

# VESTUM

The background of the slide is a photograph of a lush green agricultural field. A center pivot irrigation system is in operation, with several long metal arms extending across the field. Each arm has multiple wheel-line assemblies, and water is being sprayed from the nozzles in a series of arcs, creating a misty atmosphere over the crops. The field is filled with dense, vibrant green plants, likely a type of leafy vegetable or grain. The sky is not clearly visible, but the overall scene is bright and sunny.

## Interim report

### January-June 2023

Vestum AB (publ)

# Q2

# Solid demand and improved operating cash flow

On July 6 2023, the strategic divestment within the Water segment that Vestum announced on 3 April 2023, was completed. The report's income statement, balance sheet and cash flow statement have been recalculated based on current accounting principles and the company portfolio is reported as operations held for sale. Comments from the CEO and comments in the interim report focus on the Group's remaining operations.

## April – June 2023

- Net sales amounted to SEK 1,707 (1,632) million
- Operating profit before depreciation attributable to acquired surplus value (EBITA) amounted to SEK 154 (190) million
- Operating profit (EBIT) amounted to SEK 72 (111) million
- Earnings per share<sup>2)</sup> before and after dilution amounted to SEK 0.15 (0.19)
- Cash flow from operating activities amounted to SEK 63 (62) million
- On May 23, Vestum held an annual general meeting where it was decided that no dividends would be paid, and election of Per Åhlgren, Johan Heijbel, Olle Nykvist, Anders Rosenqvist, Helena Fagraeus Lundström and Siri Hane as board members
- Simon Göthberg has been appointed new CEO of Vestum – Conny Ryk is proposed as chairman of the board

## January – June 2023

- Net sales amounted to SEK 3,107 (2,698) million
- Operating profit before depreciation attributable to acquired surplus value (EBITA) amounted to SEK 259 (265) million
- Operating profit (EBIT) amounted to SEK 95 (122) million
- Earnings per share<sup>2)</sup> before and after dilution amounted to SEK 0.18 (0.09)
- Cash flow from operating activities amounted to SEK 168 (183) million
- The acquisition of MDT Markvaruhuset AB was completed in January 2023
- On July 6, the strategic divestment within the Water segment that was announced on 3 april, was completed

## Vestum in summary

SEK million (unless otherwise stated)	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Net sales	1,707	1,632	3,107	2,698	6,515	6,106
EBITA	154	190	259	265	654	660
EBITA margin, % <sup>1)</sup>	9.0	11.7	8.3	9.8	10.0	10.8
Adjusted EBITA <sup>1)</sup>	160	198	256	280	627	651
Adjusted EBITA margin, % <sup>1)</sup>	9.4	12.1	8.2	10.4	9.6	10.7
EBITA per share, SEK <sup>1)</sup>	0.41	0.52	0.69	0.73	1.76	1.81
Earnings per share, SEK <sup>2)</sup>	0.15	0.19	0.18	0.09	0.47	0.39
Operating profit (EBIT)	72	111	95	122	332	359
Cash flow from operating activities	63	62	168	183	408	423
Operating cash flow	162	123	304	341	684	720
Cash conversion, %	74	50	79	94	77	83

1) See pages 23–24 for definitions and reconciliation of alternative performance measures

2) Attributable to remaining operations and Parent company's shareholders

# 1,707

Net sales, April–June 2023 in SEK million

# 154

EBITA, April–June 2023 in SEK million

# 9.0%

EBITA margin, April–June 2023

This report is a translation of the Swedish original. In the event of discrepancies, the Swedish version shall prevail.

# Comments from the CEO

Vestum generated stable net sales and improved operating cash flow during the second quarter. Operating cash flow for the quarter increased by SEK 39 million compared to the same period in the previous year, which means that Vestum’s rolling 12-month cash conversion increased sequentially between the first and second quarter from 70% to 77%. Net sales for the quarter amounted to SEK 1,707 million and EBITA amounted to SEK 154 million, corresponding to a margin of 9.0%. The quarter showed organic growth of 1%.

## Stable demand but weaker margin within Infrastructure and Services

We have experienced solid demand for our services and products in general, although it has varied between the segments. Within the Infrastructure segment, volumes have been stable but with a lower margin than the previous year, driven by the fact that parts of the segment carried out individual projects with lower result. Within the Services segment, demand has generally been solid, with the exception of certain businesses with exposure to tenant-owners and indirect exposure to consumers. The segment has also been negatively impacted by provisions for doubtful accounts receivable. Within the Water segment, both demand and profitability have been solid, which was partially driven by extreme weather conditions. Within the Services segment, the EBITA margin amounted to 8.6% and 8.3% within the Infrastructure segment. Within the Water segment, which is relatively insensitive to the economic cycle, the EBITA margin amounted to 22.2% while the EBITA growth amounted to a strong 22%.

Operating cash flow amounted to SEK 162 million, which corresponds to a cash conversion rate of 74%. Efforts to optimise our working capital are continuing

and we are pleased to have improved our levels of tied-up capital compared to the same period in the previous year, but there is still much work to be done. Net financial debt in relation to EBITDA increased from 2.7x to 2.9x, which is above our financial target of 2.5x, primarily driven by paid contingent considerations. We’re reviewing a number of options to lower our leverage with the aim of reaching our financial target in the medium term.

Since the end of the quarter, we have completed the previously announced divestment, redeemed the secured bond of NOK 950 million issued by Vestum’s group company Lakers Group AB (publ) and updated the existing credit facility with Danske Bank, SEB and Swedbank, including an increase in the facility limit. In regards to acquisition, we continue to evaluate potential add-on acquisitions for the existing portfolio.

## Well-diversified Group with a focus on civic infrastructure

We see increased uncertainty around the economy but we also note that the third quarter has started in roughly the same way as in the previous year. We have businesses that operate in different parts of the cycle



and one of our strengths is that we have a well-diversified customer base which spreads the risk between different infrastructure segments in several markets. Our focus going forward continues to be on improving working capital efficiency and sequentially improving the EBITA margin, which for some businesses means undertaking efficiency measures.

The long-term need for our services and products within civic infrastructure is continually strong and we feel confident in our ability to generate stable profitable growth over time. This is my last quarterly report as CEO and I look forward to developing Vestum’s strategy further in the capacity of chairman of the board after the change of CEO on 1 November, 2023, and to continue the Group’s growth journey together with the rest of the Board and Vestum’s management.

Conny Ryk  
CEO, Vestum AB (publ)



# About Vestum

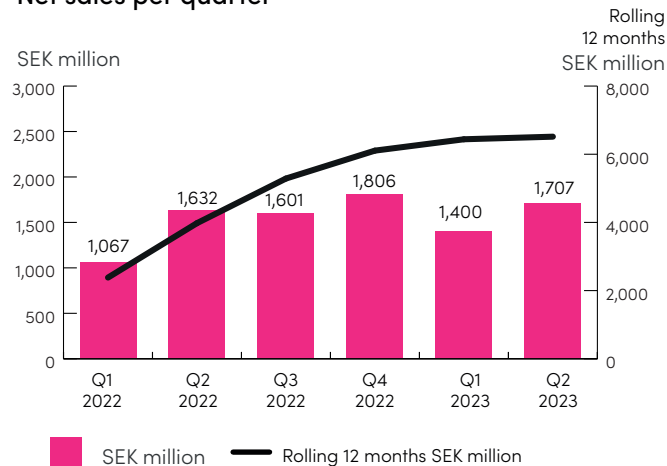
Vestum is an industrial group that provides services and products to civic infrastructure. We have the most prominent specialists on the market with extensive industry experience and strong local presence within our business areas. With 2,000 employees, we are located in Scandinavia and UK.

We develop and acquire entrepreneur-driven specialist companies, with proven business models, sustainable competitive advantages and strong local presence within the segments Water, Services and Infrastructure. Vestum's business model is based on decentralized governance, strong industry and customer focus with entrepreneurial drive. Our ambition is to grow and become the leading Nordic industrial group in specialized services and products for civic infrastructure.

