

# Interim report January-June 2023





# Strong revenue growth and good operating cash flow in Q2

## April-June 2023

- Total operating revenue amounted to NOK 799.4 million (608.5), an increase of 31.4%. Currency adjusted organic growth was 4.0%.
- Revenue from customer contracts amounted to NOK 792.3 million (603.9) an increase of 31.2%.
- EBIT amounted to NOK 67.8 million (63.6).
- The period was charged with non-recurring items amounting to NOK 4.4 million (5.6).
- Adjusted EBITA amounted to NOK 82.7 million (77.6) up 6.7%.
- Profit for the period was NOK 56.7 million (58.2) down 2.5%
- Cash flow from operating activities totaled NOK 132.5 million (32.2).
- Basic/Diluted earnings per share amounted to NOK 0.31 (0.32).

## January-June 2023

- Total operating revenue amounted to NOK 1,504.0 million (1,134.9), an increase of 32.5%. Currency adjusted organic growth was 6.1%.
- Revenue from customer contracts amounted to NOK 1,492.4 million (1,122.1) an increase of 33.0%.
- EBIT amounted to NOK 113.8 million (99.9).
- The period was charged with non-recurring items amounting to NOK 6.7 million (5.6).
- Adjusted EBITA amounted to NOK 142.1 million (120.9) up 17.6%.
- Profit for the period was NOK 89.3 million (76.3) up 17.0%
- Cash flow from operating activities totaled NOK 177.6 million (66.6).
- Basic/Diluted earnings per share amounted to NOK 0.49 (0.42).

## Significant events during the January-June 2023 period

- Norva24 acquired NRC Gravco in Oslo adding NOK 90 million in revenues and further consolidating Norva24's position in Oslo and the surrounding area.
- Mikael Smedborn assumed his position as new CEO of Sweden.
- Henrik Norrbom was appointed new Group CEO. Henrik will assume his position as from September 18, 2023.

## Significant events after the reporting period

- Stein Yndestad assumed the position as acting Group CEO as from August 1, 2023, until September 18.
- A smaller acquisition was completed in Denmark.

## FINANCIAL OVERVIEW

NOK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Total operating revenue	799.4	608.5	1,504.0	1,134.9	2,835.6	2,466.5
Growth – total revenue, %	31.4	25.1	32.5	26.8	25.2	21.8
Adjusted EBITA	82.7	77.6	142.1	120.9	299.9	278.6
Adjusted EBITA margin, %	10.4	12.7	9.5	10.6	10.6	11.3
Adjusted EBITA growth, %	6.7	11.0	17.6	17.2	8.9	8.1
EBIT	67.8	63.6	113.8	99.9	225.7	211.7
Cash flows from operating activities	132.5	32.2	177.6	66.6	454.2	343.3
Cash conversion, %	85.4	23.6	62.9	28.3	80.2	66.0
Net debt (at period end)	1,296.2	975.4	1,296.2	975.4	1,296.2	1,074.1
Net debt (at period end)/LTM adjusted EBITDA	2.3	2.0	2.3	2.0	2.3	2.1
Earnings per share (basic and diluted), NOK	0.31	0.32	0.49	0.42	0.83	0.76

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## Strong revenue growth and cash flow – softer margins



In Q2 2023, Norva24 achieved a strong total revenue growth of 31%, supported by currency adjusted organic growth of 4%. This level of organic growth is below what we see as a normal rate of growth in our industry but needs to be viewed in retrospect of the strong growth experienced in the first half of 2022, particularly in Norway with 20% organic growth due to the backlog after Covid-19. Overall, we still see good market development, but during the quarter utilization has been particularly uneven across branches with very high utilization in some branches and modest or weak utilization in other branches. We do not see this as a permanent or long-term shift and therefore not shifted resources between branches to mitigate, but to a larger extent used subcontractors in the markets with high demand. This has contributed to the margin reduction for the quarter. Q2 last year was, as communicated earlier, impacted by catch up activities after Covid-19 affecting organic growth and margins particularly in Norway. Adjusted EBITA in Q2 2023 was up 7% to NOK 83 million, and adjusted EBITA-margin was 10% during the quarter. We remain confident

**“We look back at a quarter with strong revenue growth of 31% and a strong cash flow from operations. Organic growth slowed slightly in the quarter on the back of Covid-19 catch up last year.”**



that Norva24's business model is resilient in this weaker economic environment as well as inflation resistant, with a lag as adjustments take place in arrears.

Cash flow from operating activities was strong at NOK 133 million with a healthy cash conversion of 85% of our adjusted EBITDA. We are comfortable with our financial position, excellent cash flow and a leverage of 2.3x LTM adjusted EBITDA at the end of Q2. During the last 12 months we reported cash flow from operating activities amounting to more than NOK 450 million. This is providing us with significant headroom in relation to our financial covenants in the financing facility. We currently have NOK 520 million available in the credit facility to enable continued strong M&A pace going forward.

The M&A activity in 2023 started off strongly as Norva24 in January 2023 completed the acquisition of Gravco in Norway, which strengthens Norva24 in the greater Oslo area and surroundings. Gravco had revenues of NOK 90 million in 2022 and high margins. In addition a smaller acquisition, Toms Kloakservice, was completed in Denmark in August 2023. We have a solid pipeline and remain confident that 2023 will be a strong acquisition year despite slightly slower M&A pace during the last few months. The five acquisitions we have closed during the last 12 months add annual revenue of NOK 380 million and provided an acquired growth of 19% in Q2 2023. Norva24 is well on track to achieve the financial target of NOK 4.5 billion in revenue by 2025. On the target on adjusted EBITA margin of 14-15% in the medium term we are however trending slightly behind, but measures have been initiated to mitigate this trend.

In Q2 Germany showed the strongest total growth at 72% driven by organic growth of 29% and acquisition growth of 43%. Currency adjusted organic growth was 11% and adjusted EBITA margin decreased 3 p.p. to 13% due to utilization in the German market, and one underperforming unit.

Norway showed slower organic growth mainly due to strong development in 2022 as the backlog of work after Covid-19 was done. Adjusted EBITA margin for Norway at 15% was still strongest in the group.

The improvements and positive momentum in the Danish operations seen in previous quarters continued in Q2. Adjusted EBITA margin improved by 3 p.p. for Q2 compared with last year and 4 p.p. year to date confirming that Denmark is on the right track even if margin is still below the group average.

Sweden posted a softer Q2 with adjusted EBITA margin of 10% mainly due to utilization across different branches and somewhat slower activity level mainly in the capital area. In Norway, Germany and Sweden we have seen high demand in some branches, leading to additional overtime and higher use of subcontractors. At the same time, we have seen lower demand in other branches, resulting in lower utilization of personnel and equipment. Combined, this have impacted margins negatively.

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!"

We have a clear, proven, and consistent acquisition strategy, with 43 acquisitions completed since 2015. We operate in the European UIM market, with a total addressable market of more than NOK 140 billion and have a clear number one position in Northern Europe, a market worth NOK 36 billion.

I assumed the position as acting Group CEO as from August 1. I have been working closely with the board and the previous CEO on the strategy and developing Norva24 for the last 6 years. We will continue to follow the same path so it's very much business as usual.

As we communicated before the summer, Henrik Norrbom will assume the position as Group CEO from September 18. We are very happy to have Henrik onboard the Norva24 team. Henrik has valuable experience and expertise in managing geographically dispersed and decentralized organizations, managing operations in the Nordics and mainland Europe, carrying out integrations through mergers and acquisitions, as well as building strong international and customer-focused cultures. He has a proven track record from several executive management positions in different industries.

We once again welcome Henrik to the team.

I also want to take the opportunity to thank Henrik Damgaard for his time in Norva24 and wish him the best in his new position.

Stein Yndestad  
Acting Group CEO



# Financial overview for the Group

## Total operating revenue (Apr-Jun)

Total operating revenue amounted to NOK 799.4 million (608.5), an increase of 31.4%. Currency adjusted organic growth was 4.0%. The growth was driven by good activity levels in many branches combined with price adjustments, but negatively affected by slower demand in other areas. Acquisition growth was 19.1% in the quarter, driven by acquisitions in all markets and in Germany in particular.

	Apr-Jun 2023	Apr-Jun 2022	Jan-Dec 2022
%			
Growth – total operating revenue	31.4	25.1	21.8
Organic growth	12.3	12.2	7.7
Organic growth – currency adj.	4.0	13.1	8.9
Acquisition growth	19.1	12.9	14.1

## Total operating revenue (Jan-Jun)

Total operating revenue amounted to NOK 1,504.0 million (1,134.9), an increase of 32.5%. Currency adjusted organic growth was 6.1%. The growth was driven by good activity levels in all markets combined with price adjustments. Acquisition growth was 19.4% in the period, driven by acquisitions in all markets.

	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
%			
Growth – total operating revenue	32.5	26.8	21.8
Organic growth	13.1	11.4	7.7
Organic growth – currency adj.	6.1	13.1	8.9
Acquisition growth	19.4	15.4	14.1

## Total operating expenses (Apr-Jun)

Total operating expenses amounted to NOK 648.7 million (477.9). The increase was driven by a higher cost base due to the acquisitions in all markets, as well as higher personnel costs due to salary increases when compared to 2022. Corporate costs increased from NOK 14.4 to 20.2 million mainly due to recruitment costs and sign on fee for the new Group CEO totalling NOK 4.2 million.

