to NOK 23.4 million (23.7). Cash flow from financing activities in the period amounted to NOK –85.8 million (–13.3), mainly attributable to maintaining the current debt level. Cash conversion was 64.8% during the period, compared with 52.3% for the same period last year. Cash effect of the IPO cost affected the comparative period in 2022. In the third quarter of 2023 the cash conversion was 67.4% (90.7).

**Financial position and liquidity (September 30, 2023 compared to September 30, 2022)**

Norva24's net debt amounted to NOK 1,275.5 million (1,083.9), corresponding to a net debt/LTM adjusted EBITDA of 2.1 (2.1). The increase is attributable to the acquisitions in the period in addition to a weaker NOK compared to EUR. The Group's cash and cash equivalents amounted to NOK 221.0 million (201.3) at the end of the period.

Of the NOK 1,100 million credit facility, NOK 612 million was utilized at the end of Q3.

At the end of the period, total equity amounted to NOK 1,962.2 million (1,747.7). The equity/assets ratio was 47.5% (48.0).

**Net debt and leasing (September 30, 2023)**

Leases are capitalized according to IFRS 16. Lease liabilities amounted to NOK 849.5 as per September 30, 2023. NOK 276.8 million of the lease liabilities are related to properties and building and 572.7 are related to vehicles and other assets. Leasing payments for the next 12 months as of September 30, 2023, amount to NOK 232.2 million.

Depreciation of the leased assets is included in total depreciation in the statement of profit or loss.

Total interest-bearing debt amounted to NOK 1,496.4 as per September 30, 2023.

Net debt excluding lease liabilities amounted to NOK 426 million as per September 30, 2023.

**BREAKDOWN OF NET DEBT (SEPTEMBER 30, 2023)**

NOK million	Current portion	Non-current	Total debt
Buildings and property	69.5	207.3	276.8
Vehicles and equipment	137.7	425.4	563.1
Furniture, fixtures & other	4.9	4.7	9.6
<b>Total lease liabilities IFRS 16</b>	<b>212.0</b>	<b>637.4</b>	<b>849.5</b>
Loans	5.7	641.3	647.0
<b>Total Debt</b>	<b>217.7</b>	<b>1,278.7</b>	<b>1,496.4</b>
Cash and cash equivalent			221.0
Net debt including IFRS 16			1,275.5
Net debt excluding building and property leases			998.7
<b>Net debt excluding IFRS 16 lease liability</b>			<b>426.0</b>

**Employees**

On September 30, 2023, the total number of employees was 1,724 (1,573).

**Seasonal variations**

The Group has a certain amount of seasonal variation, and the first quarter has historically been the weakest, due to colder weather and vacation periods. The fourth quarter can also be affected by winter weather in certain years. Over the short term, seasonal variations are expected to remain in line with prior variations, but this may change somewhat over the long term as the Group grows in other parts of Europe where the winter season has less of an impact.

**Risk and uncertainty factors**

Currency risks, interest risks, credit risks, liquidity risks and operational risks are the most significant risks for the Group. These risks are managed continually in the operations.

Group management monitors financial risk in accordance with the description of financial risk management in Note 21 of the 2022 Annual Report. The review in conjunction with the full year 2022 found no material changes or negative effects compared with the analysis on December 31, 2022.

When an acquisition is completed, purchase considerations, assets and liabilities are recognized at estimated fair value and amounts exceeding the value of net assets are included in goodwill. In Norva24's operation, the fair values of individual assets and liabilities are normally not readily observable in active markets. Estimation of fair values requires the use of valuation models for acquired assets and liabilities as well as ownership interests. Such valuations are subject to numerous assumptions and are thus uncertain.

The fair value of brands and customer relationships on the acquisition date is based on a value-in-use model and an allocated percentage of the consideration paid less the net assets acquired. Estimates of the useful life of acquired brands are based on management's market knowledge and marketing plans. Recognized earn-outs are based on the probability that an acquired company will achieve its financial goals.

A stable underlying need for Norva24's services is expected to persist in the markets in Northern Europe despite the uncertain geopolitical situation. Norva24 has no exposure to Ukraine or Russia. Underlying driving forces such as low renewal levels in the water and sewage systems are expected to generate demand for Norva24's services.



# Norway – strong growth and record-breaking profitability

The Group's Norwegian operations date back to 1919 in Sandefjord, Norway, when Norva24's oldest subsidiary was established. In 2015, Norva24 was established in its current form through a merger of five smaller Norwegian UIM companies. Since then, Norva24 has expanded and now holds a leading market position in Norway. Norway had 537 employees as of September 30, 2023.

## Highlights of the quarter

The third quarter was good with high activity level across most branches and customer groups. The strong revenues have also resulted in good profitability during the quarter. Utilization of personnel and equipment has been at a good level. Cost increases were largely offset by price increases. Norva24 Norway has also renewed several large municipality contracts and won some new tenders during the quarter. During the quarter we have experienced extreme weather, which impacted Norway and Sweden. The direct impact in Norva24 Norway was however modest, with an estimated revenue impact of NOK 8 million, representing 1% increase of revenues in the quarter, and a profit contribution of approximately NOK 3 million.

## Total operating revenue (Jul-Sep)

Total operating revenue amounted to NOK 274.5 million during the third quarter, compared with NOK 222.7 million during the same period of 2022, corresponding to a growth of 23.3% in total operating revenue. This growth was driven by strong organic growth of 11.6% and the acquisition of Gravco. The organic growth is the result of a broad-based improvement in activity and utilization in the Norwegian branches.

%	Jul-Sep 2023	Jul-Sep 2022
Growth – total operating revenue	23.3	9.3
Organic growth	11.6	9.3
Acquisition growth	11.7	0.0

## Total operating revenue (Jan-Sep)

Total operating revenue amounted to NOK 794.2 million during the period, compared with 679.3 NOK million during the same period of 2022, corresponding to a growth of 16.9% in total operating revenue.

The total growth was driven by organic growth of 7.6% and the acquisition of Gravco generating acquisition growth of 9.3%.

%	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Growth – total operating revenue	16.9	16.9	12.9
Organic growth	7.6	16.6	12.7
Acquisition growth	9.3	0.3	0.2

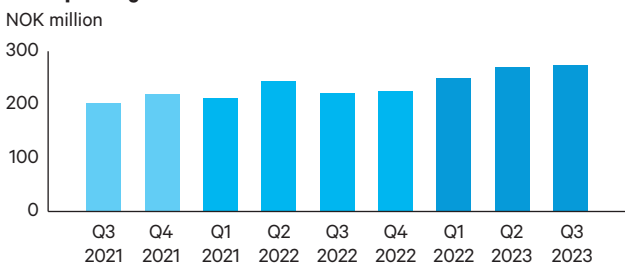
## Adjusted EBITA (Jul-Sep)

Adjusted EBITA amounted to NOK 64.7 million in Q3 2023, compared with NOK 40.6 million in the same period of 2022. The adjusted EBITA margin was 23.6% (18.2%) in the third quarter of 2023. The margin is up due to good activity levels and good utilization across almost all branches.

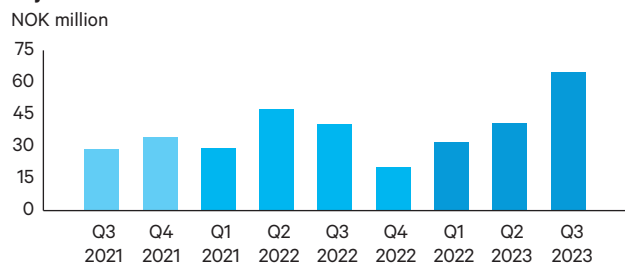
## Adjusted EBITA (Jan-Sep)

Adjusted EBITA amounted to NOK 137.6 million for the period, compared with NOK 117.2 million in the same period of 2022, an increase of 17.4%. The adjusted EBITA margin was 17.3% during the period, as for the comparable period in 2022.

## Total operating revenue



## Adjusted EBITA



## KEY PERFORMANCE INDICATORS

NOK million	Jul-Sep 2023	Jul-Sep 2022	Change, %	Jan-Sep 2023	Jan-Sep 2022	Change, %	Oct 2022- Sep 2023	Jan-Dec 2022
Total operating revenue	274.5	222.7	23.3	794.2	679.3	16.9	1,019.8	904.9
EBITA	64.3	40.4	59.0	135.6	114.3	18.6	155.5	134.2
EBITA margin, %	23.4	18.2	5.3 pp	17.1	16.8	0.2 pp	15.2	14.8
Adjusted EBITA	64.7	40.6	59.2	137.6	117.2	17.4	157.8	137.5
Adjusted EBITA margin, %	23.6	18.2	5.3 pp	17.3	17.3	0.1 pp	15.5	15.2





# Germany – strong growth of 48%

Norva24 entered Germany in 2019 through the acquisition of ExRohr. Norva24 has since grown and established a leading market position in Germany. The Group's oldest subsidiary in the country was established in Gochsheim in 1964. Germany had 720 employees as of September 30, 2023.

## Highlights of the quarter

Germany is growing close to 50% in Q3 compared to Q3 last year. The accumulated growth in 2023 is close to 60% compared to the first nine months of 2022. The adjusted EBITA margin for the quarter was 14.8%, down from 16.4% last Q3. The change of legislation related to testing and documenting the conditions of the house connections is not having much of an impact in the quarter.

## Total operating revenue (Jul-Sep)

Total operating revenue amounted to NOK 300.9 million during the third quarter, compared with NOK 203.4 million during the same period of 2022, corresponding to a growth of 48.0% in total revenue. This growth was primarily attributable to the acquisitions of Jutzy and CKS in 2022. Currency adjusted organic growth was 5.2%.

	Jul-Sep 2023	Jul-Sep 2022
Growth – total operating revenue	48.0	11.5
Organic growth	19.3	-2.4
Organic growth – currency adj.	5.2	0.0
Acquisition growth	28.6	13.8

## Total operating revenue (Jan-Sep)

Total operating revenue amounted to NOK 850.9 million during the period, compared with NOK 534.1 million during the same period of 2022, corresponding to growth of 59.3% in total revenue. This growth was attributable to the acquisitions of Zimmerbeutel, Jutzy and CKS in 2022. Currency adjusted organic growth was 8.3%.