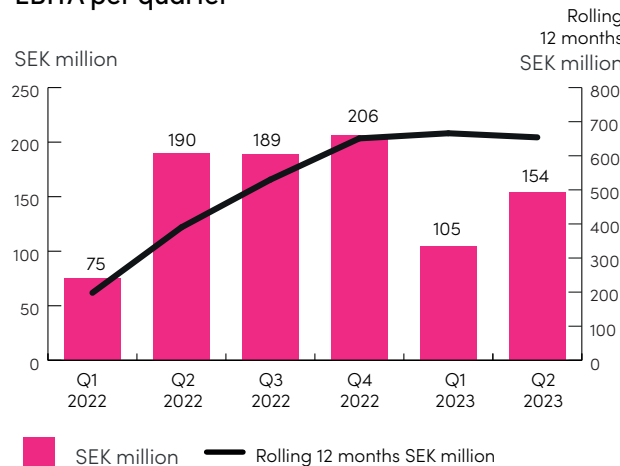
With a strong focus on business development and sustainability as a business driver, we develop and build a climate adapted, more sustainable civic infrastructure, that meets tomorrow's needs. Through a long term commitment and endeavor to act responsibly through the entire value chain, Vestum contributes to a sustainable development and long term value creation.

Vestum's share is traded on Nasdaq Stockholm, Mid Cap, with the shortname VESTUM.

Net sales per quarter



EBITA per quarter



## Financial targets

Vestum's overall target is to create long-term profitable growth by acquiring and developing high-quality companies with good cash flows and strong market positions.

### Profit Growth

Vestum's target in the medium term is to generate an average annual growth in EBITA per share of at least 15.0 percent.

### Profitability

Vestum's target in the medium term is to achieve an EBITA margin of at least 12.0 percent.

### Capital structure

The financial net debt in relation to EBITDA shall be maximum 2.5x

### Dividend policy

Vestum's dividend policy is that all profits and available cash flows will be reinvested in the business and/or used for new acquisitions

# Vestum’s sustainability work

Sustainability is a strategically important issue for Vestum and we have made a long-term commitment to contribute to a sustainable society. Vestum’s quarterly reports describe selected parts of the work that is being carried out to ensure that Vestum reaches its long-term sustainability targets, and provide an overview of the progress Vestum has made.

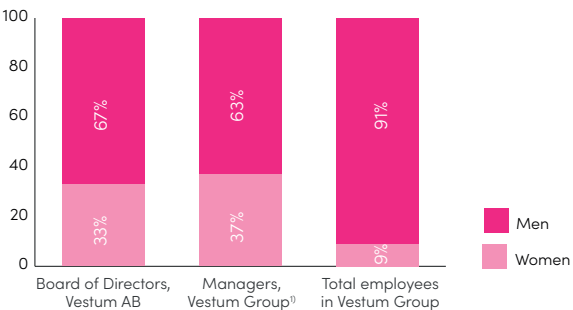
Vestum’s sustainability work during the quarter had a special focus on work environment. Vestum has conducted a sustainability forum, which is a meeting place for all employees within the Vestum Group who work with sustainability issues, with the theme " Systematic work environment management". The goal with taking a systematic approach to work environment is to make sure no one becomes ill or injured as a result of their job, and that all employees have a work environment that is satisfactory and developmental. Since the framework for Vestum’s operations includes jobs that are physically challenging or expose workers to other forms of increased risk, work environment issues have the highest priority within the Group. That is also manifested in the form of Vestum’s long-term sustainability target that the

Group should have no serious work-related accidents by 2040.

During the previous quarter, Vestum’s Board set long-term sustainability targets that extend to 2040. The purpose of the long-term sustainability targets is to create a clear picture for Vestum’s stakeholders, both internal and external, of Vestum’s ambitions within the sustainability area. During this quarter, the Board has discussed which short-term sustainability targets should be in place to ensure that Vestum has the ability to reach its long-term sustainability targets. The aim is for Vestum’s board to set short-term sustainability targets during the third quarter, which will clarify what Vestum needs to achieve in the short term within the sustainability area.

## Gender equality

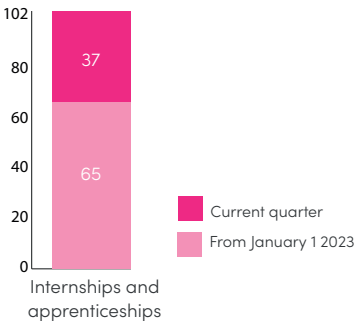
Gender distribution as of June 30 2023



1) Managers in the Vestum Group refers to employees at Group level with personnel or functional responsibilities as well as the CEO and CFO of Vestum’s operating companies.  
 2) A serious accident refers to work-related accidents that lead to at least one day of medical leave  
 3) LTIFR (Lost Time Injury Frequency Rate) refers to the number of accidents per 200,000 hours worked.

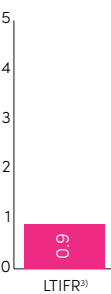
## Skills recruitment

Internships and apprenticeships as of 30 June 2023 (accumulated 102 Internships and apprenticeships from January 1 2023)



## Work environment

Serious accidents during the second quarter 2023 <sup>2)</sup> (4 accidents)



## Sustainability targets

Vestum’s sustainability work focus on climate, biodiversity, work environment, gender equality and skills recruitment. In these areas Vestum has set long-term targets that extend to 2040.

### Climate

Vestum shall reach net zero climate impact by 2040

### Biodiversity

Vestum shall reach net zero impact on biodiversity by 2040

### Work environment

Vestum shall have no serious work accidents by 2040

### Gender equality

Vestum shall have an even gender balance by 2040

### Skills recruitment

Vestum shall create 1,000 internships and apprenticeships by 2040

# The Vestum Group's Development

Comments on the Vestum Group's development refer to the remaining operations unless otherwise is stated.

## Net sales

The Group's net sales for the second quarter amounted to SEK 1,707 (1,632) million. The growth from the same period last year consists of acquired net sales of SEK 60 million, organic growth of SEK 10 million, and exchange rate effects of SEK 6 million. The organic growth corresponds to a growth in net sales of 1%.

For the period January – June 2023, the Group's net sales amounted to SEK 3,107 (2,698) million. The growth from the same period last year consists of acquired net sales of SEK 342 million, organic growth of SEK 53 million, and exchange rate effects of SEK 14 million.

## Seasonality

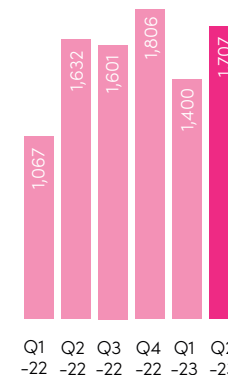
Vestum's activities are affected by seasonality due to weather conditions and number of working days. The Group's diversified structure, regarding both market offering and geographical presence, limits exposure to seasonality to some extent.

## Earnings

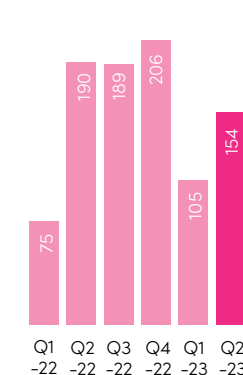
Profit before amortisation and write-downs of acquired surplus value (EBITA) for the second quarter amounted to SEK 154 (190) million which corresponds to an EBITA margin of 9.0% (11.7%). Adjusted EBITA amounted to SEK 160 (198) million and operating profit (EBIT) amounted to SEK 72 (111) million.