## Total operating expenses (Jan-Jun)

Total operating expenses amounted to NOK 1,228.7 million (904.9). The increase was driven by a higher cost base due to the acquisitions in all markets, as well as higher transportation costs due to increased cost of consumable materials, while energy prices were down when compared to 2022. Corporate costs increased from NOK 23.5 to NOK 33.8 million mainly due to M&A related costs, recruitment costs and costs related to some key projects.

## Adjusted EBITA (Apr-Jun)

Adjusted EBITA increased to NOK 82.7 million (77.6), with a margin of 10.4% (12.7). The margin reduction is a result of the utilization seen in the quarter and strong comparable numbers due to Covid-19 catch up work in 2022.

## Adjusted EBITA (Jan-Jun)

The increase in adjusted EBITA to NOK 142.1 million (120.9), resulted in an adjusted EBITA margin of 9.5% (10.6). The decrease in adjusted EBITA margin is mainly attributable to decreased margins in the organic portfolio due to uneven utilization in different markets.

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

Depreciation and amortization of tangible and intangible assets for the period amounted to NOK 161.5 million (130.2). The increase was primarily attributable to vehicles and equipment in the companies acquired, while planned amortization in intangible assets pertained to brands and customer relationships in the companies acquired. Total depreciation and impairment as a share of revenues was reduced from 10.1% in 2022 to 9.3% in 2023.

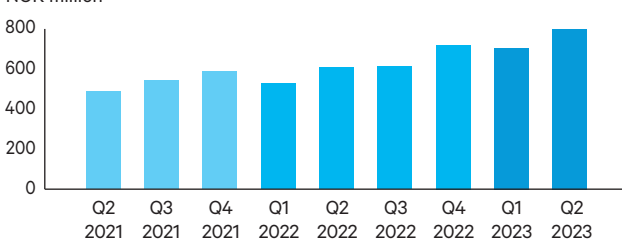
Amortizations during the period amounted to NOK 21.6 million (15.4), primarily related to amortization of customer relationships.

## EBIT (Jan-Jun)

EBIT amounted to NOK 113.8 million (99.9). 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 6.7 (5.6) million.

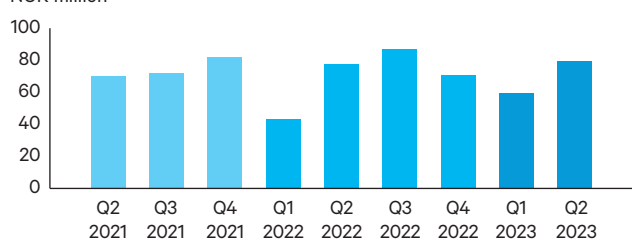
## Total operating revenue

NOK million



## Adjusted EBITA

NOK million



**Financial items (Apr-Jun)**

Net financial items was positive and amounted to NOK 10.0 million (12.1) and consisted primarily of currency exchange gains, partly offset by increased interest expenses on loans and right of use obligations. Interest expenses on loans in Q2 2023 were up compared to 2022 due to the increased debt and interest rate. Lease liabilities increased primarily due to the recent acquisitions.

**Financial items (Jan-Jun)**

Net financial items was positive and amounted to a positive NOK 8.7 million (0.5) and consisted primarily of currency exchange gains as well as increased interest expenses on loans and right of use obligations. Interest expenses on loans in the period 2023 were up compared to 2022 due to the increased debt and interest rate since the IPO. Lease liabilities increased primarily due to the recent acquisitions.

**Earnings (Apr-Jun)**

Profit before income tax was NOK 77.8 million (75.6). Profit for the period was NOK 56.7 million (58.2). Basic and diluted earnings per share amounted to NOK 0.31 (0.32).

**Earnings (Jan-Jun)**

Profit before income tax was NOK 122.5 million (100.3). Profit for the period was NOK 89.3 million (76.3). Basic and diluted earnings per share amounted to NOK 0.49 (0.42).

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

The net cash flow from operating activities varies across the year depending on the weather and vacation periods, with a stronger cash flow in the second half. Net cash flow from operating activities for the period amounted to NOK 177.6 million (66.6). In 2022 the net cash flow from operating activities in the first half was impacted by cash payments related to the IPO in December 2021.

Net cash inflow from operating activities over the last 12 months amounted to NOK 454.2 million and has been covering more than the net cash outflow from investing activities of NOK -393.6 million, comprising of acquisitions and earnouts. This shows the strength of Norva24's buy and build strategy and is further proof that we have the capacity to meet the mid-term targets as set out in the strategy.

Cash flow from investing activities in the period was NOK -166.0 million (-134.8), of which payments of earn-outs from acquisitions of subsidiaries amounted to NOK 18.0 million (19.1). Cash flow from financing activities in the period amounted to NOK -51.4 million (-58.5), mainly attributable to higher lease payments and lower proceeds from borrowings. Cash conversion was 62.9% during the period, compared with 28.3% for the same period last year. Cash effect of the IPO cost affected Q1 and the first half in 2022 with NOK 30.0 million. In the second quarter of 2023 the cash conversion was 85.4% (23.6%). The cash conversion is back to more normalized levels as the previous periods were affected by IPO payments and large changes in Net Working Capital. The first half year is the seasonally weakest period in terms of cash generation.

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

Norva24's Net debt amounted to NOK 1,296,1 million (975.4), corresponding to a net debt/LTM adjusted EBITDA of 2.3x (2.0). The increase is attributable to the acquisitions in the period, but also a weaker NOK compared to EUR. The Group's cash and cash equivalents amounted to NOK 177.8 million (126.9)

Of the NOK 1,100 million credit facility NOK 577 million was utilized at the end of Q2.

At the end of the period, total equity amounted to NOK 1,946.6 million (1,710.4). The equity/assets ratio was 47.6 (52.6).

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

According to IFRS 16, all leases are capitalized. Lease liabilities amounted to NOK 856.9 as per June 30, 2023. NOK 284.5 million of the lease liabilities are related to buildings and property and 572.4 are related to vehicles and other assets. Leasing payments for the next 12 months as of June 30, 2023, is NOK 214 million.

Depreciation of the leased assets is included in the total depreciation in the statement of income.

Total interest-bearing debt amounted to NOK 1,473.9 as per June 30, 2023.

Net debt excluding lease liabilities amounted to NOK 439.2 million as per June 30, 2023.

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

NOK million	Current portion	Non-current	Total debt
Buildings and property	69.0	215.5	284.5
Vehicles and equipment	138.0	426.1	564.1
Furniture, fixtures & other	5.2	3.2	8.4
<b>Total lease liabilities IFRS 16</b>	<b>212.2</b>	<b>644.7</b>	<b>856.9</b>
Loans	12.5	604.5	617.0
<b>Total Debt</b>	<b>224.7</b>	<b>1,249.3</b>	<b>1,473.9</b>
Cash and cash equivalent			177.8
Net debt including IFRS 16			1,296.1
Net debt excluding building and property leases			1,011.7
<b>Net debt excluding IFRS 16 lease liability</b>			<b>439.2</b>

**Employees**

On June 30, 2023, the total number of employees was 1,652 (1,492).

**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 – lower margins and organic growth on the back of strong comparable numbers

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 496 employees as of June 30, 2023.

## Total operating revenue (Apr-Jun)

Total operating revenue amounted to NOK 270.5 million during the second quarter, compared with 243.5 NOK million during the same period of 2022, corresponding to a growth of 11.1% in total operating revenue.

This growth was driven by organic growth of 2.0% and the acquisition of Gravco. The growth comes on top of strong organic growth (20.2%) in Q2 2022, primarily due to the Covid-19 backlog last year.

%	Apr-Jun 2023	Apr-Jun 2022	Jan-Dec 2022
Growth – total operating revenue	11.1	20.2	12.9
Organic growth	2.0	20.2	12.7
Acquisition growth	9.1	0.0	0.2

## Total operating revenue (Jan-Jun)

Total operating revenue amounted to NOK 519.7 million during the first half year, compared with 456.6 NOK million during the same period of 2022, corresponding to a growth of 13.8% in total operating revenue.

The total growth was driven by organic growth of 5.7% and the acquisition of Gravco generating acquisition growth of 8.1%. The growth comes on top of strong growth (20.5%) in the first half of 2022 due to Covid-19 backlog last year.

%	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Growth – total operating revenue	13.8	21.1	12.9
Organic growth	5.7	20.5	12.7
Acquisition growth	8.1	0.5	0.2

## Adjusted EBITA (Apr-Jun)

Adjusted EBITA amounted to NOK 40.9 million in Q2 2023, compared with NOK 47.5 million in the same period of 2022. The adjusted EBITA margin was 15.1% in the second quarter of 2023. The margin is down primarily due to strong development in Q2 of 2022 due to Covid-19 backlog, but also a bit utilization among the different branches in the segment.

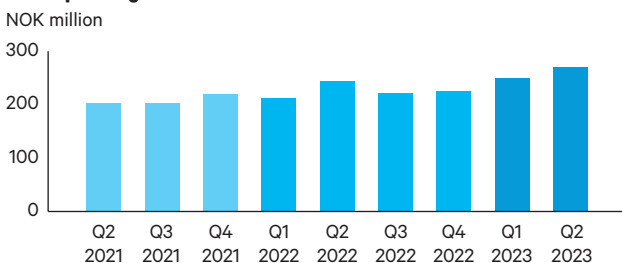
## Adjusted EBITA (Jan-Jun)

Adjusted EBITA amounted to NOK 72.9 million in Q2 2023, compared with NOK 76.6 million in the same period of 2022, a reduction of 4.8%. The adjusted EBITA margin was 14.0% during the period. The margin is down primarily due to strong development in the same period of 2022 due to Covid-19 backlog.