	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Growth – total operating revenue	59.3	19.1	25.8
Organic growth	22.9	-0.7	1.1
Organic growth – currency adj.	8.3	1.5	1.9
Acquisition growth	36.5	19.7	24.6

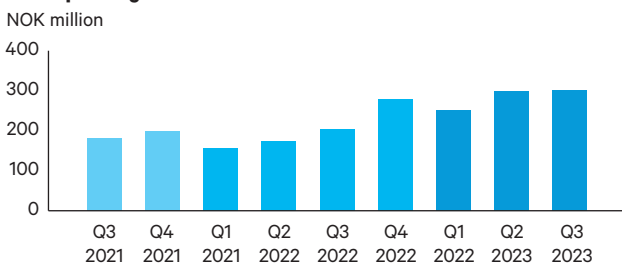
## Adjusted EBITA (Jul-Sep)

Adjusted EBITA amounted to NOK 44.5 million in Q3 2023 compared to NOK 33.3 million in the same period of 2022. The adjusted EBITA margin decreased from 16.4% in the preceding year to 14.8% during the quarter. The margin development is attributed to one large branch with a reduction in margin, and a slightly lower margin in acquired entities.

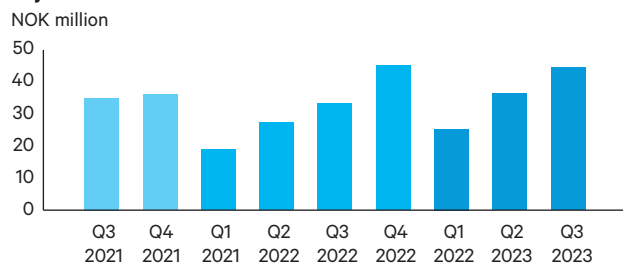
## Adjusted EBITA (Jan-Sep)

Adjusted EBITA amounted to NOK 109.2 million in the period compared to NOK 79.7 million in the same period of 2022. The adjusted EBITA margin decreased from 14.9% in the preceding year to 12.8% YTD. The margin development is attributable to slightly weaker organic margins and lower margins in acquired companies.

## Total operating revenue



## Adjusted EBITA



## KEY PERFORMANCE INDICATORS

	Jul-Sep 2023	Jul-Sep 2022	Change, %	Jan-Sep 2023	Jan-Sep 2022	Change, %	Oct 2022- Sep 2023	Jan-Dec 2022
Total operating revenue	300.9	203.4	48.0	850.9	534.1	59.3	1,129.7	812.9
EBITA	44.5	31.2	42.3	109.2	75.5	44.6	129.2	95.5
EBITA margin, %	14.8	15.4	-0.6 pp	12.8	14.1	-1.3 pp	11.4	11.7
Adjusted EBITA	44.5	33.3	33.7	109.2	79.7	37.0	154.4	124.9
Adjusted EBITA margin, %	14.8	16.4	-1.6 pp	12.8	14.9	-2.1 pp	13.7	15.4



# Sweden – good growth, and stable margin

Norva24 entered the Swedish market in 2017 through an acquisition in the south of the country. Since then, Norva24 has grown and secured a leading market position in Sweden. The Group's oldest subsidiary in the country was founded in 1974 in Ulricehamn. Sweden had 279 employees as of September 30, 2023.

## Highlights of the quarter

The segment achieved a currency adjusted organic growth of 7.7% compared to 2022. The activity level in the flushing companies in Stockholm, which saw a softer market in Q2, is back at more normal levels of activity. One of the larger units with a margin below average in the first half of 2023 has seen a pick-up in activity and profitability in Q3.

## Total operating revenue (Jul-Sep)

Total operating revenue during the quarter amounted to NOK 113.8 million compared with NOK 103.2 million during the same period in 2022, corresponding to an increase of 10.2%. Currency adjusted organic growth was 7.7%, on the back of a strong Q2 last year.

%	Jul-Sep 2023	Jul-Sep 2022
Growth – total operating revenue	10.2	18.3
Organic growth	10.2	3.4
Organic growth – currency adj.	7.7	10.3
Acquisition growth	0.0	14.9

## Total operating revenue (Jan-Sep)

Total operating revenue amounted to NOK 351.7 million compared with NOK 302.7 million during the same period in 2022, corresponding to an increase of 16.2%. Currency adjusted organic growth was 3.8%. The organic growth was primarily driven by price increases. IRG Rörinspektion and Stockholm Relining explain the acquisition growth of 8.4% in the period.

%	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Growth – total operating revenue	16.2	46.4	39.2
Organic growth	7.8	5.0	4.5
Organic growth – currency adj.	3.8	11.0	10.0
Acquisition growth	8.4	41.4	34.7

## Adjusted EBITA (Jul-Sep)

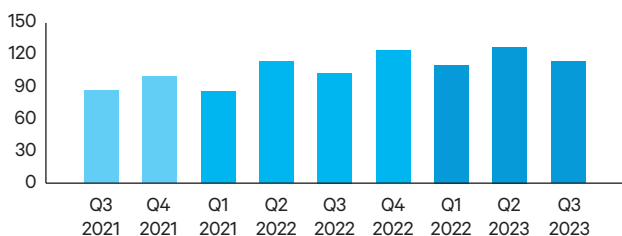
Adjusted EBITA amounted to NOK 18.5 million in Q3 2023 compared to NOK 16.7 million in the same period in 2022. The adjusted EBITA margin increased from 16.1% to 16.3% in Q3 2023. The margin improvement comes from a relative reduction in Personnel expenses and Vehicle operating expenses, while Operational service expenses have increased.

## Adjusted EBITA (Jan-Sep)

Adjusted EBITA amounted to NOK 40.5 million in the period 2023 compared to NOK 35.9 million in the same period in 2022. The adjusted EBITA margin decreased slightly from 11.9% to 11.5% in the same period 2023. This is due to lower activity during Q2. Main reason for the margin decrease are relative increases in Operational service expenses and Vehicle operating expenses. A program for improved profitability is continuously being explored and developed.

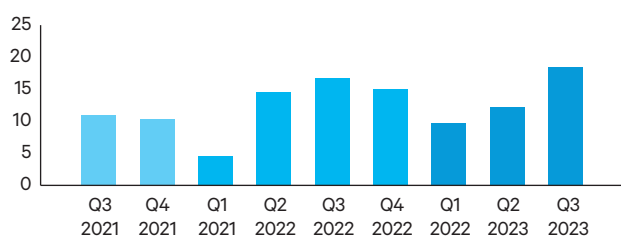
## Total operating revenue

NOK million



## Adjusted EBITA

NOK million



## KEY PERFORMANCE INDICATORS

NOK million	Jul-Sep 2023	Jul-Sep 2022	Change, %	Jan-Sep 2023	Jan-Sep 2022	Change, %	Oct 2022- Sep 2023	Jan-Dec 2022
Total operating revenue	113.8	103.2	10.2	351.7	302.7	16.2	475.9	426.9
EBITA	18.5	15.3	21.5	40.5	33.7	20.1	55.5	48.8
EBITA margin, %	16.3	14.8	1.5 pp	11.5	11.1	0.4 pp	11.7	11.4
Adjusted EBITA	18.5	16.7	11.3	40.5	35.9	12.9	55.5	50.9
Adjusted EBITA margin, %	16.3	16.1	0.2 pp	11.5	11.9	-0.3 pp	11.7	11.9



# Denmark – delivering on the improvement plan, adjusted EBITA-margin up by 3,5%-points in Q3

The Group entered Denmark in 2017 through the acquisition of a platform with national market presence. The Group's first subsidiary in the country was founded more than 100 years ago in Herring. Norva24 holds a leading position in the Danish market. Denmark had 175 employees as of September 30, 2023.

## Highlights of the quarter

The improvement plan is continuing to show results on the profitability. One by one the branches are seeing increased utilization and hence profitability. The action plan is proceeding well according to schedule, with a strong focus on operational efficiency and increasing the degree of utilization of vehicles and personnel. Norva24 Denmark is successfully onboarding the acquired Tom's Kloakservice.

## Total operating revenue (Jul-Sep)

Total operating revenue (Jul-Sep) Total operating revenue for the third quarter of 2023 amounted to NOK 103.5 million, compared with NOK 83.4 million during the same period of 2022, corresponding to total growth of 24.2%. The total growth was driven by the currency adjusted organic growth of 7.0% and the acquisition of Thornvig Jensen. Broad-based growth was noted across most customer groups leading to strong organic growth, proving the positive impact of the improvement measures in the action plan.

%	Jul-Sep 2023	Jul-Sep 2022
Growth – total operating revenue	24.2	23.6
Organic growth	21.1	10.1
Organic growth – currency adj.	7.0	13.1
Acquisition growth	3.1	13.5

## Total operating revenue (Jan-Sep)

Total operating revenue during the period amounted to NOK 304.8 million, compared to NOK 232.0 million during the same period of 2022, corresponding to total growth of 31.4% for the period. The total growth was driven by a currency adjusted organic growth of 6.7% and the acquisition of Thornvig Jensen. Broad-based growth was noted across most customer groups leading to strong organic growth, proving the positive impact of the improvement measures in the action plan.

%	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Growth – total operating revenue	31.4	16.0	19.3
Organic growth	20.9	11.5	12.7
Organic growth – currency adj.	6.7	14.0	13.5
Acquisition growth	10.4	4.5	6.6

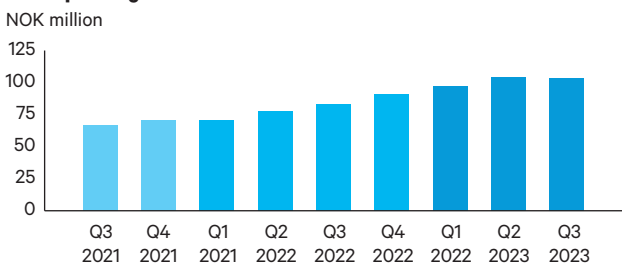
## Adjusted EBITA (Jul-Sep)

Adjusted EBITA amounted to NOK 9.8 million during the quarter, compared to NOK 5.0 million during the second quarter of 2022. The stronger adjusted EBITA is a result of the improvement initiatives that are being implemented.