Extraordinary items that are adjusted in EBITA affected the quarter negatively by SEK 6 (8) million and consisted of restructuring costs. Net financials for the second quarter amounted to SEK 0 (-24) million of which interest costs for loans and leasing amounted to SEK 59 (44) million. The change refers to increased interest costs which are met by increased exchange rate gains. This was mainly a result of the exchange rate gain of SEK 40 million that arose from currency hedging prior to the redemption of the secured bond in Lagers Group AB that was

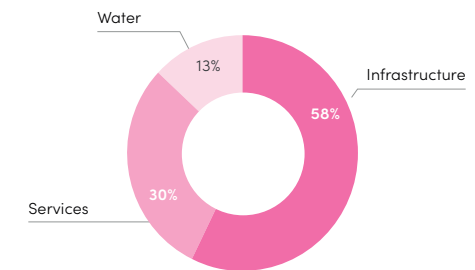
**Net sales,  
per quarter**  
SEK million



**EBITA  
per quarter**  
SEK million



**Net sales  
per segment, Q2 2023**  
Percent



repaid on July 6, 2023. The period's profit after tax amounted to SEK 56 (69) million, which corresponds to a profit per share attributable to the Parent company's shareholders before and after dilution of SEK 0.15 (0.19).

Profit before amortisation and write-downs of acquired surplus value (EBITA) for the remaining operations for January – June 2023 amounted to SEK 259 (265) million which corresponds to an EBITA margin of 8.3% (9.8%). Adjusted EBITA amounted to SEK 256 (280) million and operating profit (EBIT) amounted to SEK 95 (122) million. Net financials amounted to SEK -11 (-79) million of which interest costs for loans and leasing amounted to SEK 117 (82) million. The period's profit after tax for the remaining operations amounted to SEK 66 (31) million, which corresponds to a profit per share attributable to the Parent company's shareholders before and after dilution of SEK 0.18 (0.09).

Extraordinary items that are adjusted in EBITA affected the period January-June positively by SEK 3 (-15) million. These consisted of revaluation of contingent consideration which affects the result positively with SEK 11 million, acquisition transaction costs of 2 million and restructuring costs of SEK 6 million.

## Segment development: Water

Within Water, we offer specialised services and products in water technology that focus on improving the water infrastructure. Customers consist partly of public clients in need of pumping water from one place to another in wastewater systems and maintaining the water supply of various infrastructure facilities, partly of property owners and HVAC operators responsible for water distribution and wastewater management in commercial properties, and partly of industrial companies in need of water filters, water pumps and irrigation systems for various applications. A significant part of the segment consists of maintenance, aftermarket services and product sales of water pumps, water filters and irrigation systems.

The quarter has shown continued solid profitability and demand for the segment's products and services. The strong sales has to some extent been positively

impacted by extreme weather. We look forward with confidence to the coming quarters.

Net sales for the second quarter amounted to SEK 217 (169) million, and for the period January – June 2023 net sales amounted to SEK 393 (305) million.

EBITA for the second quarter amounted to SEK 48 (39) million, corresponding to an EBITA margin of 22.2 % (23.3 %). EBITA for the period January – June 2023 amounted to SEK 79 (64) million, corresponding to an EBITA margin of 20.0% (21.0%)

## Earnings development

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Net sales	217	169	393	305	705	617
EBITA	48	39	79	64	138	124
EBITA-margin	22.2%	23.3%	20.0%	21.0%	19.6%	20.0%

## Segment development: Services

Within Services, we offer niche services and products to commercial properties. End customers are primarily commercial property owners in need of improving energy efficiency and making adjustments to meet stricter environmental and accessibility requirements, but also municipal clients in need of installation work. Products and services primarily consist of installation and maintenance within, for example, plumbing, electricity, suspended ceilings, climate control and technical insulation, but also product sales of security doors and glass and aluminium parts.

Demand for the segment's services and products has generally remained solid during the second quarter. Businesses with exposure to housing associations, and indirect exposure to consumers, have seen weaker demand. The Services segment has also been

negatively affected by reservations for doubtful accounts receivable. We experience increased uncertainty about the economic environment for future quarters. At the same time we state that the exposure against new housing production is limited, and that demand driven by investments in energy efficiency improvements is strong and expected to have a positive effect on the segment.

Net sales for the second quarter amounted to SEK 507 (529) million, and for the period January - June 2023 net sales amounted to SEK 1,036 (912) million.

EBITA for the second quarter amounted to SEK 44 (66) million, corresponding to an EBITA margin of 8.6 % (12.5 %). EBITA for the period January - June 2023 amounted to SEK 86 (95) million, corresponding to an EBITA margin of 8.3% (10.4%)

### Earnings development

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Net sales	507	529	1,036	912	2,075	1,951
EBITA	44	66	86	95	202	211
EBITA-margin	8.6%	12.5%	8.3%	10.4%	9.7%	10.8%



## Segment development: Infrastructure

Within Infrastructure, we offer niche work in land & civil engineering, railways and other infrastructure. Customers are primarily public clients, but also private operators, who invest in and maintain various parts of the infrastructure such as railways, subways, schools, hospitals, perimeter security and water and wastewater systems. The segment is mainly made up of specialists, which include maintenance work on railways, above and below ground work, courtyard renovations, foundation laying, concrete renovation in garages and product sales of moisture protection and sewage treatment systems.

Demand has remained solid during the second quarter. However, profitability has been weighed down by executed individual projects with lower result. The order status ahead of the coming quarters looks generally good. Certain weakening of demand can be seen in the private sector (mainly housing associations), but demand from public end customers, which constitutes

the absolute majority of the segment's clients, is still strong.

Net sales for the second quarter amounted to SEK 983 (934) million, and for the period January - June 2023 net sales amounted to SEK 1,678 (1,481) million.

EBITA for the second quarter amounted to SEK 82 (107) million, corresponding to an EBITA margin of 8.3 % (11.5 %). EBITA for the period January - June 2023 amounted to SEK 120 (150) million, corresponding to an EBITA margin of 7.1% (10.1%)

### Earnings development

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-dec 2022
Net sales	983	934	1,678	1,481	3,736	3,539
EBITA	82	107	120	150	343	374
EBITA-margin	8.3%	11.5%	7.1%	10.1%	9.2%	10.6%

## Cash flow

Cash flow from operating activities during the second quarter amounted to SEK 63 (62) million, of which changes in working capital amounted to SEK -36 (-123) million. The operating cash flow amounted to SEK 162 (13) million, which corresponds to a cash conversion of 74% (50%). For the period January - June 2023, cash flow from operating activities amounted to SEK 168 (183) million, changes in working capital amounted to SEK -43 (-9) million and operating cash flow amounted to SEK 304 (341) million, which corresponds to a cash conversion of 79% (94%). The Group's working capital varies over the quarters, mainly due to fluctuations in the items ongoing projects, accounts receivable and accounts payable. The decrease in working capital in the second quarter was mainly driven by increased accounts payable and decreased inventory assets, though this was to some extent offset by increased accounts receivable.

## Investments

The Group's investments during the second quarter excluding acquisitions amounted to SEK 20 (1) million, and SEK 36 (11) million for January - June 2023. Regulation of additional purchase prices regarding previous years acquisitions amounted to SEK 100 (40) million in the second quarter. Paid contingent consideration regarding previous years acquisitions amounted to SEK 132 (85) million in January - June 2023. For the period January - June 2023, investments in the form of acquisitions of subsidiaries have been completed and total purchase price for the acquisition amounted to SEK 335 (1,874) million. For more information, see the section Acquisitions.

## Financial position and liquidity

Equity at the end of the period amounted to SEK 4,609 (4,377) million. Equity in the Parent company amounted to SEK 4,334 (4,266) million.

The Group's cash and cash equivalents at the end of the period amounted to SEK 607 (608) million. The interest-bearing liabilities, including lease liabilities, amounted to SEK 3,513 (3,378) at the end of the period. At the end of the period, the Group had a net financial debt, defined as interest-bearing liabilities less cash and cash equivalents, of SEK 2,906 (2,770) million.

The net financial debt adjusted for the additional purchase price from the announced divestment in the Water Segment, amounts to SEK 2,571 million. The financial net debt, adjusted for additional purchase price, in relation to EBITDA (not pro forma) is 2.9x.

Total contingent consideration liability amounted to SEK 298 (399) million at the end of the period. The current liability of the total contingent consideration liability, amounted to SEK 235 million. For more information, see the section Acquisitions. Total liabilities amounted to SEK 5,809 (5,573) million as of 30 June, 2023.