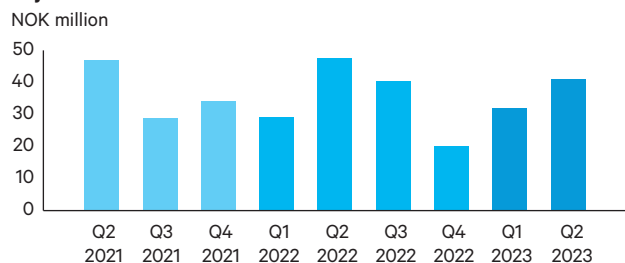
## Highlights of the quarter

The activity in the market was characterized by uneven utilization implying strong demand in certain areas and weaker demand in other areas. Organic revenue growth was low at 2.0%. Cost increases were largely offset by price increases from both private customers and public contracts. Most public contracts were index-adjusted as from January 2023 by approximately 10% and will be adjusted again on January 1, 2024. Private contracts are being regulated on an ongoing basis. Public contracts amount to around 30% of the Norwegian contracts. Norva24 has also renewed several municipality contracts during the quarter and won some new tenders.

## Total operating revenue



## Adjusted EBITA



## KEY PERFORMANCE INDICATORS

NOK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Jul 2022- Jun 2023	Jan-Dec 2022
Total operating revenue	270.5	243.5	11.1	519.7	456.6	13.8	968.0	904.9
EBITA	40.7	44.8	-9.2	71.3	73.9	-3.5	131.6	134.2
EBITA margin, %	15.0	18.4	-3.4 pp	13.7	16.2	-2.5 pp	13.6	14.8
Adjusted EBITA	40.9	47.5	-13.9	72.9	76.6	-4.8	133.8	137.5
Adjusted EBITA margin, %	15.1	19.5	-4.4 pp	14.0	16.8	-2.7 pp	13.8	15.2





# Germany – strong total growth of 72%

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 707 employees as of June 30, 2023.

## Total operating revenue (Apr-Jun)

Total operating revenue amounted to NOK 298.3 million during the second quarter, compared with NOK 173.7 million during the same period of 2022, corresponding to growth of 71.7% in total revenue. This growth was mainly attributable to the acquisitions of Jutzy and CKS in 2022. Currency adjusted organic growth was 11.1%.

	Apr-Jun 2023	Apr-Jun 2022	Jan-Dec 2022
%			
Growth – total operating revenue	71.7	16.8	25.8
Organic growth	28.9	2.2	1.1
Organic growth – currency adj.	11.1	2.9	1.9
Acquisition growth	42.8	14.6	24.6

## Total operating revenue (Jan-Jun)

Total operating revenue amounted to NOK 550.1 million during the period, compared with NOK 330.8 million during the same period of 2022, corresponding to growth of 66.3% in total revenue. This growth was mainly attributable to the acquisitions of Zimmerbeutel, Jutzy and CKS in 2022. Currency adjusted organic growth was up 10.2%.

	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
%			
Growth – total operating revenue	66.3	24.3	25.8
Organic growth	25.0	0.5	1.1
Organic growth – currency adj.	10.2	2.4	1.9
Acquisition growth	41.3	23.7	24.6

## Adjusted EBITA (Apr-Jun)

Adjusted EBITA amounted to NOK 39.4 million in Q2 2023 compared to NOK 27.4 million in the same period of 2022. The adjusted EBITA margin decreased from 15.8% in the preceding year to 13.2% during the quarter. The margin development is attributable to uneven utilization across different branches. During the quarter a few branches have seen operational challenges and thereby significantly lower margins.

## Adjusted EBITA (Jan-Jun)

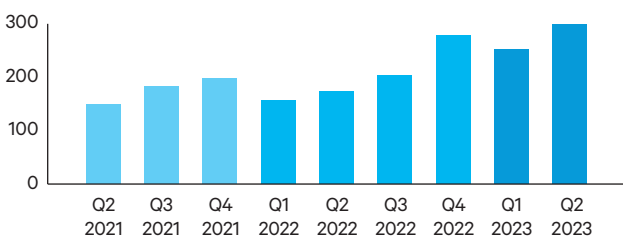
Adjusted EBITA amounted to NOK 64.7 million in the period compared to NOK 46.4 million in the same period of 2022. The adjusted EBITA margin decreased from 14.0% in the preceding year to 11.8% during the quarter. The margin development is attributable to lower margins in acquired companies, but also slightly weaker organic margins.

## Highlights of the quarter

Revenue growth remained good, supported by acquisitions. Demand has also in Germany showed some variability across the branches. Sick leaves are still at a high level and some operational challenges in some units are in the process of being mitigated. Legislation related to inspection and potential remedy of pipes connecting private homes to public pipes in Schleswig Holstein has been suspended, creating at least a temporary reduction in demand for such services. Norva24 established a position as the market leader in the Metropolitan region of Berlin with the Jutzy and CKS acquisitions and thereby significantly increased the local density in the region. In order to continue to attract, increase competence and retain personnel, Norva24 started Norva24 Akademie as an internal training and education center in the quarter. One of the large Norva24 operations in Germany also recently received a prize for trainee and apprenticeship at the Federal Employment Agency in Germany.

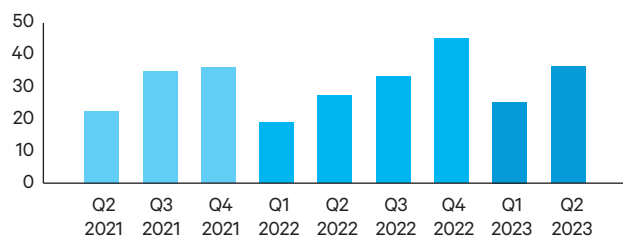
## Total operating revenue

NOK million



## Adjusted EBITA

NOK million



## KEY PERFORMANCE INDICATORS

NOK million	Jan-Jun 2023	Jan-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Jul 2022- Jun 2023	Jan-Dec 2022
Total operating revenue	298.3	173.7	71.7	550.1	330.8	66.3	1,032.2	812.9
EBITA	39.4	25.3	55.9	64.7	44.3	46.2	115.9	95.5
EBITA margin, %	13.2	14.6	-1.3 pp	11.8	13.4	-1.6 pp	11.2	11.7
Adjusted EBITA	39.4	27.4	43.7	64.7	46.4	39.4	143.2	124.9
Adjusted EBITA margin, %	13.2	15.8	-2.6 pp	11.8	14.0	-2.3 pp	13.9	15.4



# Sweden – softer total growth and uneven utilization across branches affected 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 272 employees as of June 30, 2023.

## Total operating revenue (Apr-Jun)

Total operating revenue during the quarter amounted to NOK 127.5 million compared with NOK 114.0 million during the same period in 2022, corresponding to an increase of 11.9%. Currency adjusted organic growth was -1.4%. The weaker organic growth is explained by uneven utilization across branches and local markets. The acquisition of Stockholm Relining explains the acquisition growth of 7.6% in the quarter.

%	Apr-Jun 2023	Apr-Jun 2022	Jan-Dec 2022
Growth – total operating revenue	11.9	68.3	39.2
Organic growth	4.3	7.6	4.5
Organic growth – currency adj.	-1.4	11.6	10.0
Acquisition growth	7.6	60.8	34.7

## Total operating revenue (Jan-Jun)

Total operating revenue during the quarter amounted to NOK 238.0 million compared with NOK 199.5 million during the same period in 2022, corresponding to an increase of 19.3%. Currency adjusted organic growth was 1.8%. The organic growth was supported by price increases. IRG Rörinspektion and Stockholm Relining explain the acquisition growth of 12.8% in the period.

%	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Growth – total operating revenue	19.3	66.9	39.2
Organic growth	6.5	6.3	4.5
Organic growth – currency adj.	1.8	11.8	10.0
Acquisition growth	12.8	60.7	34.7

## Adjusted EBITA (Apr-Jun)

Adjusted EBITA amounted to NOK 12.2 million in Q2 2023 compared to NOK 14.6 million in the same period in 2022. The adjusted EBITA margin decreased from 12.8% to 9.6% in Q2 2023. The decrease was driven by uneven utilization across different units in the Swedish market.

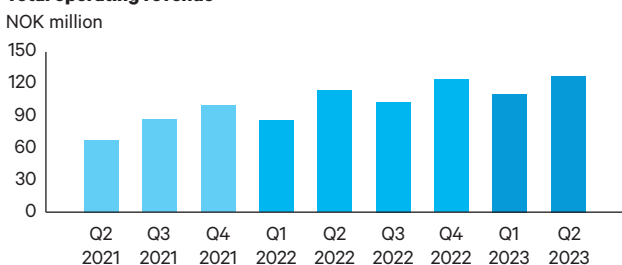
## Adjusted EBITA (Jan-Jun)

Adjusted EBITA amounted to NOK 22.0 million in the period 2023 compared to NOK 19.2 million in the same period in 2022. The adjusted EBITA margin decreased slightly from 9.6% to 9.2% in the same period 2023. The market has been characterized by uneven utilization. Many markets had good activity level, improved efficiencies and scale as well as improved margins while others had weaker development.