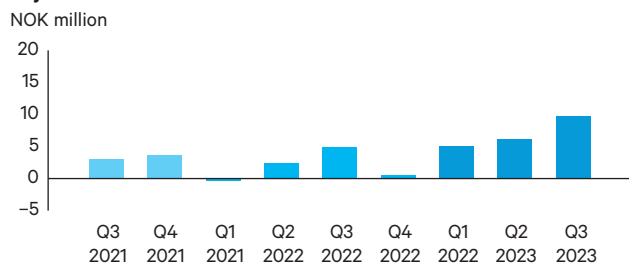
## Adjusted EBITA (Jan-Sep)

Adjusted EBITA amounted to NOK 21.0 million during the period, compared to NOK 7.1 million during the same period of 2022. The stronger adjusted EBITA is a result of the improvement initiatives that are being implemented.

## Total operating revenue



## Adjusted EBITA



## KEY PERFORMANCE INDICATORS

NOK million	Jul-Sep 2023	Jul-Sep 2022	Change, %	Jan-Sep 2023	Jan-Sep 2022	Change, %	Oct 2022-Sep 2023	Jan-Dec 2022
Total operating revenue	103.5	83.4	24.2	304.8	232.0	31.4	395.8	323.0
EBITA	9.2	7.5	23.4	20.4	9.6	112.2	20.9	10.1
EBITA margin, %	8.9	9.0	-0.1 pp	6.7	4.1	2.5 pp	5.3	3.1
Adjusted EBITA	9.8	5.0	97.0	21.0	7.1	194.7	21.5	7.6
Adjusted EBITA margin, %	9.5	6.0	3.5 pp	6.9	3.1	3.8 pp	5.4	2.4

# Financial reporting

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

NOK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Revenue from customer contracts		785.1	610.6	2,277.4	1,732.7	2,445.3
Other operating revenue		7.1	1.4	18.8	14.2	21.1
<b>Total operating revenue</b>	3	<b>792.2</b>	<b>612.0</b>	<b>2,296.2</b>	<b>1,746.9</b>	<b>2,466.5</b>
<b>Operating expenses</b>						
Operational service expenses		-134.3	-77.9	-373.8	-210.5	-320.7
Personnel expenses		-302.9	-248.5	-935.3	-748.5	-1,040.8
Vehicle operating expenses		-111.2	-96.3	-328.4	-271.5	-390.4
Other operating expenses		-49.3	-48.2	-188.8	-145.3	-232.1
Other gains/losses		0.1	4.7	0.1	4.7	5.0
<b>Total operating expenses</b>		<b>-597.5</b>	<b>-466.2</b>	<b>-1,826.2</b>	<b>-1,371.1</b>	<b>-1,979.0</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>194.6</b>	<b>145.8</b>	<b>470.0</b>	<b>375.9</b>	<b>487.5</b>
<b>Total depreciation</b>	6, 7	<b>-71.6</b>	<b>-60.3</b>	<b>-211.5</b>	<b>-175.1</b>	<b>-241.4</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>	3	<b>123.1</b>	<b>85.5</b>	<b>258.5</b>	<b>200.8</b>	<b>246.0</b>
<b>Total amortization</b>	5	<b>-13.0</b>	<b>-9.0</b>	<b>-34.6</b>	<b>-24.4</b>	<b>-34.3</b>
<b>Earnings before interest and taxes (EBIT)</b>		<b>110.1</b>	<b>76.6</b>	<b>223.9</b>	<b>176.4</b>	<b>211.7</b>
<b>Financial items</b>						
Financial income		11.0	9.8	55.3	34.8	42.8
Financial expenses		-33.2	-17.1	-68.8	-41.6	-58.3
<b>Net financial items</b>	4	<b>-22.2</b>	<b>-7.3</b>	<b>-13.5</b>	<b>-6.8</b>	<b>-15.5</b>
<b>Profit before income tax (EBT)</b>		<b>87.8</b>	<b>69.3</b>	<b>210.3</b>	<b>169.6</b>	<b>196.3</b>
Income tax expense		-17.5	-19.5	-50.7	-43.4	-56.8
<b>Profit for the period</b>		<b>70.4</b>	<b>49.8</b>	<b>159.7</b>	<b>126.2</b>	<b>139.5</b>
<b>Profit attributable to</b>						
Owners of the parent company		70.4	49.8	159.7	126.2	139.5
Non-controlling interests		-	-	-	-	-
<b>Total</b>		<b>70.4</b>	<b>49.8</b>	<b>159.7</b>	<b>126.2</b>	<b>139.5</b>
<b>Earnings per share:</b>						
Basic earnings per share, NOK		0.39	0.27	0.87	0.69	0.76
Diluted earnings per share, NOK		0.39	0.27	0.87	0.69	0.76
Average numbers of outstanding ordinary shares, before and after dilution		182,663,237	182,682,740	182,676,143	182,552,004	182,584,957



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

NOK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Profit/loss for the period</b>	<b>70.4</b>	<b>49.8</b>	<b>159.7</b>	<b>126.2</b>	<b>139.5</b>
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified to profit or loss</b>					
Translation differences	-52.7	-12.5	75.4	-2.6	-34.3
<b>Other comprehensive income for the period</b>	<b>-52.7</b>	<b>-12.5</b>	<b>75.4</b>	<b>-2.6</b>	<b>-34.3</b>
<b>Total comprehensive income for the period</b>	<b>17.7</b>	<b>37.4</b>	<b>235.1</b>	<b>123.6</b>	<b>105.1</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent company	17.7	37.4	235.1	123.6	105.1
Non-controlling interests	-	-	-	-	-
<b>Total</b>	<b>17.7</b>	<b>37.4</b>	<b>235.1</b>	<b>123.6</b>	<b>105.1</b>

**CONDENSED CONSOLIDATED BALANCE SHEET**

NOK million	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>				
<i>Non-current assets</i>				
Intangible assets	5	1,818.5	1,620.4	1,661.1
Right-of-use assets	6	872.8	764.7	752.3
Property, plant and equipment	7	514.1	473.0	483.9
Financial assets at amortized cost		6.1	6.1	5.3
<b>Total non-current assets</b>		<b>3,211.5</b>	<b>2,864.2</b>	<b>2,902.5</b>
<i>Current assets</i>				
Inventories		20.1	17.8	12.7
Accounts receivable		474.2	344.2	340.1
Other current receivables		204.9	216.6	147.8
Cash and cash-equivalents		221.0	201.3	204.7
<b>Total current assets</b>		<b>920.1</b>	<b>780.0</b>	<b>705.3</b>
<b>Total assets</b>		<b>4,131.6</b>	<b>3,644.2</b>	<b>3,607.8</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Equity		1,962.2	1,747.7	1,729.2
<b>Total equity</b>		<b>1,962.2</b>	<b>1,747.7</b>	<b>1,729.2</b>
<i>Non-current liabilities</i>				
Deferred tax liability		87.7	80.2	80.5
Non-current lease liabilities	6	637.4	568.9	554.3
Non-current loans		641.3	533.4	533.5
Other non-current liabilities		43.3	48.2	49.0
<b>Total non-current liabilities</b>		<b>1,409.7</b>	<b>1,230.7</b>	<b>1,217.3</b>
<i>Current liabilities</i>				
Accounts payable		192.4	206.1	135.8
Taxes payable		31.8	15.6	21.3
Current portion of lease liabilities	6	212.0	175.9	179.5
Current portion of loans		5.7	7.1	11.5
Provisions		46.3	40.9	52.0
Other current liabilities		271.4	220.2	261.1
<b>Total current liabilities</b>		<b>759.7</b>	<b>665.8</b>	<b>661.2</b>
<b>Total liabilities</b>		<b>2,169.4</b>	<b>1,896.5</b>	<b>1,878.5</b>
<b>Total equity and liabilities</b>		<b>4,131.6</b>	<b>3,644.2</b>	<b>3,607.8</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

NOK million	Note	Share capital	Share capital (not yet registered)	Additional paid in capital	Treasury shares	Other reserves	Retained earnings	Total equity
<b>Equity at January 1, 2023</b>		<b>0.6</b>	<b>-</b>	<b>1,437.1</b>	<b>-</b>	<b>-58.4</b>	<b>350.0</b>	<b>1,729.2</b>
<i>Total comprehensive income for the period:</i>								
Profit/loss for the period		-	-	-	-	-	159.7	159.7
<i>Other comprehensive income:</i>								
Translation differences		-	-	-	-	75.4	-	75.4
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75.4</b>	<b>159.7</b>	<b>235.1</b>
Repurchase of own shares	9	-	-	-	-3.0	-	-	-3.0
Share-based payments	9	-	-	0.8	-	-	-	0.8
<b>Equity at September 30, 2023</b>		<b>0.6</b>	<b>-</b>	<b>1,438.0</b>	<b>-3.0</b>	<b>17.0</b>	<b>509.6</b>	<b>1,962.2</b>
<b>Equity at January 1, 2022</b>		<b>0.5</b>	<b>0.1</b>	<b>1,432.9</b>	<b>-</b>	<b>-24.1</b>	<b>210.2</b>	<b>1,619.6</b>
<i>Total comprehensive income for the period:</i>								
Profit/loss for the period		-	-	-	-	-	139.5	139.5
<i>Other comprehensive income:</i>								
Translation differences		-	-	-	-	-34.3	-	-34.3
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-34.3</b>	<b>139.5</b>	<b>105.1</b>
<i>Transactions with owners in their capacity as owners:</i>								
Capital increase (net of transactions costs)		0.1	-0.1	-	-	-	-	-
Capital increase (net of transactions costs)		-	-	4.2	-	-	-	4.2
Over-allotment option (net of transaction costs)		-	-	-	-	-	0.3	0.3
<b>Equity at December 31, 2022</b>		<b>0.6</b>	<b>-</b>	<b>1,437.1</b>	<b>-</b>	<b>-58.4</b>	<b>350.0</b>	<b>1,729.2</b>

The Group has no non-controlling interest.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