Vestum has a credit facility agreement with Danske Bank A/S, Denmark, Swedish Branch and Skandinaviska Enskilda Bank AB (publ) and Swedbank AB (publ) as creditors. The facility amounts to a total of SEK 900 million at the end of the period.

## Staff

The number of full-time employees for the remaining operations as of June 31, 2023 amounted to 2,043 (2,015) people.

## Incentive program

Vestum has two incentive programs corresponding to total of 7,170,193 warrants. The warrant programs are aimed to senior executives and key people in the Group and the portfolio companies. The warrants have been transferred on market terms at a price that was established based on an estimated market value calculated by an independent valuation institute. As of June 30, 2023 the incentive programs do not have a diluting effect on equity.

Outstanding program	Number of options	Corresponding number of shares	Redemption rate per option (SEK)	Redemption period	Maximum increase in share capital (SEK)
2021/2025	3,520,193	3,520,193	70.9	1 Jan 2025 - 31 Mar 2025	1,161,664
2022/2025	3,650,000	3,650,000	31.4	1 Jun 2025 - 31 Aug 2025	1,216,667

## Parent company

The Parent company's net sales during the second quarter amounted to SEK 5 (3) million. Operating profit amounted to SEK -18 (-17) million. Net financial items amounted to SEK -12 (-17) million and consisted of interest costs of SEK 32 million, which were offset by increased exchange rate gains, as a result of the exchange rate gain of SEK 40 million that arose from currency hedging ahead of redemption of the secured bond in Lakers Group AB which was repaid on the sixth of July 2023. Profit for the period amounted to SEK -7 (-27) million, the increased result was mainly due to exchange rate gain.

For January – June 2023, net sales amounted to SEK 9 (11) million, operating profit amounted to SEK -35 (-30) million and net financial items amounted to SEK -21 (-16) million. Profit for January – June 2023 amounted to SEK -57 (-37) million.

The balance sheet total as of June 30, 2023, amounted to SEK 6,704 (6,810) million, of which equity amounted to SEK 4,334 (4,266) million. Cash and cash equivalents in the Parent Company amounted to SEK 490 (443) million.

## Significant events after the end of the period

On 6 July 2023, Vestum completed the strategic divestment of a portfolio of 20 smaller businesses that were previously part of Lakers Group, which was announced on 3 April 2023.

The secured bond of NOK 950 million issued by Vestum's group company Lakers Group AB (publ) has, in connection with the closing of the transaction, been redeemed with funds from the purchase price and bank debt. Due to the divestment, Vestum has updated existing credit facility agreement with Danske Bank A/S, Denmark, Swedish Branch and Skandinaviska Enskilda Bank AB (publ) and Swedbank AB (publ), including an increase of the facility volume from SEK 900 million to SEK 1,200 million.

The board of directors has decided to carry out a strategic review and have due to this hired Danske Bank. The purpose of the review is to evaluate all possibilities to increase shareholder value. The review may therefore possibly result in some form of strategic transaction.

## Owners

The ten largest shareholders as of June 30, 2023, according to Monitor.

Name	Number of shares	Share of total
Conny Ryk	56,700,000	15%
Anders Rosenqvist	29,686,350	8%
Handelsbanken Fonder	26,518,204	7%
Per-Arne Åhlgren	23,218,516	6%
Swedbank Försäkring	18,793,886	5%
Olle Nykvist	13,577,586	4%
Simon Göthberg	13,542,199	4%
Olof Andersson	13,500,000	4%
Erkan Sen	13,213,567	4%
Nordea Fonder	12,482,220	3%
<b>Total for the 10 largest shareholders based on no. of shares</b>	<b>221,232,528</b>	<b>60%</b>
<b>Total number of shares, other shareholders</b>	<b>154,576,940</b>	<b>40%</b>
<b>Total number of outstanding shares at the end of the period</b>	<b>375,809,468</b>	<b>100%</b>

## Acquisitions

During the period January–June 2023, one acquisition was completed, where 100 percent of the shares were acquired. Total purchase price for the acquisition of subsidiaries amounted to SEK 335 million, of which SEK 111 million has been paid with equity shares, and the remaining part has or will be paid with cash and cash equivalents. Equity interests are calculated based on a volume weighted average share price over ten days for the Vestum share. A total of 7,106,274 shares have been issued to settle these commitments.

### Acquisitions completed during the period

Closed by the end of the period (SEKm)	Segment	Completed	Annual net sales	Number of employees
MDT Markvaruhuset AB	Infrastructure	January	143	19
			<b>143</b>	<b>19</b>

Transaction costs for the acquisitions of SEK 2 million have been charged to the Group's earnings during the period January–June 2023. These are reported under Other operating expenses in the income statement. The goodwill of SEK 216 million that was generated by the acquisitions is attributable to synergy effects, employees and future financial benefits that are not individually identified and reported separately.

### Contingent considerations

In accordance with agreements on contingent considerations, the Group must pay cash compensation and/or with the issue of shares linked to future earnings. Equity interests are calculated based on a volume weighted average share price over 10 days for the Vestum share. The maximum non-discounted amount that may be paid to the previous owners amounts to SEK 384 million, of which SEK 100 million refers to acquisitions made during 2023. The likely outcome of the contingent consideration is based on the Group's forecast of future development and earnings in each entity. Total contingent consideration liability amounts to SEK 298 million, of which SEK 75 million refers to acquisitions completed in 2023. During the period January – June 2023, contingent consideration of SEK 132 million was paid. Paid and revalued contingent consideration had a positive net impact of SEK 11 (–1) million on the period's result, which is reported in Other operating income and Other operating expenses in the income statement.

The current part of the liability amounts to SEK 235 million. The fair value of the contingent consideration is at level 3 in the fair value hierarchy. Contingent consideration payments are reported in Other current liabilities and Other long-term liabilities in the balance sheet.

### Change in contingent consideration liability

SEK million	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<b>Opening balance</b>	<b>399</b>	<b>465</b>	<b>465</b>
Acquisitions during period	75	104	104
Paid contingent consideration	-132	-85	-143
Revaluation via operating profit	-11	3	-31
Exchange rate difference	-	2	2
Departs: Operations held for sale	-33	-	-
<b>Closing balance at period end</b>	<b>298</b>	<b>490</b>	<b>399</b>

## Effects of acquisitions completed at period-end

The acquisitions made during the period January to June 2023 have had the following effects on the Group's assets and liabilities. The effects are preliminary as the Group has not received final audited information from the acquired companies. Any adjustments in connection with the final PPA are not expected to have a significant impact on the Group's earnings or financial position. Equity interests are calculated based on a volume weighted average share price over 10 days for the Vestum share.

SEK million	Total	Impact on cash and cash equivalents	
Intangible assets	89	<b>Total purchase price</b>	<b>335</b>
Other non-current assets	1	Conditional purchase price	-75
Other current assets	45	Settlement in shares	-125
Cash and cash equivalents	9	Cash and cash equivalents in acquired units	-9
Non-current liabilities	-0	<b>Impact on cash and cash equivalents</b>	<b>126</b>
Deferred tax liabilities	-18	Paid contingent consideration	132
Current liabilities	-7	<b>Total impact on cash and cash equivalents</b>	<b>257</b>
Non-controlling interests	-		
<b>Net assets and liabilities</b>	<b>119</b>		
Goodwill	216	<b>Impact on the income statement, Jan-Jun 2023</b>	
<b>Total purchase price</b>	<b>335</b>	Net sales	60
		EBITA	17
		Operating profit (EBIT)	12
		Profit/loss for the period	11
		<b>Impact on the income statement if the acquisitions had been part of the Group on January 1, 2023</b>	
		Net sales	69
		EBITA	19
		Operating profit (EBIT)	13
		Profit/loss for the period	11