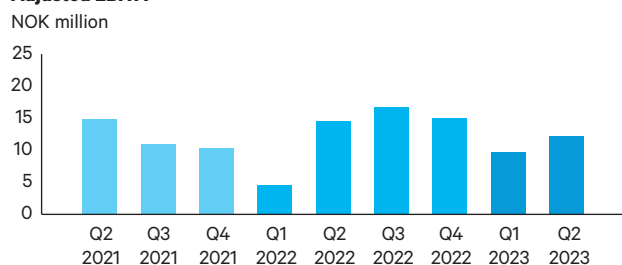
## Highlights of the quarter

The segment showed slower organic growth but the impact of acquisitions led to a total growth of 11.9% compared to 2022. One particular unit experienced weaker development. Mikael Smedborn started as new CEO for Sweden as from April 1, 2023.

## Total operating revenue



## Adjusted EBITA



## KEY PERFORMANCE INDICATORS

NOK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Jul 2022- Jun 2023	Jan-Dec 2022
Total operating revenue	127.5	114.0	11.9	238.0	199.5	19.3	465.4	426.9
EBITA	12.2	13.8	-11.6	22.0	18.5	18.9	52.3	48.8
EBITA margin, %	9.6	12.2	-2.5 pp	9.2	9.3	-0.0 pp	11.2	11.4
Adjusted EBITA	12.2	14.6	-16.2	22.0	19.2	14.2	53.6	50.9
Adjusted EBITA margin, %	9.6	12.8	-3.2 pp	9.2	9.6	-0.4 pp	11.5	11.9



# Denmark – continued effect from improvement measures with strong margin uplift during H1

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 164 employees as of June 30, 2023.

## Total operating revenue (Apr-Jun)

Total operating revenue for the second quarter of 2023 amounted to NOK 104.1 million, compared with NOK 77.9 million during the same period of 2022, corresponding to total growth of 33.6% for the period. The total growth was driven by the organic growth of 19.4% and the acquisition of Thornvig Jensen. Currency adjusted organic growth was 2.8%. Broad-based growth was noted across most customer groups leading to good organic growth, proving the positive impact of the improvement measures in the action plan.

%	Apr-Jun 2023	Apr-Jun 2022	Jan-Dec 2022
Growth – total operating revenue	33.6	17.6	19.3
Organic growth	19.4	17.6	12.7
Organic growth – currency adj.	2.8	18.1	13.5
Acquisition growth	14.1	0.0	6.6

## Total operating revenue (Jan-Jun)

Total operating revenue for the first half of 2023 amounted to NOK 201.2 million, compared with NOK 148.6 million during the same period of 2022, corresponding to total growth of 35.4% for the period. The total growth was driven by a currency adjusted organic growth of 6.6% 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-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Growth – total operating revenue	35.4	12.2	19.3
Organic growth	20.8	12.2	12.7
Organic growth – currency adj.	6.6	14.4	13.5
Acquisition growth	14.6	0.0	6.6

## Adjusted EBITA (Apr-Jun)

Adjusted EBITA amounted to NOK 6.2 million during the quarter, compared to NOK 2.4 million during the second quarter of 2022. The stronger adjusted EBITA is mainly a result of the improvement initiatives that are being implemented.

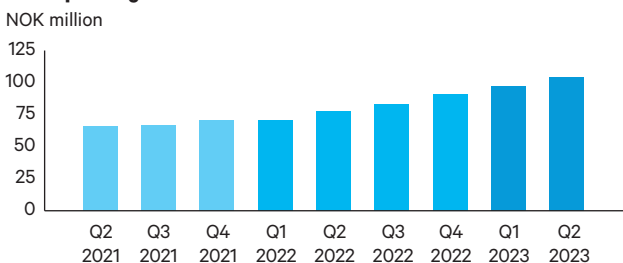
## Adjusted EBITA (Jan-Jun)

Adjusted EBITA amounted to NOK 11.2 million during the period, compared to NOK 2.1 million during the same period of 2022. The stronger adjusted EBITA is mainly a result of the improvement initiatives that are being implemented.

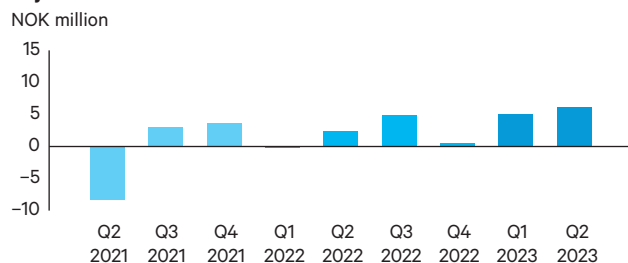
## Highlights of the quarter

In Denmark Norva24 has implemented and will continue to implement improvement initiatives. The action plan is proceeding very well according to schedule, with measures such as termination of contracts with unsatisfactory profitability, winning new contracts, and a strong focus on operational efficiency and increasing the degree of utilization of vehicles and personnel. The positive results of the actions implemented were seen gradually in the last few quarters. Norva24 Denmark has also acquired Tom Kloakservice, a smaller unit that will provide improved density and scale in the local markets.

## Total operating revenue



## Adjusted EBITA



## KEY PERFORMANCE INDICATORS

NOK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Jul 2022- Jun 2023	Jan-Dec 2022
Total operating revenue	104.1	77.9	33.6	201.2	148.6	35.4	375.6	323.0
EBITA	6.2	2.4	155.6	11.2	2.1	423.6	19.1	10.1
EBITA margin, %	5.9	3.1	2.8 pp	5.5	1.4	4.1 pp	5.1	3.1
Adjusted EBITA	6.2	2.4	155.6	11.2	2.1	423.6	16.6	7.6
Adjusted EBITA margin, %	5.9	3.1	2.8 pp	5.5	1.4	4.1 pp	4.4	2.4



# Financial reporting

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

NOK million	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Revenue from customer contracts		792.3	603.9	1,492.4	1,122.1	2,445.3
Other operating revenue		7.2	4.6	11.7	12.8	21.1
<b>Total operating revenue</b>	3	<b>799.4</b>	<b>608.5</b>	<b>1,504.0</b>	<b>1,134.9</b>	<b>2,466.5</b>
<b>Operating expenses</b>						
Operational service expenses		-134.3	-74.9	-239.5	-132.6	-320.7
Personnel expenses		-329.1	-260.7	-632.5	-500.0	-1,040.8
Vehicle operating expenses		-108.4	-97.3	-217.3	-175.2	-390.4
Other operating expenses		-76.8	-45.1	-139.5	-97.1	-232.1
Other gains/losses		-0.0	-	0.0	-	5.0
<b>Total operating expenses</b>		<b>-648.7</b>	<b>-477.9</b>	<b>-1,228.7</b>	<b>-904.9</b>	<b>-1,979.0</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>150.8</b>	<b>130.6</b>	<b>275.3</b>	<b>230.0</b>	<b>487.5</b>
<b>Total depreciation</b>	6, 7	<b>-72.4</b>	<b>-58.6</b>	<b>-139.9</b>	<b>-114.8</b>	<b>-241.4</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>		<b>78.4</b>	<b>71.9</b>	<b>135.4</b>	<b>115.3</b>	<b>246.0</b>
<b>Total amortization</b>	5	<b>-10.6</b>	<b>-8.4</b>	<b>-21.6</b>	<b>-15.4</b>	<b>-34.3</b>
<b>Earnings before interest and taxes (EBIT)</b>		<b>67.8</b>	<b>63.6</b>	<b>113.8</b>	<b>99.9</b>	<b>211.7</b>
<b>Financial items</b>						
Financial income		29.3	26.9	44.3	28.4	42.8
Financial expenses		-19.3	-14.8	-35.6	-28.0	-58.3
<b>Net financial items</b>	4	<b>10.0</b>	<b>12.1</b>	<b>8.7</b>	<b>0.5</b>	<b>-15.5</b>
<b>Profit before income tax (EBT)</b>		<b>77.8</b>	<b>75.6</b>	<b>122.5</b>	<b>100.3</b>	<b>196.3</b>
Income tax expense		-21.0	-17.5	-33.2	-24.0	-56.8
<b>Profit for the period</b>		<b>56.7</b>	<b>58.2</b>	<b>89.3</b>	<b>76.3</b>	<b>139.5</b>
<b>Profit attributable to</b>						
Owners of the parent company		56.7	58.2	89.3	76.3	139.5
Non-controlling interests		-	-	-	-	-
<b>Total</b>		<b>56.7</b>	<b>58.2</b>	<b>89.3</b>	<b>76.3</b>	<b>139.5</b>
<b>Earnings per share:</b>						
Basic earnings per share, NOK		0.31	0.32	0.49	0.42	0.76
Diluted earnings per share, NOK		0.31	0.32	0.49	0.42	0.76
Average numbers of outstanding ordinary shares, before and after dilution		182,682,740	182,496,957	182,682,740	182,485,552	182,584,957



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

NOK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<b>Profit/loss for the period</b>	<b>56.7</b>	<b>58.2</b>	<b>89.3</b>	<b>76.3</b>	<b>139.5</b>
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified to profit or loss</b>					
Translation differences	36.1	55.5	128.1	9.8	-34.3
<b>Other comprehensive income for the period</b>	<b>36.1</b>	<b>55.5</b>	<b>128.1</b>	<b>9.8</b>	<b>-34.3</b>
<b>Total comprehensive income for the period</b>	<b>92.8</b>	<b>113.6</b>	<b>217.4</b>	<b>86.2</b>	<b>105.1</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent company	92.8	113.6	217.4	86.2	105.1
Non-controlling interests	-	-	-	-	-
<b>Total</b>	<b>92.8</b>	<b>113.6</b>	<b>217.4</b>	<b>86.2</b>	<b>105.1</b>