NOK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Cash flows from operating activities</b>						
Profit before income tax		87.8	69.3	210.3	169.6	196.3
<i>Adjustments for:</i>						
Impairment, depreciation and amortization expenses	5, 6, 7	84.6	69.3	246.1	199.4	275.7
Taxes paid		-1.0	-1.2	-29.3	-39.7	-56.6
Net gain/loss on sale of non-current assets		-4.0	-5.9	-11.0	-13.2	-17.9
Net financial items	4	22.2	7.3	13.5	6.8	15.5
Share-based payments	9	0.8	-	0.8	-	-
Change in net working capital		-52.2	-19.8	-131.6	-170.8	-111.0
Changes in other items*		-6.4	14.4	10.5	47.7	41.3
<b>Net cash inflow from operating activities</b>		<b>131.8</b>	<b>133.3</b>	<b>309.4</b>	<b>199.9</b>	<b>343.3</b>
<b>Cash flows from investing activities</b>						
Payment for acquisition of subsidiaries, net of cash acquired	8	-7.6	-124.8	-87.5	-218.2	-268.9
Payment of earnouts		-5.3	-4.7	-23.4	-23.7	-49.8
Payment for fixed assets		-35.6	-7.1	-114.0	-42.9	-83.9
Proceeds from sale of fixed assets		2.0	9.7	12.4	23.1	40.1
Investments in treasury shares	9	-3.0	-	-3.0	-	-
<b>Net cash outflow from investing activities</b>		<b>-49.5</b>	<b>-126.9</b>	<b>-215.5</b>	<b>-261.7</b>	<b>-362.5</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		47.5	132.1	152.6	249.2	331.1
Repayment of borrowings		-15.3	-15.1	-55.7	-93.9	-160.4
Principal element of lease payments	6	-40.9	-35.7	-129.6	-107.4	-144.2
Interest paid, loans		-11.9	-3.7	-25.3	-9.6	-14.7
Interest paid, lease		-16.5	-8.2	-34.6	-24.3	-32.6
Interest received		2.8	-	5.3	-	-
Other financial payments		-0.1	2.3	1.6	-0.7	-5.0
<b>Cash flows from financing activities</b>		<b>-34.3</b>	<b>71.8</b>	<b>-85.8</b>	<b>13.3</b>	<b>-25.8</b>
<b>Change in cash and cash equivalents</b>		<b>48.0</b>	<b>78.2</b>	<b>8.1</b>	<b>-48.5</b>	<b>-45.0</b>
<b>Cash and cash equivalents at the start of the period</b>		<b>177.8</b>	<b>126.9</b>	<b>204.7</b>	<b>260.4</b>	<b>260.4</b>
Effects of exchange rate changes on cash and cash equivalents		-4.8	-3.8	8.1	-10.6	-10.6
<b>Cash and cash equivalents at the end of the period</b>		<b>221.0</b>	<b>201.3</b>	<b>221.0</b>	<b>201.3</b>	<b>204.7</b>

\* Includes changes in other non-current receivables and other non-current liabilities, effects on net working capital from acquisitions and translation differences.





# Notes

## NOTE 1 REPORTING ENTITY

Norva24 Group AB (publ) is a limited liability company listed on Nasdaq Stockholm. The share became publicly traded with the initial public offering December 9, 2021. Norva 24 Group AB (publ) and its subsidiaries (the Group or Norva24 Group) operate in the underground infrastructure industry, and are present in Norway, Germany, Sweden and Denmark.

## NOTE 2 BASIS OF PREPARATION

### Accounting principles

Norva24 Group applies the International Financial Reporting Standards (IFRS) as they have been adopted by the European Union. The consolidated accounts in the interim report have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report should be read together with the historic financial information included in the annual report. Accounting principles and calculation basis are in accordance with those that were applied in the most recent annual report. Information required by IAS 34 also appears in other parts of the interim report.

The amounts are rounded to the nearest million (NOK million) with one decimal place unless otherwise stated. As a consequence of rounding, figures presented in the financial reports may not add up to the exact total in certain cases and percentage figures presented can differ from the exact percentage figures. Amounts in brackets concern the comparative period.

### Significant accounting judgements, estimates and assumptions

In preparing the interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, equity and liabilities, revenue and expenses.

The estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable

under the given circumstances. A change in accounting estimate is recognized in the period in which the estimate is reassessed if the change affects that period only, or in both current and future periods if the change affects both.

In preparing the consolidated interim financial statements, significant judgements made by management in applying the Group's accounting policies and key sources of uncertainty in the estimates are consistent with those applied for the annual report.

### Other

Items included in the financial statements of each of the Norva24 Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Norwegian Kroner (NOK) which is Norva24 Group's presentation currency. The Parent Company Norva24 Group AB (publ)'s functional currency is Swedish Kroner (SEK).

There have been no related parties transactions other than the continuation of agreements described in the annual report and the events and transactions related to share-based payments described in Note 9.

## NOTE 3 SEGMENT AND REVENUE INFORMATION

### Operating segments

Norva24 Group identifies its operating segments and discloses segment information in accordance with IFRS 8 Operating Segments. Accordingly, the Group identifies its segments consistent with the reporting structure used by management.

Operating segments are components of a business that are evaluated regularly by the chief operating decision maker for the purpose of assessing performance and allocating resources. The financial information is disclosed on the same basis as used by the chief operating decision maker. The Group's operating segments are organised on country level. The column "Corporate & other" includes corporate expenses and eliminations.

### Revenue

The Group disaggregates revenue based on operational segments. The Group has no single customer accounting for more than 10 percent of total revenue.



## NOTE 3 SEGMENT AND REVENUE INFORMATION, continued

## OPERATING SEGMENTS FINANCIALS JANUARY-SEPTEMBER 2023

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
<b>Total operating revenue</b>	<b>794.2</b>	<b>850.9</b>	<b>351.7</b>	<b>304.8</b>	<b>-5.5</b>	<b>2,296.2</b>
<b>Adjusted EBITDA</b>	<b>210.9</b>	<b>172.0</b>	<b>80.8</b>	<b>56.0</b>	<b>-42.1</b>	<b>477.7</b>
Depreciation	-73.3	-62.7	-40.3	-35.1	-0.1	-211.5
<b>Adjusted EBITA</b>	<b>137.6</b>	<b>109.2</b>	<b>40.5</b>	<b>21.0</b>	<b>-42.2</b>	<b>266.1</b>
Non-recurring items	-2.0	-	-	-0.6	-5.1	-7.7
<b>EBITA</b>	<b>135.6</b>	<b>109.2</b>	<b>40.5</b>	<b>20.4</b>	<b>-47.3</b>	<b>258.5</b>

## OPERATING SEGMENTS FINANCIALS JANUARY-SEPTEMBER 2022

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
<b>Total operating revenue</b>	<b>679.3</b>	<b>534.1</b>	<b>302.7</b>	<b>232.0</b>	<b>-1.3</b>	<b>1,746.9</b>
<b>Adjusted EBITDA</b>	<b>179.6</b>	<b>127.6</b>	<b>71.2</b>	<b>36.5</b>	<b>-32.3</b>	<b>382.6</b>
Depreciation	-62.4	-47.9	-35.3	-29.4	-0.1	-175.1
<b>Adjusted EBITA</b>	<b>117.2</b>	<b>79.7</b>	<b>35.9</b>	<b>7.1</b>	<b>-32.4</b>	<b>207.5</b>
Non-recurring items	-2.9	-4.2	-2.2	2.5	-	-6.7
<b>EBITA</b>	<b>114.3</b>	<b>75.5</b>	<b>33.7</b>	<b>9.6</b>	<b>-32.4</b>	<b>200.8</b>

## RECONCILIATION OF SEGMENT INFORMATION AND EARNINGS BEFORE INCOME TAX (EBT)

NOK million	Jan-Sep 2023	Jan-Sep 2022
<b>EBITA</b>	<b>258.5</b>	<b>200.8</b>
Amortization of intangible assets	-34.6	-24.4
Net financial items	-13.5	-6.8
<b>Profit before income tax</b>	<b>210.3</b>	<b>169.6</b>

## RECONCILIATION OF NON-RECURRING ITEMS JANUARY-SEPTEMBER 2023

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
Restructuring cost and other provisions	-0.4	-	-	-	-1.0	-1.4
Top management recruitment costs	-	-	-	-	-4.2	-4.2
M&A Cost	-1.6	-	-	-0.6	-	-2.1
Other gains/losses	-	-	-	-	-	-
<b>Non-recurring items</b>	<b>-2.0</b>	<b>-</b>	<b>-</b>	<b>-0.6</b>	<b>-5.2</b>	<b>-7.7</b>

## RECONCILIATION OF NON-RECURRING ITEMS JANUARY-SEPTEMBER 2022

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
Restructuring cost and other provisions	-2.9	-	-	-	-	-2.9
M&A Cost	-	-4.2	-2.2	-2.2	-	-8.5
Other gains/losses	-	-	-	4.7	-	4.7
<b>Non-recurring items</b>	<b>-2.9</b>	<b>-4.2</b>	<b>-2.2</b>	<b>2.5</b>	<b>-</b>	<b>-6.7</b>

**NOTE 4 FINANCIAL ITEMS**

Specification of financial items NOK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Interest income	2.8	0.4	5.3	0.9	1.5
Currency exchange gain	-	5.7	37.6	26.7	35.8
Gain earnout	7.0	-	7.0	-	1.7
Other financial income	1.2	3.8	5.4	7.2	3.9
<b>Financial income</b>	<b>11.0</b>	<b>9.8</b>	<b>55.3</b>	<b>34.8</b>	<b>42.8</b>
Interest expenses, leases	-10.3	-8.4	-30.1	-24.5	-33.2
Amortized interest expense, loans	-11.9	-3.4	-25.3	-8.4	-13.1
Currency exchange loss	-9.7	-	-9.7	-	-
Loss earnout	-	-	-	-	-3.9
Other financial expenses	-1.3	-5.3	-3.9	-8.7	-8.0
<b>Financial expenses</b>	<b>-33.2</b>	<b>-17.1</b>	<b>-68.8</b>	<b>-41.6</b>	<b>-58.3</b>
<b>Net financial items</b>	<b>-22.2</b>	<b>-7.3</b>	<b>-13.5</b>	<b>-6.8</b>	<b>-15.5</b>