# The Group's consolidated income statement in summary

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<b>Remaining operations</b>						
Net sales	1,707	1,632	3,107	2,698	6,515	6,106
<b>Total operating income</b>	<b>1,707</b>	<b>1,632</b>	<b>3,107</b>	<b>2,698</b>	<b>6,515</b>	<b>6,106</b>
Materials and purchased services	-935	-870	-1,661	-1,447	-3,548	-3,334
Other external costs	-131	-133	-274	-227	-556	-509
Personnel costs	-421	-382	-802	-661	-1,565	-1,424
Other operating income	4	8	24	14	72	62
Other operating expenses	-7	-9	-11	-16	-27	-32
<b>Total operating expenses and other operating income</b>	<b>-1,490</b>	<b>-1,387</b>	<b>-2,724</b>	<b>-2,337</b>	<b>-5,624</b>	<b>-5,237</b>
<b>EBITDA</b>	<b>217</b>	<b>245</b>	<b>383</b>	<b>361</b>	<b>891</b>	<b>869</b>
Depreciation excl. acquired surplus value	-63	-55	-125	-96	-237	-209
<b>EBITA</b>	<b>154</b>	<b>190</b>	<b>259</b>	<b>265</b>	<b>654</b>	<b>660</b>
Amortisation attributable to acquired surplus value	-82	-78	-163	-142	-323	-301
<b>Operating profit (EBIT)</b>	<b>72</b>	<b>111</b>	<b>95</b>	<b>122</b>	<b>332</b>	<b>359</b>
Financial items net	0	-24	-11	-79	-114	-182
<b>Earnings before tax</b>	<b>71</b>	<b>87</b>	<b>84</b>	<b>44</b>	<b>217</b>	<b>177</b>
Income tax	-15	-19	-17	-13	-41	-36
<b>Profit/loss for the period from continuing operations</b>	<b>56</b>	<b>69</b>	<b>66</b>	<b>31</b>	<b>176</b>	<b>141</b>
Profit/loss from operations held for sale	-9	-5	-10	-1	-8	1
<b>Profit/loss for the period</b>	<b>48</b>	<b>64</b>	<b>56</b>	<b>30</b>	<b>168</b>	<b>142</b>

The income statement has been recalculated for all periods based on current accounting principles for operations held for sale. See page 20 for accounting principles and page 21 for the income statement in summary for the operations held for sale.

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<b>The profit/loss for the period attributable to:</b>						
Parent company shareholders	47	63	55	29	167	141
Non-controlling interests	0	1	1	1	1	1
Average number of shares during the period <sup>1)</sup>	375,809,468	366,024,397	374,134,702	361,320,247	370,863,193	364,508,628
Number of shares issued at the end of the period	375,809,468	367,645,024	375,809,468	367,645,024	375,809,468	367,645,024
Profit/loss attributable to remaining operations and the Parent company's shareholders per share <sup>1)</sup> . SEK	0.15	0.19	0.18	0.09	0.47	0.39
Profit/loss attributable to Parent company's shareholders per share <sup>1)</sup> . SEK	0.13	0.17	0.15	0.08	0.45	0.39

1) Before and after dilution

## Consolidated statement of comprehensive income in summary

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Profit/loss for the period	48	64	56	30	169	142
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	67	-1	50	15	76	41
<b>Total comprehensive income for the period</b>	<b>115</b>	<b>63</b>	<b>106</b>	<b>45</b>	<b>244</b>	<b>183</b>
<b>Total comprehensive income for the period attributable to:</b>						
Parent company's shareholders	115	63	105	44	243	182
Non-controlling interests	0	0	1	1	1	1
<b>Total comprehensive income attributable to Parent company's shareholders, originated from:</b>						
Remaining operations	119	72	121	36	243	158
Operations held for sale	-5	-9	-15	9	1	25

# The Group's consolidated balance sheet in summary

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Assets</b>			
Intangible assets	6,317	6,353	6,276
Property, plant and equipment	277	303	304
Right of use assets	662	665	740
Financial assets	8	8	8
Deferred tax assets	20	27	24
Other non-current assets	2	2	3
<b>Total non-current assets</b>	<b>7,285</b>	<b>7,359</b>	<b>7,354</b>
Inventories	351	384	429
Accounts receivable	1,019	1,018	1,063
Contract assets	265	290	243
Other current assets	64	98	80
Prepaid expenses and accrued income	188	113	120
Cash and cash equivalents	607	634	608
Assets held for sale	639	58	52
<b>Total current assets</b>	<b>3,133</b>	<b>2,595</b>	<b>2,596</b>
<b>Total assets</b>	<b>10,418</b>	<b>9,953</b>	<b>9,950</b>

As of June 30, 2023, the announced divestment of the company portfolio of 20 smaller businesses within the Water segment is included in the item Assets held for sale and in the item Liabilities that are directly related to assets held for sale. See page 20 for accounting principles and page 21 for a summary of the balance sheet for the operations held for sale.

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Equity and liabilities</b>			
Equity attributable to owners of the company	4,606	4,229	4,374
Non-controlling interests	3	2	3
<b>Total equity</b>	<b>4,609</b>	<b>4,231</b>	<b>4,377</b>
Non-current provisions	19	9	22
Non-current interest-bearing liabilities	2,848	2,710	2,638
Non-current lease liabilities	488	491	543
Deferred tax liabilities	561	590	575
Other non-current liabilities	64	189	160
<b>Total non-current liabilities</b>	<b>3,980</b>	<b>3,988</b>	<b>3,938</b>
Current provisions	1	1	2
Current interest-bearing liabilities	3	6	3
Current lease liabilities	174	168	194
Accounts payable	559	549	528
Contract liabilities	91	125	119
Other current liabilities	372	538	437
Accrued expenses and deferred income	339	333	340
Liabilities that are directly related to assets held for sale	290	15	11
<b>Total current liabilities</b>	<b>1,830</b>	<b>1,734</b>	<b>1,635</b>
<b>Total liabilities</b>	<b>5,809</b>	<b>5,722</b>	<b>5,573</b>
<b>Total equity and liabilities</b>	<b>10,418</b>	<b>9,953</b>	<b>9,950</b>

# The Group's changes in equity in summary

SEK million	Equity attributable to the Parent company's shareholders					Total equity
	Share capital	Share premium reserve	Reserves	Retained earnings incl. profit/loss for the period	Non-controlling interests	
<b>Opening balance as of 1 January 2022</b>	<b>117</b>	<b>3,739</b>	<b>11</b>	<b>-276</b>	<b>1</b>	<b>3,593</b>
Profit/loss for the period	-	-	-	29	1	30
Other comprehensive income for the period	-	-	15	-	-	15
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>29</b>	<b>1</b>	<b>45</b>
Total transactions with owners	5	588	-	-	-1	593
<b>Closing balance as of 30 June 2022</b>	<b>123</b>	<b>4,327</b>	<b>26</b>	<b>-246</b>	<b>2</b>	<b>4,231</b>
<b>Opening balance as of 1 January 2023</b>	<b>123</b>	<b>4,335</b>	<b>53</b>	<b>-136</b>	<b>3</b>	<b>4,377</b>
Profit/loss for the period	-	-	-	56	1	56
Other comprehensive income for the period	-	-	50	-	-	50
Transfer to other reserves	-	-	-	-	-	0
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>56</b>	<b>1</b>	<b>106</b>
Total transactions with owners	3	122	-	-	-	125
<b>Closing balance as of 30 June 2023</b>	<b>125</b>	<b>4,458</b>	<b>103</b>	<b>-80</b>	<b>3</b>	<b>4,609</b>