**CONDENSED CONSOLIDATED BALANCE SHEET**

NOK million	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>ASSETS</b>				
<i>Non-current assets</i>				
Intangible assets	5	1,853.0	1,464.1	1,661.1
Right-of-use assets	6	877.8	720.5	752.3
Property, plant and equipment	7	533.3	463.6	483.9
Financial assets at amortized cost		9.3	2.1	5.3
<b>Total non-current assets</b>		<b>3,273.4</b>	<b>2,650.1</b>	<b>2,902.5</b>
<i>Current assets</i>				
Inventories		19.6	15.8	12.7
Accounts receivable		431.7	345.9	340.1
Other current receivables		189.7	112.5	147.8
Cash and cash-equivalents		177.8	126.9	204.7
<b>Total current assets</b>		<b>818.8</b>	<b>601.1</b>	<b>705.3</b>
<b>Total assets</b>		<b>4,092.2</b>	<b>3,251.3</b>	<b>3,607.8</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Other non-current liabilities		1,946.6	1,710.4	1,729.2
<b>Total equity</b>		<b>1,946.6</b>	<b>1,710.4</b>	<b>1,729.2</b>
<i>Non-current liabilities</i>				
Deferred tax liability		91.2	34.3	80.5
Non-current lease liabilities	6	644.8	535.4	554.3
Non-current loans	8	604.5	396.9	533.5
Other non-current liabilities		56.7	18.1	49.0
<b>Total non-current liabilities</b>		<b>1,397.2</b>	<b>984.7</b>	<b>1,217.3</b>
<i>Current liabilities</i>				
Accounts payable		168.2	116.3	135.8
Taxes payable		17.7	3.6	21.3
Current portion of lease liabilities	6	212.2	164.5	179.5
Current portion of loans	8	12.5	5.5	11.5
Provisions		48.0	30.6	52.0
Other current liabilities		289.7	235.7	261.1
<b>Total current liabilities</b>		<b>748.3</b>	<b>556.3</b>	<b>661.2</b>
<b>Total liabilities</b>		<b>2,145.6</b>	<b>1,540.9</b>	<b>1,878.5</b>
<b>Total equity and liabilities</b>		<b>4,092.2</b>	<b>3,251.3</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	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>-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		-	-	-	-	89.3	<b>89.3</b>
<i>Other comprehensive income:</i>							
Translation differences		-	-	-	128.1	-	<b>128.1</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>128.1</b>	<b>89.3</b>	<b>217.4</b>
<b>Equity at June 30, 2023</b>		<b>0.6</b>	<b>-</b>	<b>1,437.1</b>	<b>69.6</b>	<b>439.3</b>	<b>1,946.6</b>
<b>Equity at January 1, 2022</b>		<b>0.5</b>	<b>0.1</b>	<b>1,432.9</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	<b>139.5</b>
<i>Other comprehensive income:</i>							
Translation differences		-	-	-	-34.3	-	<b>-34.3</b>
<b>Total comprehensive income for the period</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)		0.0	-	4.2	-	-	<b>4.2</b>
Over-allotment option (net of transaction costs)		-	-	-	-	0.3	<b>0.3</b>
<b>Equity at December 31, 2022</b>		<b>0.6</b>	<b>-</b>	<b>1,437.1</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	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<b>Cash flows from operating activities</b>						
Profit before income tax		77.8	75.6	122.5	100.3	196.3
<i>Adjustments for:</i>						
Impairment, depreciation and amortization expenses	5, 6, 7	83.0	67.0	161.5	130.2	275.7
Taxes paid		-6.7	-13.1	-28.2	-38.4	-56.6
Net gain/loss on sale of non-current assets		-4.5	-2.7	-7.0	-7.3	-17.9
Items included in financing activities	4	-10.0	-12.1	-8.7	-0.5	15.5
Change in net working capital		-31.3	-107.9	-79.4	-151.0	-111.0
Changes in other items*		24.2	25.3	16.9	33.3	41.3
<b>Net cash inflow from operating activities</b>		<b>132.5</b>	<b>32.2</b>	<b>177.6</b>	<b>66.6</b>	<b>343.3</b>
<b>Cash flows from investing activities</b>						
Payment for acquisition of subsidiaries, net of cash acquired	8	-	-93.4	-79.9	-93.4	-268.9
Payment of earnouts		-	-	-18.0	-19.1	-49.8
Payment for fixed assets		-44.7	-25.1	-78.4	-35.7	-83.9
Proceeds from sale of fixed assets		4.0	6.8	10.4	13.4	40.1
<b>Net cash outflow from investing activities</b>		<b>-40.7</b>	<b>-111.7</b>	<b>-166.0</b>	<b>-134.8</b>	<b>-362.5</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		-6.5	117.0	105.0	117.0	331.1
Repayment of borrowings		1.4	-2.3	-40.4	-78.8	-160.4
Principal element of lease payments	6	-45.9	-35.2	-88.7	-71.7	-144.2
Interest paid, loans		-7.9	-3.5	-13.3	-5.9	-14.7
Interest paid, lease		-9.3	-8.0	-18.2	-16.1	-32.6
Interest received		1.3	-	2.5	-	-
Other financial payments		3.8	-9.4	1.7	-3.0	-5.0
<b>Cash flows from financing activities</b>		<b>-63.2</b>	<b>58.6</b>	<b>-51.4</b>	<b>-58.5</b>	<b>-25.8</b>
<b>Change in cash and cash equivalents</b>		<b>28.6</b>	<b>-21.0</b>	<b>-39.8</b>	<b>-126.6</b>	<b>-45.0</b>
<b>Cash and cash equivalents at the start of the period</b>		<b>147.7</b>	<b>150.1</b>	<b>204.7</b>	<b>260.4</b>	<b>260.4</b>
Effects of exchange rate changes on cash and cash equivalents		1.5	-2.2	12.9	-6.8	-10.6
<b>Cash and cash equivalents at the end of the period</b>		<b>177.8</b>	<b>126.9</b>	<b>177.8</b>	<b>126.9</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 public 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 operates in the underground infrastructure industry, and is present in Norway, Germany, Sweden and Denmark.

## NOTE 2 BASIS OF PREPARATION

### Accounting principles

The Norva24 Group applies the International Financial Reporting Standards (IFRS) as they have been adopted by the European Union. The consolidated accounts in this interim report have been prepared in accordance with IAS 34 Interim Financial Reporting plus 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 historic financial information. Information in accordance with IAS 34 also appears in other parts of the interim report in addition to the financial reports and associated notes.

The amounts are rounded to the nearest million (NOK m) 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 can differ from the exact percentage figures. Amounts in brackets concern the comparison 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, 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. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or also future periods if the revision affects both current and future periods.

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 were 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.

## NOTE 3 REVENUE AND SEGMENT 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 column "Corporate & other" includes corporate expenses and eliminations.

### Revenue

The Group's disaggregates revenue based on the operational segments that are by geographical areas. The Group has no single customer accounting for more than 10 percent of total revenue.



## NOTE 3 REVENUE AND SEGMENT INFORMATION, continued

## OPERATING SEGMENTS FINANCIALS JANUARY-JUNE 2023

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
<b>Total operating revenue</b>	<b>519.7</b>	<b>550.1</b>	<b>238.0</b>	<b>201.2</b>	<b>-4.9</b>	<b>1,504.1</b>
<b>Adjusted EBITDA</b>	<b>121.0</b>	<b>105.7</b>	<b>49.0</b>	<b>34.9</b>	<b>-28.6</b>	<b>282.1</b>
Adjusted depreciation	-48.1	-41.0	-27.1	-23.7	-0.0	-139.9
<b>Adjusted EBITA</b>	<b>72.9</b>	<b>64.7</b>	<b>22.0</b>	<b>11.2</b>	<b>-28.6</b>	<b>142.1</b>
Non-recurring items	-1.6	-	-	-	-5.2	-6.7
<b>EBITA</b>	<b>71.3</b>	<b>64.7</b>	<b>22.0</b>	<b>11.2</b>	<b>-33.8</b>	<b>135.4</b>

## OPERATING SEGMENTS FINANCIALS JANUARY-JUNE 2022

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
<b>Total operating revenue</b>	<b>456.6</b>	<b>330.8</b>	<b>199.5</b>	<b>148.6</b>	<b>-0.6</b>	<b>1,134.9</b>
<b>Adjusted EBITDA</b>	<b>118.2</b>	<b>77.7</b>	<b>42.4</b>	<b>21.0</b>	<b>-23.5</b>	<b>235.7</b>
Adjusted depreciation	-41.6	-31.2	-23.1	-18.8	-0.0	-114.8
<b>Adjusted EBITA</b>	<b>76.6</b>	<b>46.4</b>	<b>19.2</b>	<b>2.1</b>	<b>-23.5</b>	<b>120.9</b>
Non-recurring items	-2.7	-2.1	-0.8	-	-0.0	-5.6
<b>EBITA</b>	<b>73.9</b>	<b>44.3</b>	<b>18.5</b>	<b>2.1</b>	<b>-23.5</b>	<b>115.3</b>

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

NOK million	Jan-Jun 2023	Jan-Jun 2022
<b>EBITA</b>	<b>135.4</b>	<b>115.3</b>
Amortization of intangible assets	-21.6	-15.4
Net financial items	8.7	0.5
<b>Profit before income tax</b>	<b>122.5</b>	<b>100.3</b>