**NOTE 5 INTANGIBLE ASSETS AND GOODWILL****AT SEPTEMBER 30, 2023**

NOK million	Goodwill	Brand	Customer relationships	Other intangible assets	Total
<b>Carrying amount at January 1, 2023</b>	<b>1,508.7</b>	<b>60.8</b>	<b>87.4</b>	<b>4.2</b>	<b>1,661.1</b>
Acquired in business combinations (see Note 8)	85.6	6.5	12.9	-	105.0
Additions	-	-	-	-	-
Amortization and impairment	-	-6.7	-26.9	-0.9	-34.6
Disposals	-	-	-	-	-
Adjustments*	10.2	-	-	-	10.2
Translation differences	64.5	4.5	7.0	0.7	76.7
<b>Carrying amount at September 30, 2023</b>	<b>1,669.0</b>	<b>65.1</b>	<b>80.4</b>	<b>4.1</b>	<b>1,818.5</b>
Useful life in years	Indefinite	10	3-5	3-5	
Amortization plan		Linear	Linear	Linear	

**AT DECEMBER 31, 2022**

NOK million	Goodwill	Brand	Customer relationships	Other intangible assets	Total
<b>Carrying amount at January 1, 2022</b>	<b>1,222.6</b>	<b>45.4</b>	<b>70.6</b>	<b>4.3</b>	<b>1,343.0</b>
Acquired in business combinations	252.7	20.4	40.8	0.1	313.9
Additions	–	–	–	0.9	0.9
Amortization and impairment	–	–6.6	–26.4	–1.3	–34.3
Disposals	–	–	–	–	–
Translation differences	33.4	1.7	2.4	0.2	37.7
<b>Carrying amount at December 31, 2022</b>	<b>1,508.7</b>	<b>60.8</b>	<b>87.4</b>	<b>4.2</b>	<b>1,661.1</b>
Useful life in years	Indefinite	10	3-5	3-5	
Amortization plan		Linear	Linear	Linear	

\* During the period final adjustments on the prior year acquisitions of CKS Rohr Express GmbH and CKS Express Baumanagement GmbH were made. The total adjustment is considered immaterial.

**NOTE 6 LEASING****AT SEPTEMBER 30, 2023**

Right-of-use assets NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2023</b>	<b>265.4</b>	<b>480.1</b>	<b>6.8</b>	<b>752.3</b>
Acquired in business combinations (see Note 8)	–	21.3	–	21.3
Additions	7.2	163.2	5.1	175.5
Depreciation and impairment	–45.4	–68.4	–3.6	–117.4
Transfer to property, plant and equipment (see Note 7)	–	–12.1	–	–12.1
Adjustments	26.1	7.0	1.4	34.5
Translation differences	6.5	12.2	–0.1	18.7
<b>Carrying amount at September 30, 2023</b>	<b>259.8</b>	<b>603.4</b>	<b>9.6</b>	<b>872.8</b>
Useful life in years	3-30	5-10	3-7	
Depreciation plan	Linear	Linear	Linear	
Lease liabilities NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2023</b>	<b>279.3</b>	<b>447.5</b>	<b>6.9</b>	<b>733.7</b>
Acquired in business combinations (see Note 8)	–	21.3	–	21.3
Additions	7.1	163.0	5.1	175.1
Lease payments	–53.6	–106.3	–4.4	–164.2
Interest on the lease liability	11.1	23.3	0.2	34.6
Adjustments	26.1	–1.0	1.4	26.5
Translation differences	6.8	15.3	0.3	22.4
<b>Carrying amount at September 30, 2023</b>	<b>276.8</b>	<b>563.1</b>	<b>9.6</b>	<b>849.5</b>
Current lease liabilities	69.5	137.7	4.9	212.0
Non-current lease liabilities	207.3	425.4	4.7	637.4



**NOTE 6 LEASING, continued**
**AT DECEMBER 31, 2022**

Right-of-use assets NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2022</b>	<b>251.3</b>	<b>464.0</b>	<b>9.0</b>	<b>724.3</b>
Acquired in business combinations	7.7	14.7	0.1	22.5
Additions	35.8	83.5	1.7	121.0
Depreciation and impairment	-53.7	-76.1	-4.4	-134.1
Transfer to property, plant and equipment (see Note 7)	-	-17.5	-0.1	-17.6
Adjustments	21.8	6.7	0.2	28.7
Translation differences	2.5	4.7	0.3	7.6
<b>Carrying amount at December 31, 2022</b>	<b>265.4</b>	<b>480.1</b>	<b>6.8</b>	<b>752.3</b>
Useful life in years	3-30	7-10	3-7	
Depreciation plan	Linear	Linear	Linear	
<b>Lease liabilities</b> NOK million	<b>Buildings and property</b>	<b>Vehicles and equipment</b>	<b>Furniture, fixtures &amp; other</b>	<b>Total</b>
<b>Carrying amount at January 1, 2022</b>	<b>260.9</b>	<b>428.6</b>	<b>9.2</b>	<b>698.7</b>
Acquired in business combinations	7.7	14.7	0.1	22.5
Additions	35.8	83.5	1.6	120.9
Lease payments	-64.0	-108.2	-4.7	-176.9
Interest on the lease liability	14.5	17.8	0.3	32.6
Adjustments	21.8	6.7	0.1	28.6
Translation differences	2.7	4.2	0.3	7.2
<b>Carrying amount at December 31, 2022</b>	<b>279.3</b>	<b>447.5</b>	<b>6.9</b>	<b>733.7</b>
Current lease liabilities	64.3	111.0	4.2	179.5
Non-current lease liabilities	215.0	336.5	2.8	554.3

**NOTE 7 PROPERTY, PLANT AND EQUIPMENT**
**AT SEPTEMBER 30, 2023**

NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2023</b>	<b>53.7</b>	<b>402.3</b>	<b>27.9</b>	<b>483.9</b>
Acquired in business combinations	1.0	3.1	-	4.1
Additions	20.3	73.2	20.6	114.0
Transfer from right-of-use assets (see Note 6)	-	12.1	-	12.1
Depreciation and impairment	-4.3	-81.8	-8.1	-94.2
Disposals	-	-9.1	-0.8	-10.0
Adjustments	-	-8.0	-	-8.0
Translation differences	1.5	10.8	-0.2	12.1
<b>Carrying amount at September 30, 2023</b>	<b>72.1</b>	<b>402.5</b>	<b>39.4</b>	<b>514.1</b>
Useful life in years	3-30	5-10	3-7	
Depreciation plan	Linear	Linear	Linear	

**NOTE 7 PROPERTY, PLANT AND EQUIPMENT, continued****AT DECEMBER 31, 2022**

NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2022</b>	<b>63.9</b>	<b>341.6</b>	<b>23.8</b>	<b>429.3</b>
Acquired in business combinations	0.1	69.6	4.3	74.0
Additions	1.4	71.9	9.7	83.0
Transfer from right-of-use assets (see Note 6)	–	17.5	0.1	17.6
Depreciation and impairment	–5.0	–93.8	–8.5	–107.3
Disposals	–5.2	–13.4	–4.3	–22.9
Reclassification	–3.0	3.3	–0.3	–
Translation differences	1.4	5.5	3.2	10.1
<b>Carrying amount at December 31, 2022</b>	<b>53.7</b>	<b>402.3</b>	<b>27.9</b>	<b>483.9</b>
Useful life in years	3-30	7-10	3-7	
Depreciation plan	Linear	Linear	Linear	

**NOTE 8 BUSINESS COMBINATIONS**

Acquired units during 2023	Country	Date	Ownership
Gravco AS	Norway	January 19	100%
Septik Tank AS	Norway	January 19	100%
Tom's Kloakservice ApS	Denmark	August 1	100%

Purchase consideration	
NOK million	
Cash paid	105.5
Earn-out/Contingent consideration (Fair value estimate at date of acquisition)	19.5
<b>Total purchase consideration</b>	<b>125.0</b>

Opening balance sheet	Note	
Cash		18.0
Other current assets		19.4
Property, plant and equipment	7	4.1
Right-of-use assets	6	21.3
Brand	5	6.5
Customer relationships	5	12.9
<b>Total assets</b>		<b>82.2</b>
Other current liabilities		17.2
Other non-current liabilities	6	21.4
Deferred tax on excess values		4.3
<b>Total liabilities</b>		<b>42.8</b>
<b>Net identifiable assets</b>		<b>39.4</b>
Goodwill	5	85.6
<b>Total consideration for the shares</b>		<b>125.0</b>

The operations of the acquired entities are similar to the Group's existing operations and will strengthen the Group's position in the existing segments. The Group considers the business combinations to be individually immaterial and therefore the acquisitions are shown in the aggregate. Goodwill consists of synergies from cost savings and the increase in market share. The acquired businesses also include the assembled workforce. These items are not identifiable assets, and are subsumed into goodwill. Goodwill will not be deductible for tax purposes. All purchase price allocations in 2023 are preliminary. Transaction costs are shown as non-recurring items under Note 3 as they impact comparability. Transaction cost are recognized under Other operating expenses in the Statement of profit or loss.

Earn-outs are conditional on the acquired entity reaching certain future financial targets such as revenue, EBITDA and EBITA. The Group recognizes provisions for fair value of earn-outs based on estimated likelihood of achieving the given targets and the expected future pay-out. Recognized earn-out gains and losses are shown in Note 4.

Revenue and profit or loss from acquisitions recognized in statement of profit or loss	Jan-Sep 2023
NOK million	
Revenue	65.5
Profit or loss for the period	10.5

Revenue and profit or loss as if the acquisitions had occurred January 1 (pro forma)	Jan-Sep 2023
NOK million	
Revenue	78.5
Profit or loss for the period	9.3



## NOTE 9 SHARE-BASED PAYMENTS

On 25 May 2023 the General Assembly decided on a long-term incentive plan (LTIP) for members of management and key personnel, where a total amount of 2,283,534 options have been granted. The options are subject to a three-year vesting period and the Group has no present obligation to settle the awards in cash. As such the Group's costs related to the LTIP are recognized as equity-settled. The fair value of the options has been estimated using a Black & Scholes model.

Related to the LTIP, the Annual General Meeting authorized the Board of Directors to initiate a repurchase program of own shares. As of September 30, 2023, 141 871 shares have been reacquired (treasury shares). Treasury shares are recognized at cost and deducted from equity.

Further information on the LTIP and repurchase program is provided in the published bulletin from the annual general meeting.