# The Group's cash flow statement in summary

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Earnings before tax	71	79	84	35	225	177
Adjustment for non-cash items	108	125	203	234	456	488
Income tax paid	-79	-19	-76	-78	-130	-132
<b>Cash flow from operating activities before changes in working capital</b>	<b>99</b>	<b>185</b>	<b>211</b>	<b>192</b>	<b>551</b>	<b>532</b>
<b>Changes in working capital</b>						
Change in inventories	34	-21	4	-37	-36	-77
Change in operating receivables	-219	-286	-138	-231	-156	-249
Change in operating liabilities	149	184	91	258	49	216
<b>Cash flow from changes in working capital</b>	<b>-36</b>	<b>-123</b>	<b>-43</b>	<b>-9</b>	<b>-143</b>	<b>-109</b>
<b>Cash flow from operating activities</b>	<b>63</b>	<b>62</b>	<b>168</b>	<b>183</b>	<b>408</b>	<b>423</b>
Purchase and sale of intangible assets	-3	-	-3	-	-5	-2
Purchase of property, plant and equipment	-17	1	-33	-11	-60	-38
Purchase of subsidiaries and activities	-98	-465	-257	-1,148	-297	-1,188
Proceeds from other financial assets net	-	-	-	1	-	1
<b>Cash flow from investing activities</b>	<b>-118</b>	<b>-464</b>	<b>-294</b>	<b>-1,158</b>	<b>-362</b>	<b>-1,226</b>
Proceeds from borrowings	246	105	246	202	154	111
Repayments of lease liabilities	-41	-34	-87	-64	-169	-146
Proceeds from capital increase	-	-	-	11	9	20
Changes in other non-current liabilities	1	-4	1	-5	-2	-7
<b>Cash flow from financing activities</b>	<b>206</b>	<b>67</b>	<b>160</b>	<b>144</b>	<b>-8</b>	<b>-24</b>
<b>Net cash flow from continuing operations</b>	<b>151</b>	<b>-335</b>	<b>34</b>	<b>-831</b>	<b>39</b>	<b>-826</b>
Net cash flow from operations held for sale	12	-12	24	-54	-9	-88
<b>Net cash flow for the period</b>	<b>163</b>	<b>-347</b>	<b>58</b>	<b>-886</b>	<b>29</b>	<b>-914</b>

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Cash and cash equivalents at the beginning of the period	502	978	608	1,518	634	1,518
Cash flow for the period	163	-347	58	-886	29	-914
Exchange rate difference in cash and cash equivalents	6	3	3	1	6	4
Cash and cash equivalents from operations held for sale	-63	-	-63	-	-63	-
<b>Cash and cash equivalents at the period end</b>	<b>607</b>	<b>634</b>	<b>608</b>	<b>634</b>	<b>608</b>	<b>608</b>
<b>Cash flow regarding interest</b>						
Interest paid	-51	-33	-98	-65	-179	-145
Interest received	3	-	5	-	6	2

The cash flow statement has been recalculated for all periods based on current accounting principle for operations held for sale. See page 20 for accounting principles.

# Segment reporting

Vestum divides its operations into three segments: Infrastructure, Services and Water. Vestum has identified these three segments as complementary, both over a business cycle and seasonally.

The tables below only include the financial outcome for the periods in which each portfolio company was part of the Vestum Group. The Water segment has been recalculated to describe the continuing operations.

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<i>Net sales per geographic market</i>						
Sweden	1,457	1,436	2,660	2,369	5,664	5,374
Other countries	250	197	447	329	850	732
<b>Total net sales</b>	<b>1,707</b>	<b>1,632</b>	<b>3,107</b>	<b>2,698</b>	<b>6,515</b>	<b>6,106</b>

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<i>Net sales per segment</i>						
Water	217	169	393	305	705	617
Services	507	529	1,036	912	2,075	1,951
Infrastructure	983	934	1,678	1,481	3,736	3,539
<b>Total net sales</b>	<b>1,707</b>	<b>1,632</b>	<b>3,107</b>	<b>2,698</b>	<b>6,516</b>	<b>6,106</b>

Cost for Group functions refers to group management, IT, legal, M&A and group finance functions. Costs related to operating group functions have been distributed to each segment.

All segment's have revenue recognition at a point in time, and over time.

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<i>EBITA per segment</i>						
Water	48	39	79	64	138	124
Services	44	66	86	95	202	211
Infrastructure	82	107	120	150	343	374
Group functions	-14	-14	-29	-28	-57	-56
<b>Adjusted EBITA</b>	<b>160</b>	<b>199</b>	<b>256</b>	<b>281</b>	<b>626</b>	<b>651</b>
Adjustments	-6	-10	3	-16	28	9
<b>EBITA</b>	<b>154</b>	<b>190</b>	<b>259</b>	<b>265</b>	<b>654</b>	<b>660</b>
Amortisation attributable to acquired surplus value	-82	-78	-163	-142	-323	-301
<b>Operating profit (EBIT)</b>	<b>72</b>	<b>111</b>	<b>95</b>	<b>122</b>	<b>332</b>	<b>359</b>
Financial items net	-	-24	-11	-79	-114	-182
<b>Earnings before tax</b>	<b>71</b>	<b>87</b>	<b>84</b>	<b>44</b>	<b>217</b>	<b>177</b>



## The Parent company's income statement in summary

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Net sales	5	3	9	11	22	23
<b>Total operating income</b>	<b>5</b>	<b>3</b>	<b>9</b>	<b>11</b>	<b>22</b>	<b>23</b>
Other external expenses	-7	-6	-16	-14	-29	-27
Personnel costs	-13	-11	-25	-22	-47	-44
Other operating income	-	-	-	-	-	-
Other operating expenses	-3	-3	-3	-4	-9	-10
Depreciation	-1	-	-1	-	-2	-1
<b>Total operating expenses and other operating income</b>	<b>-23</b>	<b>-20</b>	<b>-44</b>	<b>-40</b>	<b>-86</b>	<b>-82</b>
<b>Operating profit/loss</b>	<b>-18</b>	<b>-17</b>	<b>-35</b>	<b>-30</b>	<b>-64</b>	<b>-60</b>
Financial items net	12	-17	-21	-16	-83	-78
Appropriations	-	-	-	-	286	286
<b>Earnings before tax</b>	<b>-7</b>	<b>-33</b>	<b>-57</b>	<b>-45</b>	<b>138</b>	<b>149</b>
Income tax	-	6	-	8	-45	-37
<b>Profit/loss for the period</b>	<b>-7</b>	<b>-27</b>	<b>-57</b>	<b>-37</b>	<b>93</b>	<b>112</b>

## The Parent company report on comprehensive income in summary

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<b>Profit/loss for the period and total comprehensive income for the period</b>	<b>-7</b>	<b>-27</b>	<b>-57</b>	<b>-37</b>	<b>93</b>	<b>112</b>

## The Parent company's balance sheet in summary

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Assets</b>			
Intangible assets	2	-	2
Property, plant and equipment	7	2	8
Financial assets	5,961	5,647	5,712
Deferred tax asset	-	16	-
Non-current intercompany receivables	180	247	155
<b>Total non-current assets</b>	<b>6,150</b>	<b>5,913</b>	<b>5,877</b>
Current intercompany receivables	55	113	476
Other current receivables	4	1	2
Prepaid expenses and accrued income	5	1	12
Cash and cash equivalents	490	356	443
<b>Total current assets</b>	<b>554</b>	<b>472</b>	<b>933</b>
<b>Total assets</b>	<b>6,704</b>	<b>6,385</b>	<b>6,810</b>
<b>Equity and liabilities</b>			
Equity attributable to owners of the company	4,334	4,108	4,266
<b>Total equity</b>	<b>4,334</b>	<b>4,108</b>	<b>4,266</b>
Untaxed reserves	46	-	46
Non-current interest-bearing liabilities	1,737	1,580	1,484
Other non-current liabilities	25	111	111
<b>Total non-current liabilities</b>	<b>1,808</b>	<b>1,691</b>	<b>1,641</b>
Current intercompany liabilities	379	379	677
Accounts payable	5	2	8
Other current liabilities	151	189	194
Accrued expenses and deferred income	27	17	26
<b>Total current liabilities</b>	<b>562</b>	<b>586</b>	<b>904</b>
<b>Total liabilities</b>	<b>2,370</b>	<b>2,277</b>	<b>2,544</b>
<b>Total equity and liabilities</b>	<b>6,704</b>	<b>6,385</b>	<b>6,810</b>

# Additional information

## Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations provided by the IFRS Interpretations Committee (IFRIC) that have been adopted by the European Commission for use within the EU. The standards and interpretations applied are those adopted by the EU. The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and RFR 1, Supplementary Accounting Rules for Groups. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report uses the same accounting principles and valuation methods as were used in the annual report for 2022.