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

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
Restructuring cost and other provisions	-	-	-	-	-1.0	-1.0
Top management recruitment costs	-	-	-	-	-4.2	-4.2
M&A Cost	-1.6	-	-	-	-	-1.6
<b>Non-recurring items</b>	<b>-1.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5.2</b>	<b>-6.7</b>

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

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
Restructuring cost and other provisions	-2.7	-	-	-	-	-2.7
M&A Cost	-	-2.1	-0.8	-	-	-2.9
<b>Non-recurring items</b>	<b>-2.7</b>	<b>-2.1</b>	<b>-0.8</b>	<b>-</b>	<b>-0.0</b>	<b>-5.6</b>

**NOTE 4 FINANCIAL ITEMS**

Specification of financial items NOK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Interest income	1.2	0.3	2.5	0.5	1.5
Currency exchange gain	7.5	24.5	37.6	24.5	35.8
Gain earnout	3.0	-	-	-	1.7
Other financial income	3.4	2.1	4.2	3.4	3.9
<b>Financial income</b>	<b>15.1</b>	<b>26.9</b>	<b>44.3</b>	<b>28.4</b>	<b>42.8</b>
Interest expenses, leases	-9.7	-8.0	-19.8	-16.1	-33.2
Amortized interest expense, loans	-5.4	-2.5	-13.3	-5.0	-13.1
Currency exchange loss	-	-2.4	-	-3.5	-
Loss earnout	-	-	-	-	-3.9
Other financial expenses	-1.3	-1.8	-2.5	-3.4	-8.0
<b>Financial expenses</b>	<b>-16.4</b>	<b>-14.8</b>	<b>-35.6</b>	<b>-28.0</b>	<b>-58.3</b>
<b>Net financial items</b>	<b>-1.3</b>	<b>12.1</b>	<b>8.7</b>	<b>0.5</b>	<b>-15.5</b>

**NOTE 5 INTANGIBLE ASSETS AND GOODWILL****AT JUNE 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	77.6	5.9	11.7	-	95.2
Additions	-	-	-	0.0	0.0
Amortization and impairment	-	-4.4	-17.2	0.0	-21.6
Disposals	-	-	-	-0.5	-0.5
Translation differences	103.0	6.5	8.8	0.5	118.8
<b>Carrying amount at June 30, 2023</b>	<b>1,689.3</b>	<b>68.7</b>	<b>90.7</b>	<b>4.2</b>	<b>1,853.0</b>
Useful life in years	Indefinite	10	3-5	3-5	
Amortization plan	n.m	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	-	-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	n.m	Linear	Linear	Linear	

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

<b>Right-of-use assets</b> 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	–	21.3	–	21.3
Additions	1.7	129.2	3.3	134.3
Depreciation and impairment	–29.9	–44.7	–2.6	–77.2
Transfer to property, plant and equipment	–	–8.8	–	–8.8
Adjustments	19.6	0.6	0.2	20.4
Translation differences	11.4	23.5	0.7	35.6
<b>Carrying amount at June 30, 2023</b>	<b>268.2</b>	<b>601.3</b>	<b>8.4</b>	<b>877.9</b>
Useful life in years	3-30	7-10	3-7	
Depreciation plan	Linear	Linear	Linear	

<b>Lease liabilities</b> 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	–	21.3	–	21.3
Additions	1.7	129.2	3.3	134.2
Lease payments	–35.5	–68.5	–2.9	–106.9
Interest on the lease liability	7.5	10.6	0.1	18.2
Adjustments	19.6	0.6	0.2	20.4
Translation differences	11.9	23.4	0.7	36.0
<b>Carrying amount at June 30, 2023</b>	<b>284.5</b>	<b>564.1</b>	<b>8.4</b>	<b>856.9</b>
Current lease liabilities	69.0	138.0	5.2	212.2
Non-current lease liabilities	215.5	426.1	3.2	644.7

**AT DECEMBER 31, 2022**

<b>Right-of-use assets</b> 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	–	–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	



**NOTE 6 LEASING**, continued

<b>Lease liabilities</b> NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<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 March 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

The Group has one rental contract with a remaining lease period exceeding 12 years.

**NOTE 7 PROPERTY, PLANT AND EQUIPMENT****AT JUNE 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	3.6	-1.2	3.5
Additions	18.1	48.7	11.4	78.2
Transfer from right-of-use assets (see note 6)	0.0	8.8	-	8.8
Depreciation	-2.9	-54.8	-5.0	-62.8
Disposals	-0.0	-5.1	-0.4	-5.6
Translation differences	3.4	21.6	2.2	27.2
<b>Carrying amount at June 30, 2023</b>	<b>73.3</b>	<b>425.0</b>	<b>34.9</b>	<b>533.3</b>
Useful life in years	3-30	5-10	3-7	
Depreciation plan	Linear	Linear	Linear	

**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	-5.0	-93.8	-8.5	-107.3
Disposals	-5.2	-13.4	-4.3	-22.9
Reclassification	-3.0	3.3	-0.3	-0.0
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%

Purchase consideration NOK million	
Cash paid	96.8
Earn-out/Contingent consideration (Fair value estimate at date of acquisition)	18.0
<b>Total purchase consideration</b>	<b>114.8</b>

Opening balance sheet	Note	
Cash		16.8
Other current assets		17.5
Property, plant and equipment	7	3.5
Right-of-use assets	6	21.3
Brand	5	5.9
Customer relationships	5	11.7
<b>Total assets</b>		<b>76.7</b>
Other current liabilities		14.3
Other non-current liabilities		21.3
Deferred tax on excess values		3.9
<b>Total Liabilities</b>		<b>39.5</b>
<b>Net identifiable assets</b>		<b>37.2</b>
Goodwill	5	77.6
<b>Total consideration for the shares</b>		<b>114.8</b>

The acquisitions will strengthen the Group's position in the existing segments and the operations of the acquired entities are similar to the existing operations. The Group considers them to be individually immaterial and therefore the acquisitions are shown jointly. 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 entities reaching certain future financial targets such as revenue, EBITDA and EBITA. The Group accounts for earn-outs at fair value and accrues for based on the likelihood of achieving these targets and the expected future pay-out. Gains and losses recognised are shown in note 4.

Revenue and profit/loss from acquisition recognized in statement of profit or loss NOK million	Jan-Jun 2023
Revenue	37.0
Profit/loss for the year	6.3

Revenue and profit/loss as if the acquisition was performed January 1 (pro forma) NOK million	Jan-Jun 2023
Revenue	40.8
Profit/loss for the year	5.8

# Parent Company

## PARENT COMPANY CONDENSED STATEMENT OF PROFIT OR LOSS

SEK million	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<b>Total operating revenue</b>		-	-	-	-	<b>2.8</b>
Other operating expenses		-4.7	-1.7	-7.1	-4.5	-8.7
<b>Earnings before interest and taxes (EBIT)</b>		<b>-4.7</b>	<b>-1.7</b>	<b>-7.1</b>	<b>-4.5</b>	<b>-5.9</b>
<b>Net financial items</b>		<b>8.7</b>	<b>2.6</b>	<b>17.4</b>	<b>3.2</b>	<b>15.2</b>
<b>Loss before income tax</b>		<b>4.0</b>	<b>1.0</b>	<b>10.3</b>	<b>-1.3</b>	<b>9.2</b>
Income tax expenses		-	0.0	-0.3	0.5	-0.3
<b>Loss for the period</b>		<b>4.0</b>	<b>1.0</b>	<b>10.0</b>	<b>-0.9</b>	<b>8.9</b>
<b>Other comprehensive income</b>		-	-	-	-	-

## PARENT COMPANY CONDENSED BALANCE SHEET

SEK million	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>ASSETS</b>				
<i>Non-current assets</i>				
Investment in subsidiaries		2,875.6	2,881.7	2,875.6
Deferred tax asset		16.7	17.2	16.4
Non-current intercompany receivables		885.1	867.5	866.7
<b>Total non-current assets</b>		<b>3,777.4</b>	<b>3,766.3</b>	<b>3,758.7</b>
<i>Current assets</i>				
Current receivables		0.6	10.8	9.8
Current intercompany receivables		-	-	2.8
Cash and cash-equivalents		3.7	1.1	1.3
<b>Total current assets</b>		<b>4.3</b>	<b>11.9</b>	<b>13.9</b>
<b>Total assets</b>		<b>3,781.7</b>	<b>3,778.2</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		3,775.9	3,755.8	3,765.6
<b>Total equity</b>		<b>3,776.5</b>	<b>3,756.4</b>	<b>3,766.2</b>
<i>Current liabilities</i>				
Accounts payable		1.2	1.9	0.9
Other current liabilities		4.0	19.9	5.4
<b>Total current liabilities</b>		<b>5.2</b>	<b>21.8</b>	<b>6.3</b>
<b>Total equity and liabilities</b>		<b>3,781.7</b>	<b>3,778.2</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, August 22,, 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