# Parent Company

## PARENT COMPANY CONDENSED STATEMENT OF PROFIT OR LOSS

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Total operating revenue</b>	-	0.9	-	0.9	2.8
Other operating expenses	-4.7	-2.2	-11.8	-6.7	-8.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>-4.7</b>	<b>-2.2</b>	<b>-11.8</b>	<b>-6.7</b>	<b>-5.9</b>
<b>Net financial items</b>	<b>8.9</b>	<b>3.0</b>	<b>26.3</b>	<b>6.1</b>	<b>15.2</b>
<b>Profit before income tax</b>	<b>4.2</b>	<b>1.6</b>	<b>14.5</b>	<b>0.3</b>	<b>9.2</b>
Income tax expenses	-2.7	-0.5	-3.0	-0.1	-0.3
<b>Profit for the period</b>	<b>1.5</b>	<b>1.0</b>	<b>11.5</b>	<b>0.2</b>	<b>8.9</b>
<b>Other comprehensive income</b>	-	-	-	-	-

## PARENT COMPANY CONDENSED BALANCE SHEET

SEK million	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>			
<i>Non-current assets</i>			
Investment in subsidiaries	2,878.7	2,881.7	2,875.6
Deferred tax asset	16.7	16.6	16.4
Non-current intercompany receivables	894.7	866.2	866.7
<b>Total non-current assets</b>	<b>3,790.0</b>	<b>3,764.6</b>	<b>3,758.7</b>
<i>Current assets</i>			
Current receivables	0.5	10.9	9.8
Current intercompany receivables	-	0.9	2.8
Cash and cash-equivalents	1.1	1.5	1.3
<b>Total current assets</b>	<b>1.6</b>	<b>13.2</b>	<b>13.9</b>
<b>Total assets</b>	<b>3,791.6</b>	<b>3,777.8</b>	<b>3,772.5</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Restricted equity	0.6	0.6	0.6
Non-restricted equity	3,780.1	3,756.9	3,765.6
<b>Total equity</b>	<b>3,780.7</b>	<b>3,757.5</b>	<b>3,766.2</b>
<i>Current liabilities</i>			
Accounts payable	0.1	0.4	0.9
Other current liabilities	10.8	20.0	5.4
<b>Total current liabilities</b>	<b>10.9</b>	<b>20.3</b>	<b>6.3</b>
<b>Total equity and liabilities</b>	<b>3,791.6</b>	<b>3,777.8</b>	<b>3,772.5</b>





# Declaration of the Board of Directors

The Board of Directors and Chief Executive Officer warrant and declare that this interim report gives a true and fair view of the Parent Company's and Group's operations, financial positions and results, and that it describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, November 21, 2023

Vidar Meum  
Chairman

Allan Engström  
Board member

Arild Bødal  
Board member

Pontus Boman  
Board member

Mats Lönnqvist  
Board member

Linus Lundmark  
Board member

Monica Reib  
Board member

Ulrika Östlund  
Board member

Henrik Norrbom  
Group CEO



# Auditor's report

Norva24 Group AB (publ), reg. no. 559226-2553.

## Introduction

We have reviewed the condensed interim financial information (interim report) of Norva24 Group AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

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

Stockholm, November 21, 2023

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg  
*Authorized Public Accountant*



## QUARTERLY DATA FOR THE CONSOLIDATED GROUP

NOK million	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
<b>Total operating revenue</b>									
Norway	203.8	220.5	213.1	243.5	222.7	225.6	249.2	270.5	274.5
Germany	182.5	197.7	157.0	173.7	203.4	278.8	251.8	298.3	300.9
Sweden	87.3	99.8	85.5	114.0	103.2	124.2	110.5	127.5	113.8
Denmark	67.5	70.9	70.7	77.9	83.4	91.0	97.1	104.1	103.5
Corporate	-	-	-	-0.6	-0.7	-	-4.0	-0.9	-0.5
<b>Group</b>	<b>541.0</b>	<b>588.9</b>	<b>526.4</b>	<b>608.5</b>	<b>612.0</b>	<b>719.5</b>	<b>704.6</b>	<b>799.4</b>	<b>792.2</b>
<b>EBITA</b>									
Norway	28.6	33.7	29.1	44.8	40.4	19.9	30.6	40.7	64.3
Germany	34.9	29.0	19.0	25.3	31.2	20.0	25.3	39.4	44.5
Sweden	11.3	10.1	4.6	13.8	15.3	15.0	9.7	12.2	18.5
Denmark	3.3	43.9	-0.3	2.4	7.5	0.5	5.0	6.2	9.2
Corporate	-16.3	-33.9	-9.1	-14.4	-8.9	-10.1	-13.6	-20.2	-13.5
<b>Total EBITA</b>	<b>61.8</b>	<b>82.8</b>	<b>43.3</b>	<b>71.9</b>	<b>85.5</b>	<b>45.3</b>	<b>57.0</b>	<b>78.4</b>	<b>123.1</b>
<b>Adjusted EBITA</b>									
Norway	28.6	34.2	29.1	47.5	40.6	20.2	32.0	40.9	64.7
Germany	34.9	36.0	19.0	27.4	33.3	45.2	25.3	39.4	44.5
Sweden	11.3	10.3	4.6	14.6	16.7	15.0	9.7	12.2	18.5
Denmark	3.3	3.7	-0.3	2.4	5.0	0.5	5.0	6.2	9.8
Corporate	-5.6	-2.3	-9.1	-14.4	-8.9	-9.9	-12.6	-16.0	-13.6
<b>Total adjusted EBITA</b>	<b>72.5</b>	<b>82.0</b>	<b>43.3</b>	<b>77.6</b>	<b>86.7</b>	<b>71.0</b>	<b>59.4</b>	<b>82.7</b>	<b>124.0</b>
<b>Adjusted EBITA margin, %</b>									
Norway	14.0	15.5	13.6	19.5	18.2	9.0	12.8	15.1	23.6
Germany	19.1	18.2	12.1	15.8	16.4	16.2	10.1	13.2	14.8
Sweden	13.0	10.4	5.4	12.8	16.1	12.1	8.8	9.6	16.3
Denmark	4.9	5.3	-0.4	3.1	6.0	0.5	5.1	5.9	9.5
Corporate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Group</b>	<b>13.4</b>	<b>13.9</b>	<b>8.2</b>	<b>12.7</b>	<b>14.2</b>	<b>9.9</b>	<b>8.4</b>	<b>10.4</b>	<b>15.7</b>



# Key performance indicators

## KEY FIGURES

### RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES, NOT DEFINED UNDER IFRS

Line ID	NOK million	Source	Calculation	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022- Sep 2023	Jan-Dec 2022
A	Total operating revenue	P&L		792.2	612.0	2,296.2	1,746.9	3,015.7	2,466.5
	Profit/(Loss) for the period	P&L		70.4	49.8	159.7	126.2	172.9	139.5
	Earnings per share (basic and diluted), NOK	P&L		0.39	0.27	0.87	0.69	0.95	0.76
	Average number of ordinary shares outstanding			182,663,237	182,682,740	182,676,143	182,552,004	182,677,864	182,584,957
	Growth in total revenue, %			29.4	13.1	31.4	21.6	n.a.	21.8
	Organic growth in total revenue, %			15.3	4.4	13.8	8.7	n.a.	7.7
	Organic growth in total revenue, currency adjusted, %			7.8	6.7	6.7	10.7	n.a.	8.9
	Acquired growth in total revenue, %			14.2	8.8	17.6	12.9	n.a.	14.1
B	Total operating expenses	P&L		-597.5	-466.2	-1,826.2	-1,371.1	-2,434.2	-1,979.0
C	EBITDA (earnings before interest, taxes, depreciation and amortization)		C=A-B	194.6	145.8	470.0	375.9	581.6	487.5
	EBITDA margin, %		C/A	24.6	23.8	20.5	21.5	19.3	19.8
D	Depreciation and impairment of tangible assets (PPE and leasing right-of-use assets)	Note 5 + Note 7		-71.6	-60.3	-211.5	-175.1	-277.8	-241.4
E	EBITA		E=C-D	123.1	85.5	258.5	200.8	303.7	246.0
	EBITA margin, %		E/A	15.5	14.0	11.3	11.5	10.1	10.0
F	Depreciation, amortization and impairment of tangible and intangible assets	P&L		-84.6	-60.3	-246.1	-199.4	-322.4	-275.7
G	EBIT		G=C-F	110.1	76.6	223.9	176.4	259.2	211.7
	EBIT margin, %		G/A	13.9	28.8	9.8	10.1	8.6	8.6
H	Non-recurring items, expenses			0.9	1.1	7.7	6.7	33.5	32.5
I	Adjusted EBITDA		I=C+H	195.6	146.9	477.7	382.6	615.0	520.0
	Adjusted EBITDA margin, %		I/A	24.7	24.0	20.8	21.9	20.4	21.1
J	Adjusted EBITA		J=E+H+H2	124.0	86.7	266.1	207.5	337.2	278.6
	Adjusted EBITA margin, %		J/A	15.7	14.2	11.6	11.9	11.2	11.3
K	Adjusted EBIT		K=G+H+H2	111.0	177.5	231.6	183.2	292.7	244.3
	Adjusted EBIT margin, %		K/A	14.0	29.0	10.1	10.5	9.7	9.9
L	Lease payments	Note 6		57.3	43.9	164.2	131.7	209.3	176.9
M	Capital expenditures (purchases minus disposals)	Note 7		31.4	4.1	104.0	33.0	131.2	60.1
N	Cash capital expenditure		N=L+M	88.7	48.0	268.2	164.7	340.5	237.0
O	Cash EBITA		O=C-N	105.9	97.8	201.8	211.2	241.1	250.5
P	Adjusted cash EBITA		P=I-N	106.8	98.9	209.4	217.9	274.5	283.0
	Adjusted cash EBITA margin, %		P/A	13.5	16.2	9.1	12.5	9.1	11.5
Q	Net cash inflow from operating activities	Cash flow Statement		131.8	133.3	309.4	199.9	452.7	343.3
R	Cash conversion, %		Q/I	67.4	90.7	64.8	52.3	73.6	66.0