Amounts in tables and calculations can be rounded, which means the stated total amounts are not always an exact sum of the rounded individual amounts.

From January 1, 2023, other standards, amendments and interpretations of existing standards that have not yet entered into force or been published by the IASB have also not been applied by the Group.

## IFRS 5 - Operations held for sale

In connection with the change of operations in 2021, it was determined that the business within the WeSC brand shall be divested. The process of divesting WeSC has been delayed, primarily due to a challenging macro economic environment, but the Board's assessment is that a divestment will take place within the coming twelve months. In July 2023, the strategic divestment within the Water segment that Vestum announced on 3 April 2023 was completed. The income statement, the cash flow statement and the balance sheet for the above operations are reported as operations held for sale in accordance with IFRS 5. The comparative figures for 2022, for the income statement, cash flow statement and for certain alternative key figures, have been recalculated.

Furthermore, assets and liabilities attributable to the operations are reported as assets held for sale and liabilities that are directly related to assets held for sale. Assets and liabilities for the company portfolio within the segment Water are reported as of 30 June 2023 as assets held for sales and liabilities that are directly related to assets held for sale. The WeSC brand is reported for all periods as assets held for sale and liabilities that are directly related to assets held for sale.

## Risks and uncertainties

Vestum's main risk factors consist of market risks such as changes in the macro economic environment and/or the current competitive situation. In addition, the Group is exposed to operational risks such as project, customer and quality risks. The Group is also exposed to financial risks such as currency, interest rate, counterparty and credit risks.

Vestum continuously monitors the development of the war in Ukraine and its effects on raw material prices, energy prices, and supply chains disruptions.

The inflation has during 2022, and to some extent during the beginning of 2023, increased significantly on the markets where Vestum operates, which has led to higher prices on materials and labour. Vestum compensates for the main part of these cost increases by increasing prices against customers which, however, takes affect with a certain delay.

The Group's interest-bearing liabilities are to some extent exposed to floating interest rates. Increased steering interest rate affects Vestum's floating interest rates. Vestum strives to, at all times, have a structured and efficient management of financial risks in accordance with the Group's finance policy.

The Parent company is affected by the above risks and uncertainties through its function as owner of the Group's subsidiaries. For more information on Vestum's risks and risk management please refer to the Annual report for 2022.

## Related party transactions

During the period, there were no transactions between Vestum and related parties that had a significant impact on the Company's financial position or earnings. For more information on related parties, refer to the Annual report for 2022, note 27.

## Financial assets and liabilities

Contingent consideration that is valued at fair value in the balance sheet amounts to SEK 298 (399) million and is classified in level 3 according to the fair value hierarchy. The section Acquisitions presents how fair value is determined. Revaluation of the contingent consideration recorded in operating profit had a positive effect on the quarter result of SEK 0 (-3) million. Financial assets in the form of non-current securities holdings valued at fair value in the balance sheet are classified in level 1 according to the fair value hierarchy. The non-current securities holdings amount to SEK 8 (8) million. For assets and liabilities reported at amortized cost, the carrying value corresponds to its fair value since the interest rate is at par with current market interest rates, or because the item is short-term.

## Operations held for sale

Operations held for sale refer to the WeSC brand and the company portfolio of 20 smaller businesses within the Water segment that Vestum divested on July 6, 2023. See section IFRS 5 under accounting principles, page 20.

Net sales for operations held for sale during the second quarter amounted to SEK 241 (226) million and the operating profit amounted to SEK -8 (2) million. For the period January - June 2023, net sales amounted to SEK 474 (473) million and the operating profit amounted to SEK -7 (0) million.

Profit attributable to operations held for sale	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Revenue	241	226	474	473	943	942
Costs	-249	-228	-481	-473	-946	-939
<b>Operating profit</b>	<b>-8</b>	<b>-2</b>	<b>-7</b>	<b>0</b>	<b>-3</b>	<b>3</b>
Income tax	-2	-1	-4	-1	-5	-3
<b>Earnings before tax</b>	<b>-9</b>	<b>-3</b>	<b>-10</b>	<b>-1</b>	<b>-8</b>	<b>1</b>

Balance sheet attributable to operations held for sale	30 Jun 2023	30 Jun 2022	31 Dec 2022
Other non-current assets	247	-	-
Other current assets	392	58	52
Non-current liabilities	69	-	-
Current liabilities	222	15	11
<b>Balance sheet from operations held for sale</b>	<b>349</b>	<b>42</b>	<b>41</b>

# Performance measures

SEK million (unless otherwise stated)	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
Net sales	1,707	1,632	3,107	2,698	6,515	6,106
EBITDA <sup>1)</sup>	217	245	383	361	891	869
EBITA <sup>1)</sup>	154	190	259	265	654	660
Operating profit/loss (EBIT)	72	111	95	122	332	359
EBITA margin % <sup>1)</sup>	9.0	11.7	8.3	9.8	10.0	10.8
EBIT margin %	4.2	6.8	3.1	4.5	5.1	5.9
Adjusted EBITA <sup>1)</sup>	160	198	256	280	627	651
Adjusted EBITA margin % <sup>1)</sup>	9.4	12.1	8.2	10.4	9.6	10.7
Financial net debt <sup>1)</sup>	2,906	2,740	2,906	2,740	2,906	2,770
Financial net debt adjusted for the announced disposal <sup>1)</sup>	2,571	N/A	2,571	N/A	2,571	N/A
Financial net debt adjusted for the announced disposal in relation to EBITDA <sup>1)</sup>	N/A	N/A	N/A	N/A	2.9	N/A
Number of employees at end of period <sup>1)</sup>	2,043	1,990	2,043	1,990	2,043	2,015
Average number of shares during the period	375,809,468	366,024,397	374,134,702	361,320,247	370,863,193	364,508,628
EBITA per share, SEK <sup>1)</sup>	0.41	0.52	0.69	0.73	1.76	1.81
Adjusted EBITA per share, SEK <sup>1)</sup>	0.43	0.54	0.68	0.77	1.69	1.79
Earnings per share attributable to remaining operations and Parent company's shareholders, SEK	0.15	0.19	0.18	0.09	0.47	0.39
Earnings per share attributable to Parent company's shareholders, SEK	0.13	0.17	0.15	0.08	0.45	0.39
Operating cash flow <sup>1)</sup>	162	123	304	341	684	720
Cash conversion % <sup>1)</sup>	74	50	79	94	77	83

1) The alternative performance measure (APM) is an alternative performance measure according to ESMA's guidelines.  
For reconciliation of alternative APMs, see page 24

