

NONEDO

Annual and  
Sustainability  
Report  
2023



# Content

**Novedo is an industrial group comprising small to medium-sized B2B enterprises in the segments of Industry, Infrastructure, and Installation & Services.**

About the 2023 Annual and Sustainability Report:

The audited statutory Annual Report can be found on pages 33-73. The company's auditors have provided their statement in the Corporate governance report on pages 74-85. Sustainability is integrated into operations and, therefore, into the Annual Report. Managing material sustainability risks is one component of the Group's general risks and risk management. Figures in parentheses refer to 2022 unless otherwise stated.

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# Novedo in brief

## Vision

The first choice for SMEs in the B2B segment that want to develop and grow their business to achieve long-term sustainable profitability.

## Business concept

Novedo acquires and develops solid B2B companies in the Industry, Infrastructure and Installation & Services segments that, through business acumen and sound values, become stronger together.



Prominent B2B companies with a sound corporate culture and a well-balanced mix of offerings.

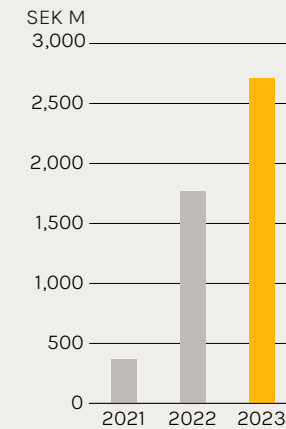
Solid and diversified customer base with minimal dependence on single customers or projects.

Decentralised structure and remuneration forms attract owners looking to sell and benefits continued value creation.

Three business segments: Industry, Infrastructure, and Installation & Services.

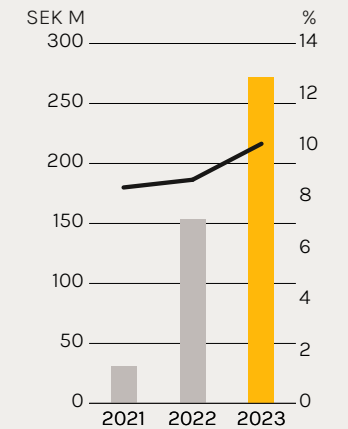
Solid profitability, strong cash flow and balanced net debt.

Net sales



Net sales

EBITA and EBITA margin



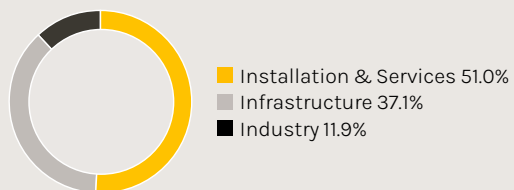
EBITA — EBITA margin

# The year in brief

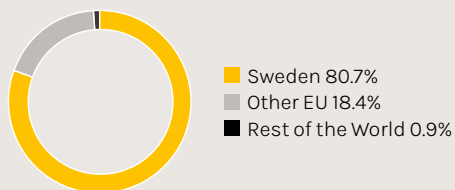
Net sales, SEK M

2,708

Net sales by segment, %



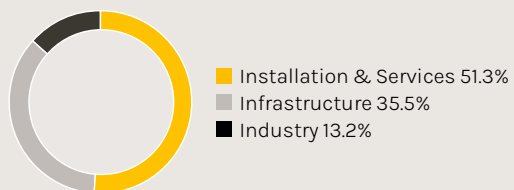
Net sales by geography, %



EBITA, SEK M

272

EBITA by segment, %



No. of customers, ca.