Line ID	Balance sheet key financials NOK million	Source	Calculation	Sep 30, 2023	Dec 31, 2022
AA	Non-current and current loans	Financial position		647.0	544.9
AB	Non-current and current lease liabilities	Financial position		849.5	733.8
AC	Cash and cash equivalents	Financial position		221.0	204.7
AD	Net debt		$AD=AA+AB-AC$	1,275.5	1,074.1
AE	Net debt/LTM adjusted EBITDA*		$AE=AD/I$	2.1	2.1
BA	Inventories	Financial position		20.1	12.7
BB	Accounts receivable	Financial position		474.2	340.1
BC	Other current receivables	Financial position		204.9	147.8
BD	Accounts payable	Financial position		192.4	135.8
BE	Other current payables	Financial position		271.4	313.1
BF	Net working capital		$BF=BA+BB+BC-BD-BE$	235.3	51.7
BG	Net working capital/LTM total revenue, %		$BG=BF/A$	7.8	2.1
CA	Total assets	Financial position		4,131.6	3,607.8
CB	Current liabilities	Financial position		759.7	661.2
CC	Capital employed		$CC=CA-CB$	3,371.9	2,946.6
CD	Return on capital employed, %		$CD=G(LTM)/CC$	7.7	7.2

\* LTM – Last twelve months



**SEGMENT KEY PERFORMANCE INDICATORS**

NOK million	Jul-Sep 2023	Jul-Sep 2022	Change, %	Jan-Sep 2023	Jan-Sep 2022	Change, %	Oct 2022- Sep 2023	Jan-Dec 2022
<b>Norway</b>								
Total operating revenue	274.5	222.7	23.3	794.2	679.3	16.9	1,019.8	904.9
EBITA	64.3	40.4	59.0	135.6	114.3	18.6	155.5	134.2
EBITA margin, %	23.4	18.2	5.3 pp	17.1	16.8	0.2 pp	15.2	14.8
Adjusted EBITA	64.7	40.6	59.2	137.6	117.2	17.4	157.8	137.5
Adjusted EBITA margin, %	23.6	18.2	5.3 pp	17.3	17.3	0.1 pp	15.5	15.2
<b>Germany</b>								
Total operating revenue	300.9	203.4	48.0	850.9	534.1	59.3	1,129.7	812.9
EBITA	44.5	31.2	42.3	109.2	75.5	44.6	129.2	95.5
EBITA margin, %	14.8	15.4	-0.6 pp	12.8	14.1	-1.3 pp	11.4	11.7
Adjusted EBITA	44.5	33.3	33.7	109.2	79.7	37.0	154.4	124.9
Adjusted EBITA margin, %	14.8	16.4	-1.6 pp	12.8	14.9	-2.1 pp	13.7	15.4
<b>Sweden</b>								
Total operating revenue	113.8	103.2	10.2	351.7	302.7	16.2	475.9	426.9
EBITA	18.5	15.3	21.5	40.5	33.7	20.1	55.5	48.8
EBITA margin, %	16.3	14.8	1.5 pp	11.5	11.1	0.4 pp	11.7	11.4
Adjusted EBITA	18.5	16.7	11.3	40.5	35.9	12.9	55.5	50.9
Adjusted EBITA margin, %	16.3	16.1	0.2 pp	11.5	11.9	-0.3 pp	11.7	11.9
<b>Denmark</b>								
Total operating revenue	103.5	83.4	24.2	304.8	232.0	31.4	395.8	323.0
EBITA	9.2	7.5	23.4	20.4	9.6	112.2	20.9	10.1
EBITA margin, %	8.9	9.0	-0.1 pp	6.7	4.1	2.5 pp	5.3	3.1
Adjusted EBITA	9.8	5.0	97.0	21.0	7.1	194.7	21.5	7.6
Adjusted EBITA margin, %	9.5	6.0	3.5 pp	6.9	3.1	3.8 pp	5.4	2.4
<b>Corporate &amp; other</b>								
Total operating revenue	-0.5	-0.7		-5.5	-1.3		-5.5	-1.3
EBITA	-13.5	-8.9		-47.3	-32.4		-57.4	-42.5
EBITA margin, %	n.a.	n.a.		n.a.	n.a.		n.a.	n.a.
Adjusted EBITA	-13.6	-8.9		-42.2	-32.4		-52.1	-42.3
Adjusted EBITA margin, %	n.a.	n.a.		n.a.	n.a.		n.a.	n.a.
<b>Norva24 Group</b>								
Total operating revenue	792.2	612.0	29.4	2,296.2	1,746.9	31.4	3,015.7	2,466.5
EBITA	123.1	85.5	43.9	258.5	200.8	28.7	303.7	246.0
EBITA margin, %	15.5	14.0	1.6 pp	11.3	11.5	-0.2 pp	10.1	10.0
Adjusted EBITA	124.0	86.7	43.0	266.1	207.5	28.2	337.1	278.6
Adjusted EBITA margin, %	15.6	14.2	1.5 pp	11.6	11.9	-0.3 pp	11.2	11.3

# Definitions

## DEFINITIONS AND EXPLANATIONS OF KEY PERFORMANCE INDICATORS

Measure	Definition	Reason for use
Total operating revenue growth	Change in total operating revenue as a percentage of total operating revenue during the comparative period, i.e., the previous year or quarter.	Change in total operating revenue reflects the Group's realized operating revenue growth over time.
Organic growth in total operating revenue	Change in total operating revenue in comparable units after adjustment for acquisition effects, as a percentage of total operating revenue during the comparative period.	Organic total operating revenue growth excludes the effects of changes in the Group structure, which enables a comparison of operating revenue over time.
Acquisition growth	Change in total operating revenue as the percentage change from the comparative period of total operating revenue during the comparative period, driven by acquisitions. Acquired total operating revenue is defined as total operating revenue during the period attributable to companies which have been acquired during the most recent 12-month period and for these companies only operating revenue until 12 months after acquisition closing date.	Acquisition growth reflects the acquired units' effects on total operating revenue.
EBITDA	Earnings before interest, taxes, depreciation and amortization.	EBITDA provides an overall picture of profit generated from the operating activities and is a supplement to the operating profit (EBIT).
EBITDA margin	EBITDA as a percentage of total operating revenue.	EBITDA margin is used to measure operating profitability and indicates the Group's operating earnings capacity.
EBITA	Earnings before interest, taxes and amortization.	EBITA provides an overall view of profit generated by operating activities and is a supplement to the operating profit.
EBITA margin	EBITA in relation to total operating revenue.	EBITA margin is used to measure operating profitability and indicates the Group's operating earnings capacity.
EBIT margin	Earnings before interest and taxes (EBIT) in relation to total operating revenue.	Operating margin enables comparison of the Group's profitability regardless of capital structure or tax situation.
Non-recurring items	Items affecting comparability such as acquisition costs, integration costs and restructuring costs.	Enables comparison of profitability measures without items affecting comparability.
Adjusted EBITDA	EBITDA adjusted for non-recurring items.	Enables comparison of EBITDA excluding items affecting comparability with other periods. Adjusted EBITDA is a measure that the Group regards as relevant to understand income generation before investments in noncurrent assets and items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of total operating revenue.	Adjusted EBITDA margin excludes the effect from items affecting comparability, which enables a comparison of the underlying operating profitability over time.
Adjusted EBITA	EBITA adjusted for non-recurring items.	Enables comparison of EBITA without items affecting comparability with other periods. Adjusted EBITA is a measure that the Group regards as relevant to understand income generation before investments in noncurrent assets and items affecting comparability.
Adjusted EBITA margin	Adjusted EBITA as a percentage of total operating revenue.	Adjusted EBITA margin excludes the effect from items affecting comparability, which enables comparison of the underlying operating profitability over time.





Measure	Definition	Reason for use
Adjusted EBIT	Earnings before interest and taxes (EBIT) adjusted for non-recurring items.	Adjusted EBIT (operating profit) excludes the effect from items affecting comparability, which provides a measure of profit generated from the operating activities.
Adjusted EBIT margin	Adjusted operating profit as a percentage of total operating revenue.	Adjusted EBIT (operating margin) excludes the effect from items affecting comparability, which enables comparison of the underlying business over time.
Cash capital expenditures	Lease payments for vehicles including interest and amortization of vehicle lease liability, rental payments for real estate and capital expenditures (investments in owned vehicles and equipment less disposals).	Cash capital expenditures is used as an alternative measure for the Group's capital expenditures to reflect that leasing agreements are capitalized upfront while the cash payments are done over the lease period.
Cash EBITA	EBITDA less cash capital expenditures.	Cash EBITA provides an overall view of profit generated by operating activities and is a supplement to the operating profit. The measure is comparable to EBITA, but instead EBITDA less depreciation of fixed and leased assets, it is adjusted for the cash expenditures to such assets. This will show the impact of timing of CAPEX and the impact of financial lease on profitability.
Adjusted cash EBITA	Cash EBITA adjusted for non-recurring items.	Cash EBITA adjusted for non-recurring items affecting comparability which enables comparison of the underlying operating profitability over time.
Net debt	Total interest bearing liabilities less cash and cash equivalents. Total interest bearing liabilities consists of non-current and current loans, and leasing liabilities according to IFRS 16.	Net debt is used to monitor the interest-bearing liabilities development and monitor the level of the refinancing requirement. The measure is also used as the numerator in the Net debt ratio used to monitor financial leverage.
Net debt/ LTM adjusted EBITDA	Net debt in relation to twelve-month adjusted EBITDA. Pro forma EBITDA includes all operations within the Group for the full last twelve month period.	The Group uses the Net debt ratio to monitor the level of financial leverage.
Net working capital	Net working capital includes accounts receivable and other current receivables less trade payables and other current liabilities.	The measure shows how much net working capital is allocated in the operations and is useful to indicate how effectively net working capital is used.
Net working capital/ operating revenue	Net working capital in relation to the pro forma rolling twelve-month operating revenue.	Net working capital ratio enables the Group to measure its net working capital over time.
Capital expenditures	Capital expenditures is defined as funds used by the Group to acquire, upgrade, and maintain owned physical assets such as property, buildings, vehicles, or equipment. Excluding acquisitions and divestments.	Capital expenditures is used to measure the required accounted invested funds to acquire, upgrade, and maintain the Group's physical assets.
Net cash inflow from operating activities	From the Cash flow statement.	Operating cash flow is used to monitor cash flows generated by operating activities. The measure is also used as the numerator in the calculation of cash conversion.
Cash conversion	Net cash inflow from operating activities in relation to adjusted EBITDA.	Cash conversion enables the Group to monitor how efficiently the Group manages operating investments and working capital as well as the operating activity's ability to generate cash flows.
Capital employed	Total assets less current liabilities.	Capital employed is a measure which the Group uses for calculating the return on capital employed and for measuring how efficient the Group is without taking goodwill generated in connection with acquisition into account.
Return on capital employed	EBIT in relation to Capital employed.	