Stein Yndestad  
Acting Group CEO



## QUARTERLY DATA FOR THE CONSOLIDATED GROUP

NOK million	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
<b>Total operating revenue</b>									
Norway	202.5	203.8	220.5	213.1	243.5	222.7	225.6	249.2	270.5
Germany	148.8	182.5	197.7	157.0	173.7	203.4	278.8	251.8	298.3
Sweden	67.7	87.3	99.8	85.5	114.0	103.2	124.2	110.5	127.5
Denmark	66.3	67.5	70.9	70.7	77.9	83.4	91.0	97.1	104.1
Corporate	1.2	0.0	0.0	0.0	-0.6	-0.7	0.0	-4.0	-0.9
<b>Group</b>	<b>486.5</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>EBITA</b>									
Norway	46.7	28.6	33.7	29.1	44.8	40.4	19.9	30.6	40.7
Germany	19.5	34.9	29.0	19.0	25.3	31.2	20.0	25.3	39.4
Sweden	12.5	11.3	10.1	4.6	13.8	15.3	15.0	9.7	12.2
Denmark	-8.3	3.3	43.9	-0.3	2.4	7.5	0.5	5.0	6.2
Corporate	-20.3	-16.3	-33.9	-9.1	-14.4	-8.9	-10.1	-13.6	-20.2
<b>Total EBITA</b>	<b>50.1</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>Adjusted EBITA</b>									
Norway	47.4	28.6	34.2	29.1	47.5	40.6	20.2	32.0	40.9
Germany	22.5	34.9	36.0	19.0	27.4	33.3	45.2	25.3	39.4
Sweden	14.9	11.3	10.3	4.6	14.6	16.7	15.0	9.7	12.2
Denmark	-8.3	3.3	3.7	-0.3	2.4	5.0	0.5	5.0	6.2
Corporate	-6.6	-5.6	-2.3	-9.1	-14.4	-8.9	-9.9	-12.6	-16.0
<b>Total adjusted EBITA</b>	<b>69.9</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>Adjusted EBITA margin, %</b>									
Norway	23.4	14.0	15.5	13.6	19.5	18.2	9.0	12.8	15.1
Germany	15.1	19.1	18.2	12.1	15.8	16.4	16.2	10.1	13.2
Sweden	22.0	13.0	10.4	5.4	12.8	16.1	12.1	8.8	9.6
Denmark	-12.5	4.9	5.3	-0.4	3.1	6.0	0.5	5.1	5.9
Corporate	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m
<b>Group</b>	<b>14.4</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>



# Key performance indicators

**KEY FIGURES**

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

Line ID	NOK million	Source	Calculation	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
A	Total operating revenue	P&L		799.4	608.5	1,504.0	1,134.9	2,835.6	2,466.5
	Profit/(Loss) for the period	P&L		56.7	58.2	89.3	76.3	152.4	139.5
	Earnings per share (basic and diluted), NOK	P&L		0.31	0.32	0.49	0.42	0.83	0.76
	Average number of ordinary shares outstanding			182,682,740	182,496,957	182,682,740	182,485,552	182,682,740	182,584,957
	Growth in total revenue, %			31.4	25.1	32.5	26.8	n.a	21.8
	Organic growth in total revenue, %			12.3	12.2	13.1	11.4	n.a	7.7
	Organic growth in total revenue, currency adjusted, %			4.0	13.1	6.1	13.3	n.a	8.9
	Acquired growth in total revenue, %			19.1	26.6	19.4	15.4	n.a	14.1
B	Total operating expenses	P&L		-648.7	-477.9	-1,228.7	-904.9	-2,302.8	-1,979.0
C	EBITDA (earnings before interest, taxes, depreciation and amortization)		C=A-B	150.8	130.6	275.3	230.0	532.7	487.5
	EBITDA margin, %		C/A	18.9	21.5	18.3	20.3	18.8	19.8
D	Depreciation and impairment of tangible assets (PPE and leasing right-of-use assets)	Note 5 + Note 7		-72.4	-58.6	-139.9	-114.8	-266.5	-241.4
E	EBITA		E=C-D	78.4	71.9	135.4	115.3	266.2	246.0
	EBITA margin, %		E/A	9.8	11.8	9.0	10.2	9.4	10.0
F	Depreciation, amortization and impairment of tangible and intangible assets	P&L		-83.0	-58.6	-161.5	-130.2	-307.0	-275.7
G	EBIT		G=C-F	67.8	63.6	113.8	99.9	225.7	211.7
	EBIT margin, %		G/A	8.5	10.4	7.6	8.8	8.0	8.6
H	Non-recurring items, expenses			4.4	5.6	6.7	5.6	33.7	32.5
I	Adjusted EBITDA		I=C+H	155.2	136.2	282.1	235.7	566.4	520.0
	Adjusted EBITDA margin, %		I/A	19.4	22.4	18.8	20.8	20.0	21.1
J	Adjusted EBITA		J=E+H+H2	82.7	77.6	142.1	120.9	299.9	278.6
	Adjusted EBITA margin, %		J/A	10.4	12.7	9.5	10.6	10.6	11.3
K	Adjusted EBIT		K=G+H+H2	72.2	69.2	120.6	105.5	259.4	244.3
	Adjusted EBIT margin, %		K/A	9.0	11.4	8.0	9.3	9.1	9.9
L	Lease payments	Note 6		55.3	43.2	106.9	87.8	195.9	176.9
M	Capital expenditures (purchases minus disposals)	Note 7		42.6	20.2	72.6	28.9	103.9	60.1
N	Cash capital expenditure		N=L+M	97.8	63.4	179.5	116.7	299.8	237.0
O	Cash EBITA		O=C-N	53.0	67.2	95.9	113.3	233.0	250.5
P	Adjusted cash EBITA		P=I-N	57.3	72.8	102.6	119.0	266.6	283.0
	Adjusted cash EBITA margin, %		P/A	7.2	12.0	6.8	10.5	9.4	11.5
Q	Net cash inflow from operating activities	Cash flow Statement		132.5	32.2	177.6	66.6	454.2	343.3
R	Cash conversion, %		Q/I	85.4	23.6	62.9	28.3	80.2	66.0





Line ID	Balance sheet key financials NOK million	Source	Calculation	Jun 30, 2023	Dec 31, 2022
AA	Non-current and current loans	Financial position		617.0	544.9
AB	Non-current and current lease liabilities	Financial position		856.9	733.8
AC	Cash and cash equivalents	Financial position		177.8	204.7
AD	Net debt		$AD=AA+AB-AC$	1,296.2	1,074.1
AE	Net debt/LTM adjusted EBITDA*		$AE=AD/I$	2.3	2.1
BA	Inventories	Financial position		19.6	12.7
BB	Accounts receivable	Financial position		431.7	340.1
BC	Other current receivables	Financial position		189.7	147.8
BD	Accounts payable	Financial position		168.2	135.8
BE	Other current payables	Financial position		289.7	313.1
BF	Net working capital		$BF=BA+BB+BC-BD-BE$	183.1	51.7
BG	Net working capital/LTM total revenue, %		$BG=BF/A$	6.5	2.1
CA	Total assets	Financial position		4,092.2	3,607.8
CB	Current liabilities	Financial position		748.3	661.2
CC	Capital employed		$CC=CA-CB$	3,343.9	2,946.6
CD	Return on capital employed, %		$CD=G(LTM)/CC$	6.7	7.2

\* LTM – Last twelve months



**SEGMENT KEY PERFORMANCE INDICATORS**

NOK million	Apr-Jun 2023	Apr-Jun 2022	Change, %	Jan-Jun 2023	Jan-Jun 2022	Change, %	Jul 2022- Jun 2023	Jan-Dec 2022
<b>Norway</b>								
Total operating revenue	270.5	243.5	11.1	519.7	456.6	13.8	968.0	904.9
EBITA	40.7	44.8	-9.2	71.3	73.9	-3.5	131.6	134.2
EBITA margin, %	15.0	18.4	-3.4 pp	13.7	16.2	-2.5 pp	13.6	14.8
Adjusted EBITA	40.9	47.5	-13.9	72.9	76.6	-4.8	133.8	137.5
Adjusted EBITA margin, %	15.1	19.5	-4.4 pp	14.0	16.8	-2.7 pp	13.8	15.2
<b>Germany</b>								
Total operating revenue	298.3	173.7	71.7	550.1	330.8	66.3	1,032.2	812.9
EBITA	39.4	25.3	43.5	61.6	44.3	46.2	115.9	95.5
EBITA margin, %	13.2	14.6	-2.4 pp	11.2	13.4	-1.6 pp	11.2	11.7
Adjusted EBITA	39.4	27.4	32.3	61.6	46.4	39.4	143.2	124.9
Adjusted EBITA margin, %	13.2	15.8	-3.6 pp	11.2	14.0	-2.3 pp	13.9	15.4
<b>Sweden</b>								
Total operating revenue	127.5	114.0	11.9	238.0	199.5	19.3	465.4	426.9
EBITA	12.2	13.8	-11.6	22.0	18.5	18.9	52.3	48.8
EBITA margin, %	9.6	12.2	-2.5 pp	9.2	9.3	0 pp	11.2	11.4
Adjusted EBITA	12.2	14.6	-16.2	22.0	19.2	14.2	53.6	50.9
Adjusted EBITA margin, %	9.6	12.8	-3.2 pp	9.2	9.6	-0.4 pp	11.5	11.9
<b>Denmark</b>								
Total operating revenue	104.1	77.9	33.6	201.2	148.6	35.4	375.6	323.0
EBITA	6.2	2.4	155.6	11.2	2.1	423.6	19.1	10.1
EBITA margin, %	5.9	3.1	2.8 pp	5.5	1.4	4.1 pp	5.1	3.1
Adjusted EBITA	6.2	2.4	155.6	11.2	2.1	423.6	16.6	7.6
Adjusted EBITA margin, %	5.9	3.1	2.8 pp	5.5	1.4	4.1 pp	4.4	2.4
<b>Corporate &amp; other</b>								
Total operating revenue	-0.9	-0.6		-4.9	-0.6		-5.6	-1.3
EBITA	-20.2	-14.4		-33.8	-23.5		-52.7	-42.5
EBITA margin, %	n.a.	n.a.		n.a.	n.a.		n.a.	n.a.
Adjusted EBITA	-16.0	-14.4		-28.6	-23.5		-47.4	-42.3
Adjusted EBITA margin, %	n.a.	n.a.		n.a.	n.a.		n.a.	n.a.
<b>Norva24 Group</b>								
Total operating revenue	799.5	608.5	31.4	1,504.0	1,134.9	32.5	2,835.6	2,466.5
EBITA	78.4	71.9	8.9	135.4	115.3	17.5	266.2	246.0
EBITA margin, %	9.8	11.8	-2 pp	9.0	10.2	-1.2 pp	9.4	10.0
Adjusted EBITA	82.7	77.6	6.7	142.1	120.9	17.6	299.9	278.6
Adjusted EBITA margin, %	10.4	12.7	-2.4 pp	9.5	10.6	-1.2 pp	10.6	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 comparison period, i.e., the previous year or quarter.	Change in total operating revenue reflects the Company'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 comparison period.	Organic total operating revenue growth excludes the effects of changes in the Company structure, which enables a comparison of operating revenue over time.
Acquired growth in total operating revenue	Change in total operating revenue as the percentage change from the comparison period of total operating revenue during the comparison 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.	Acquired growth – Total operating revenue 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 Company'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 Company's operating earnings capacity.
EBIT margin	Earnings before interest and taxes (EBIT) in relation to total operating revenue.	Operating margin enables comparisons of the Company's profitability regardless of capital structure or tax situation.
Non-recurring items	Items affecting comparability such as acquisition costs, integration costs and listing costs.	Enables comparison of profitability measures without items affecting comparability.
Adjusted EBITDA	EBITDA adjusted for non-recurring items.	Enables comparison of EBITDA without items affecting comparability with other periods. Adjusted EBITDA is a measure that the Company regards as relevant for investors who wish 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 Company regards as relevant for investors who wish 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 a 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 an over picture 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 a 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 a 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, non-current and current leasing liabilities according to IFRS 16, and loans from shareholders.	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 Company uses the Net debt ratio to monitor the level of financial leverage.
Net working capital	Inventory, 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 Company 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 Company'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 Company to monitor how efficiently the Company 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 Company uses for calculating the return on capital employed and for measuring how efficient the Company is without taking goodwill generated in connection with acquisition into account.
Return on capital employed	EBIT in relation to Capital employed.	