N/A: The performance measure cannot be calculated fairly

## Definitions of alternative performance measures

Performance measure	Definition	Purpose	Performance measure	Definition	Purpose
<b>EBITDA</b>	Earnings before taxes, financial items and depreciation of tangible and intangible fixed assets and consolidated surplus value.	EBITDA is used to measure profit/loss from operating activities, independent of depreciation.	<b>EBIT</b>	Operating profit. Profit before tax on income for the period and financial items.	EBIT is used to measure the underlying operating profit/loss from operating activities.
<b>EBITA</b>	Operating profit before amortisation of consolidated surplus values.	EBITA is used to measure the underlying operating profit/loss before amortisation of consolidated surplus value from operating activities.	<b>EBIT margin</b>	EBIT as a percentage of net sales.	EBIT margin is used to put the underlying operating profit/loss in relation to net sales.
<b>EBITA margin</b>	EBITA as a percentage of net sales.	EBITA margin is used to put the underlying operating profit/loss before amortisation on consolidated surplus value in relation to net sales.	<b>Financial net debt</b>	Non-current and current interest-bearing liabilities (including lease liabilities) less cash and cash equivalents.	The performance measure is used to show the size of the debt minus current cash (which in theory could be used to repay loans).
<b>Financial net debt adjusted for effect from the announced disposal</b>	Financial net debt adjusted for the announced disposal, includes effects from incoming purchase price.	The performance measure is used to illustrate the Group's indebtedness, taken the effect from the announced disposal into account, and is used to calculate the Group's financial leverage.	<b>Financial net debt adjusted for effect from announced disposal, in relation to EBITDA</b>	Refers to financial net debt, adjusted for effect from the announced disposal, divided by EBITDA.	The performance measure can be used to assess the Group's financial leverage taken the effect from the announced disposal into account.
<b>Rolling 12 months</b>	Refers to the last twelve months from period end.	Rolling 12 months is used to evaluate the latest twelve-month period.	<b>Net sales growth</b>	Refers to net sales growth for one period compared to the same period prior year.	The performance measure is used to follow up the development in net sales between two comparable periods.
<b>Adjustment items</b>	Adjustment items refers to acquisition-related transaction costs, revaluation of contingent consideration, cost related to the change of listing to Nasdaq Stockholm executed 2022, and restructuring costs.	The performance measure is used when calculating adjusted EBITA, adjusted EBITA margin.	<b>Organic net sales growth</b>	Refers to net sales growth, excluding exchange rate and acquisition effects, compared to same period prior year. Acquired companies are included in organic growth from the point they have comparison figures for the actual period.	The performance measure illustrates the underlying net sales development.
<b>Adjusted EBITA</b>	Refers to EBITA adjusted with adjustment items.	Adjusted EBITA is used by management to measure the underlying earnings development.	<b>Operating cash flow</b>	EBITDA reduced by net investment in intangible and tangible fixed assets and change in working capital.	The performance measure shows the cash flow from operations and is used when calculating cash conversion.
<b>Adjusted EBITA margin</b>	Adjusted EBITA as a percentage of net sales.	Adjusted EBITA margin is used to put adjusted EBITA in relation to net sales.	<b>Cash conversion</b>	Operating cash flow as a percentage of EBITDA.	Cash conversion is used to monitor cash generation from operations.



## Reconciliation of alternative performance measures

Vestum presents a number of performance measures that are not defined in accordance with IFRS. The Company considers these measures to provide valuable supplementary information to investors and the management as they allow an evaluation of trends and performance. As not all companies calculate these measures in

the same way, they are not always comparable with those used by other companies. These measures should therefore not be regarded as replacing measures that are defined in accordance with IFRS. Reconciliation of these measures is presented below. For definitions of performance measures, see previous page.

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<b>Earnings measures</b>						
<b>(A) Net sales</b>	<b>1,707</b>	<b>1,632</b>	<b>3,107</b>	<b>2,698</b>	<b>6,515</b>	<b>6,106</b>
Operating expenses and other operating income	-1,490	-1,387	-2,724	-2,723	-5,624	-5,237
<b>(B) EBITDA</b>	<b>217</b>	<b>245</b>	<b>383</b>	<b>361</b>	<b>891</b>	<b>869</b>
Depreciation excl. acquired surplus values	-63	-55	-125	-96	-237	-209
<b>(C) EBITA</b>	<b>154</b>	<b>190</b>	<b>259</b>	<b>265</b>	<b>654</b>	<b>660</b>
<b>(C/A) EBITA margin</b>	<b>9.0%</b>	<b>11.7%</b>	<b>8.3%</b>	<b>9.8%</b>	<b>10.0%</b>	<b>10.8%</b>
<b>Adjustments items</b>						
Acquisition-related transaction costs	-	4	2	11	2	11
Impact on profit/loss from contingent consideration	0	1	-11	1	-45	-33
One-time costs	5	2	5	2	16	13
<b>Total adjustments</b>	<b>6</b>	<b>8</b>	<b>-3</b>	<b>15</b>	<b>-27</b>	<b>-9</b>
<b>(D) Adjusted EBITA</b>	<b>160</b>	<b>198</b>	<b>256</b>	<b>280</b>	<b>627</b>	<b>651</b>
<b>(D/A) Adjusted EBITA margin</b>	<b>9.4%</b>	<b>12.1%</b>	<b>8.2%</b>	<b>10.4%</b>	<b>9.6%</b>	<b>10.7%</b>
(E) Average number of shares during the period <sup>1)</sup>	375,809,468	366,024,397	374,134,702	361,320,247	370,863,193	364,508,628
<b>(C/E) EBITA per share</b>	<b>0.41</b>	<b>0.52</b>	<b>0.69</b>	<b>0.73</b>	<b>1.76</b>	<b>1.81</b>
<b>Net sales growth</b>						
Organic net sales growth	10	14	53	14	N/A	N/A
Exchange rate effect	6	0	14	0	N/A	N/A
Net sales from acquired companies	60	1,582	342	3,164	N/A	N/A
<b>Net sales growth</b>	<b>76</b>	<b>1,596</b>	<b>409</b>	<b>3,178</b>	<b>N/A</b>	<b>N/A</b>

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 months	Jan-Dec 2022
<b>Balance measures</b>						
Non-current interest-bearing liabilities	2,848	2,710	2,848	2,710	2,848	2,638
Current interest-bearing liabilities	3	6	3	6	3	3
Lease liabilities	662	658	662	658	662	737
Cash and cash equivalents	-607	-634	-607	-634	-607	-608
<b>(F) Financial net debt</b>	<b>2,906</b>	<b>2,740</b>	<b>2,906</b>	<b>2,740</b>	<b>2,906</b>	<b>2,770</b>
Added purchase price from announced disposal	-335	N/A	-335	N/A	-335	N/A
<b>(G) Financial net debt adjusted for announced disposal</b>	<b>2,571</b>	<b>N/A</b>	<b>2,571</b>	<b>N/A</b>	<b>2,571</b>	<b>N/A</b>
<b>(B) EBITDA</b>	<b>217</b>	<b>245</b>	<b>383</b>	<b>361</b>	<b>891</b>	<b>869</b>
<b>(G/H) Financial net debt adjusted for announced disposal, in relation to EBITDA, times</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.9</b>	<b>N/A</b>
<b>Cash conversion</b>						
<b>(B) EBITDA</b>	<b>217</b>	<b>245</b>	<b>383</b>	<b>361</b>	<b>891</b>	<b>869</b>
Net investment in intangible assets and property, plant and equipment	-20	1	-36	-11	-65	-39
Change in working capital	-36	-123	-43	-9	-143	-109
<b>(H) Operating cash flow</b>	<b>162</b>	<b>123</b>	<b>304</b>	<b>341</b>	<b>684</b>	<b>720</b>
<b>(H/B) Cash conversion</b>	<b>74%</b>	<b>50%</b>	<b>79%</b>	<b>94%</b>	<b>77%</b>	<b>83%</b>

N/A: The performance measure cannot be calculated fairly

## Board of Directors and CEO approval

The Board of Directors and the CEO ensure that the interim report gives a true and fair view of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

August 29, 2023

**Per Åhlgren**  
Board chairman

**Johan Heijbel**  
Board member

**Siri Hane**  
Board member

**Helena Fagraeus  
Lundström**  
Board member

**Olle Nykvist**  
Board member

**Anders Rosenqvist**  
Board member

**Conny Ryk**  
CEO

This report has not been subject to review by the company's auditors.

This information is information that Vestum AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person below for publication on August 29, 2023 at 07:00 CET.

## Upcoming reports

Interim report for the third quarter 2023 will be published on November 16, 2023.

## Teleconference

On August 29, 2023 at 11:00 AM CET Conny Ryk, CEO; Olof Andersson, CFO; and Simon Göthberg, Deputy CEO and Head of M&A will present the report and answer questions via a webcasted conference call. The presentation is held in Swedish.

Webcasting of the presentation (opportunity for written questions):

<https://ir.financialhearings.com/vestum-q2-2023/register>

Teleconference (opportunity for oral questions):

<https://conference.financialhearings.com/teleconference/?id=5009607>

The presentation slides used will be available during the webcast and will be published on Vestums' website, <https://www.vestum.se/ir/finansiella-rapporter/>, before the start of the presentation.

## For more information, contact:

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### Company information

Org nr 556578-2496

Registered office: Stockholm

Vestum's share is traded under the short name VESTUM on Nasdaq Stockholm Main Market

# VESTUM