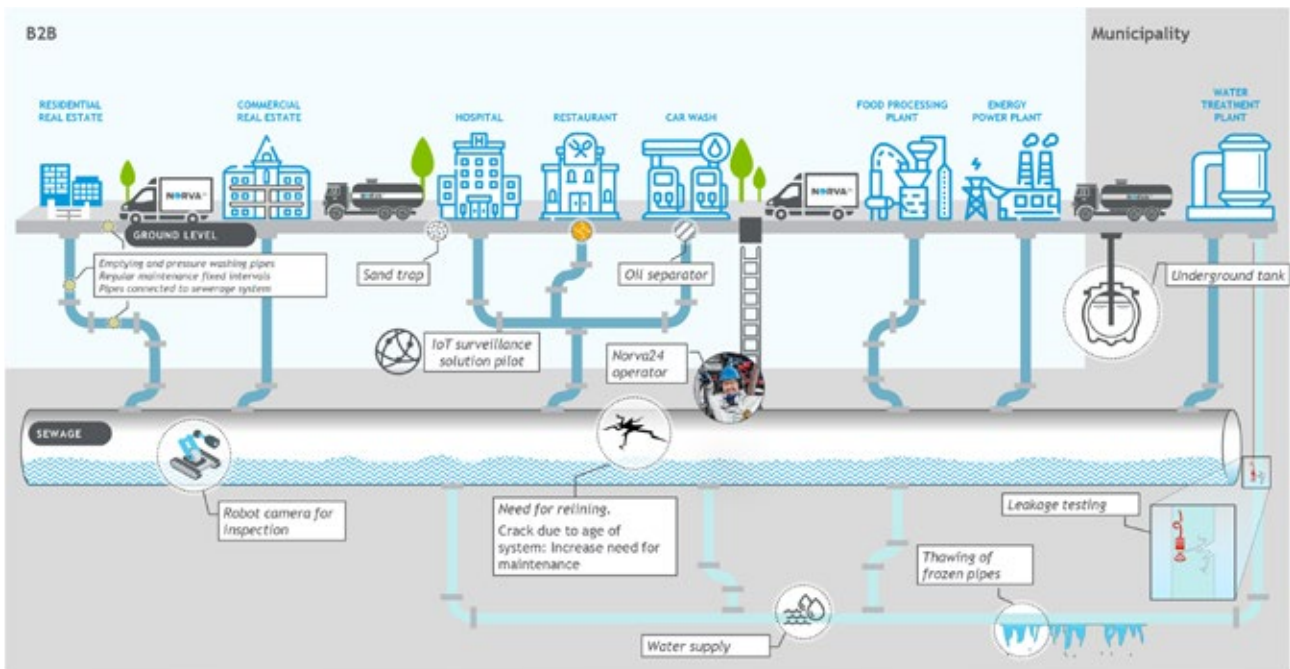
# History

Although the oldest local branch of Norva24 was founded in 1919 in Norway as a family business offering UIM services with horses and carriages, Norva24 in its current form was created in 2015 through a merger of five local UIM companies in Norway, to bring a disruptive business model to and professionalize the UIM services industry. In connection with the establishment of Norva24, Valedo Partners Fund II AB invested in the Group.

## Current position

Norva24 is one of the leading European players in the UIM industry with strong market presence within all its Northern European markets; Norway, Germany, Sweden and Denmark.

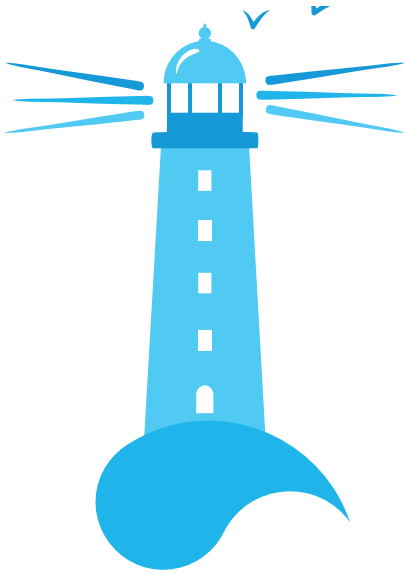
During Q3 2023 LTM Norva24 exceeded NOK 3 billion in proforma revenues, strengthened the network to 75 branches, increased the number of employees to 1724 and completed Norva24's 45th acquisition.



Norva24 operates in many different parts of the Underground Infrastructure Maintenance serving several different types of customers. UIM services are mission critical and essential for society.



# Vision & Core values



“Our long-term vision is to build a European market leader and lighthouse in Underground Infrastructure Maintenance (UIM). Norva24’s vision is to become the leading European operator in our industry and an inspiration to the UIM industry development in Europe”

## Values and Guiding Principles

Let these values be guiding for our business:

### Trust

- We deliver what’s been agreed
- We are competent and deliver high professional quality and precision
- We see and understand the customers’ needs
- We show decisiveness by getting things done, and seek help from others when needed to get the job done

### Passion

- We have passion for our job and will always help
- We are focused at finding solutions and have a positive appearance when meeting customers and colleagues
- We are uncomplicated and informal
- We meet customers and colleagues with a smile

# Medium term financial targets

## Revenue growth

Target to achieve revenue of around NOK 4.5bn by 2025 while achieving an average organic growth per annum of at least in line with market growth.

## Profitability

Target to achieve an adjusted EBITA margin of 14-15% in the medium term.

## Capital structure

Norva24’s capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Target steady state net debt ratio (including IFRS16 lease liabilities) should normally not exceed 2.5x adjusted EBITDA, other than temporarily as a result of M&A. Temporarily is defined as maximum four calendar quarter sequentially.

## Dividend Policy

As part of Norva24’s vision and strategy, it intends to reinvest cash flows into growth and expansion initiatives, including acquisitions, and as such does not expect to pay annual dividends to its shareholders in the medium term.



# Shareholder information & financial calendar

## TOP 20 OWNERSHIP STRUCTURE SEPTEMBER 30, 2023

Shareholder	Total shares	Ownership, %
Valedo Partners Fund II AB	52,716,567	28.9
Nordstjernan	16,845,752	9.2
Swedbank Robur Funds	14,337,583	7.8
Invest24 AS	12,519,326	6.9
Capital Group	9,330,000	5.1
T. Rowe Price	8,672,539	4.7
Royce & Associates LLC	4,484,405	2.5
AQP Holding AS	3,446,536	1.9
Carnegie Funds	3,060,782	1.7
Robeco	3,000,000	1.6
JKT Birkeland Invest AS	2,940,574	1.6
Fallang Holding AS	2,829,694	1.5
Isco AS	2,205,604	1.2
Arild Bødal	1,829,095	1.0
Jens Backhaus	1,704,943	0.9
Flagstad Invest AS	1,695,613	0.9
JP Morgan Asset Managemen	1,538,839	0.8
Nordnet Pension Insurance	1,231,000	0.7
Evli Fund Management	1,208,225	0.7
Mats Lönnqvist	1,202,962	0.7
Other	35,882,701	19.6
<b>Total</b>	<b>182,682,740</b>	<b>100.0</b>

### Contact information

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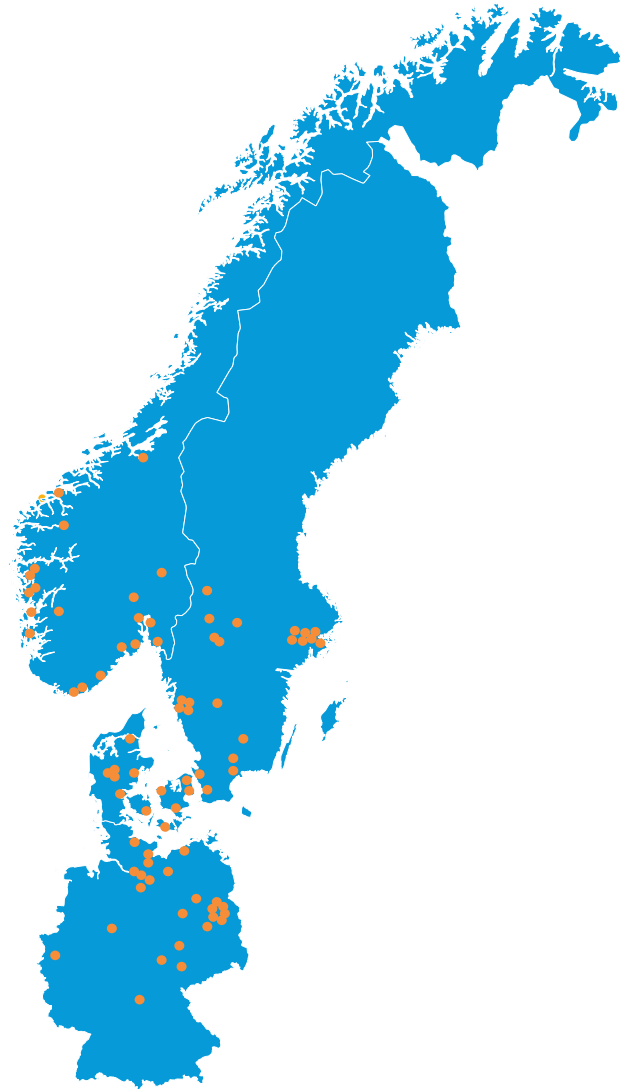
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### Financial calendar

Year-end report January-December 2023	February 23, 2024
Annual report 2023	Week 17, 2024
Interim report January-March 2024	May 22, 2024
Annual General Meeting 2024	May 22, 2024
Interim report January-June 2024	August 15, 2024
Interim report January-September 2024	November 15, 2024
Year-end report January-December 2024	February 19, 2025



**Norva24**

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