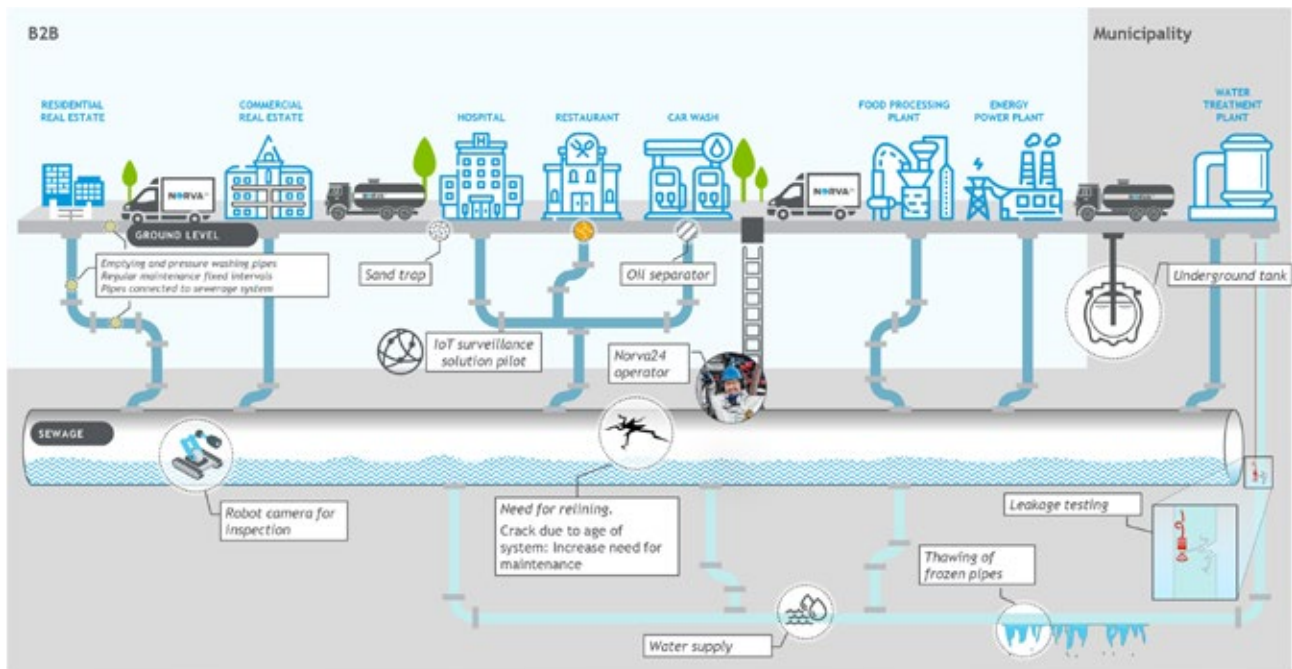
# History

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.

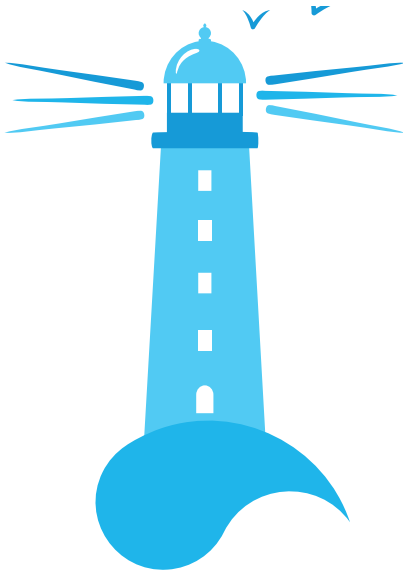
During Q2 2023 LTM Norva24 exceeded NOK 2.9 billion in proforma revenues, strengthened the network to 76 branches, increased the number of employees to 1,652 and completed Norva24's 43rd acquisition.



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 JUNE 30, 2023

Shareholder	Total shares	Ownership, %
Valedo Partners Fund II AB	52,716,567	28.86
Nordstjernan	16,845,752	9.22
Swedbank Robur Funds	14,891,205	8.15
Invest24 AS	12,519,326	6.85
Capital Group	9,330,000	5.11
T. Rowe Price	8,657,183	4.74
Royce & Associates LLC	4,458,010	2.44
AQP Holding AS	3,446,536	1.89
Carnegie Funds	3,018,781	1.65
JKT Birkeland Invest AS	2,940,574	1.61
Fallang Holding AS	2,829,694	1.55
Isco AS	2,205,604	1.21
Arild Bødal	1,829,095	1.00
Jens Backhaus	1,704,943	0.93
Flagstad Invest AS	1,695,613	0.93
JP Morgan Asset Manageme	1,351,054	0.74
Evli Fund Management	1,208,225	0.66
Mats Lönnqvist	1,202,962	0.66
Skandia Funds	1,190,901	0.65
Nordnet Pension Insurance	1,170,801	0.64
Other	35,634,606	19.51
<b>Total</b>	<b>182,682,740</b>	<b>100.0</b>

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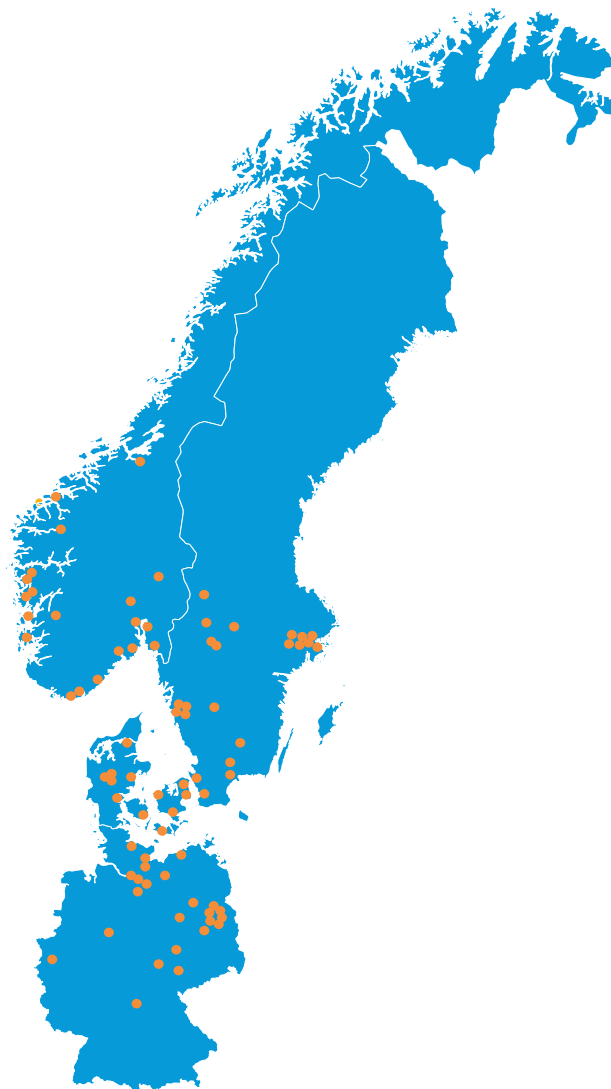
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### Financial calendar

Interim report January-September 2023

November 21, 2023



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