4,000

Share of projects <0.5 SEK M, ca. %

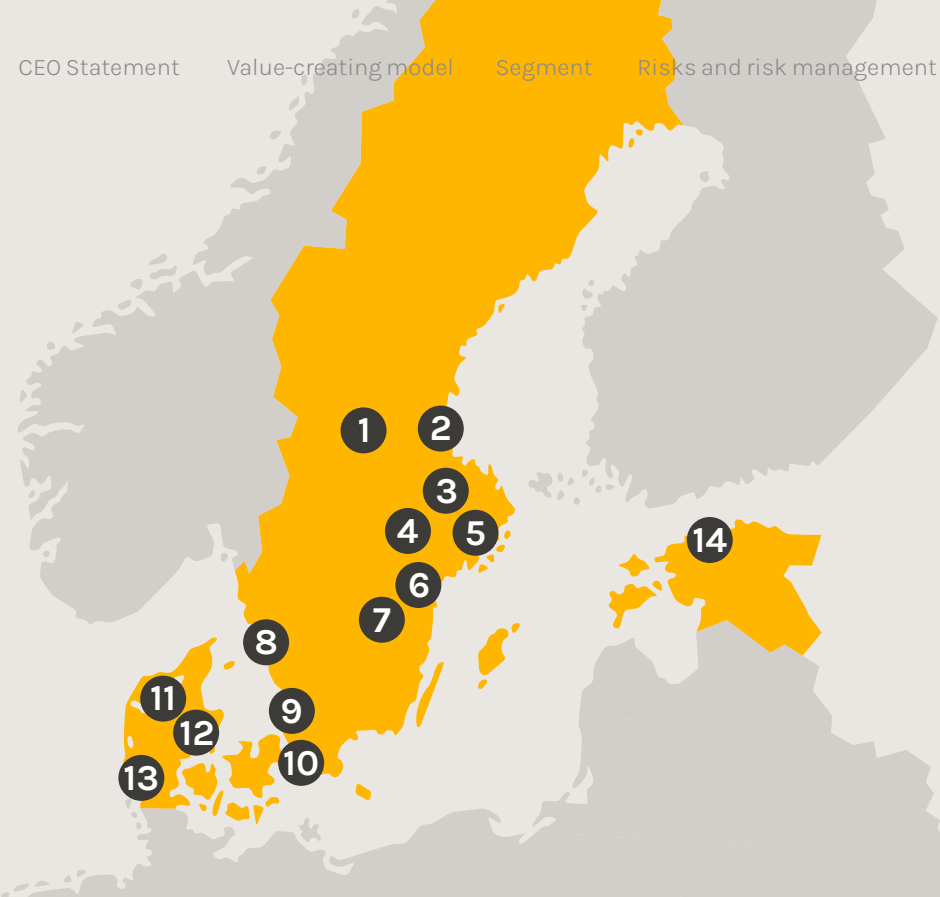
95

No. of employees, ca.

1,300

Companies' average years of operation, ca.

30



- 1 Leksand**  
Nordsign Aktiebolag
- 2 Gävle**  
Hansson & Ekman Isolerings Aktiebolag
- 3 Uppsala**  
Hansson & Ekman Isolerings Aktiebolag
- 4 Västerås**  
ProvideU AB, ProvideU Electronics AB
- 5 Stockholm**  
BATAB Bygg & Akustikteknik AB, GBB Holding AB incl. Gnesta Bergbyggare AB, AO Entreprenad-tjänst i Stockholm AB, Borrspecialisten i Stockholm AB, Impab Dundertech AB etc., Olle Timblads Måleri firma AB incl. Tyresö Måleri-central AB, Sentexa AB. Skanstull Måleri Aktiebolag, Total Fasad Stockholm AB incl. Total Fönsterrenovering Stockholm AB, Univent Rör AB. Valter Eklund Stenentreprenader AB, incl. VE Sten AB
- 6 Norrköping**  
Kulturmålarerna i Norrköping AB
- 7 Linköping**  
Kulturmålarerna i Linköping AB
- 8 Gothenburg**  
Elforum Göteborg AB, Elinzity AB incl. Elinzity Förstärkning AB, Ventilationskontroll Aeolus AB incl. CX Ventilation AB, Ekoion AB, RC EI & Styrintallationer Zeus, KG Vent AB, Ventera i Göteborg AB
- 9 Helsingborg**  
Elarbeten Helsingborg AB, Helsingborgs Byggplåt AB incl. Bra Tak Entreprenad Skåne AB
- 10 Malmö**  
Deramont Entreprenad AB
- 11 Aars, Denmark** (and seven other locations in Jutland) Nordkabel A/S
- 12 Lystrup, Denmark**  
Stantræk A/S
- 13 Ribe, Denmark**  
Nørgaard Anlæg Holding ApS, Nørgaard Anlæg ApS, Nørgaard Anlæg Maskinudlejning ApS, Sydvestjyllands Miljø og Genbrug ApS, Nørgaard Anlæg Miljø ApS
- 14 Tallinn, Estonia**  
ProvideU Assembly OÜ

# Stronger together

At Novedo, we place a strong emphasis on sound corporate culture – strong enough that it is our first criteria when considering an acquisition. Our work is based on three mottos: a sound corporate culture is essential for a strong company; companies are stronger together; and Novedo and its subsidiaries contribute to a stronger society through job opportunities and local initiatives.

## The following values characterise Novedo’s operations:

### Trust

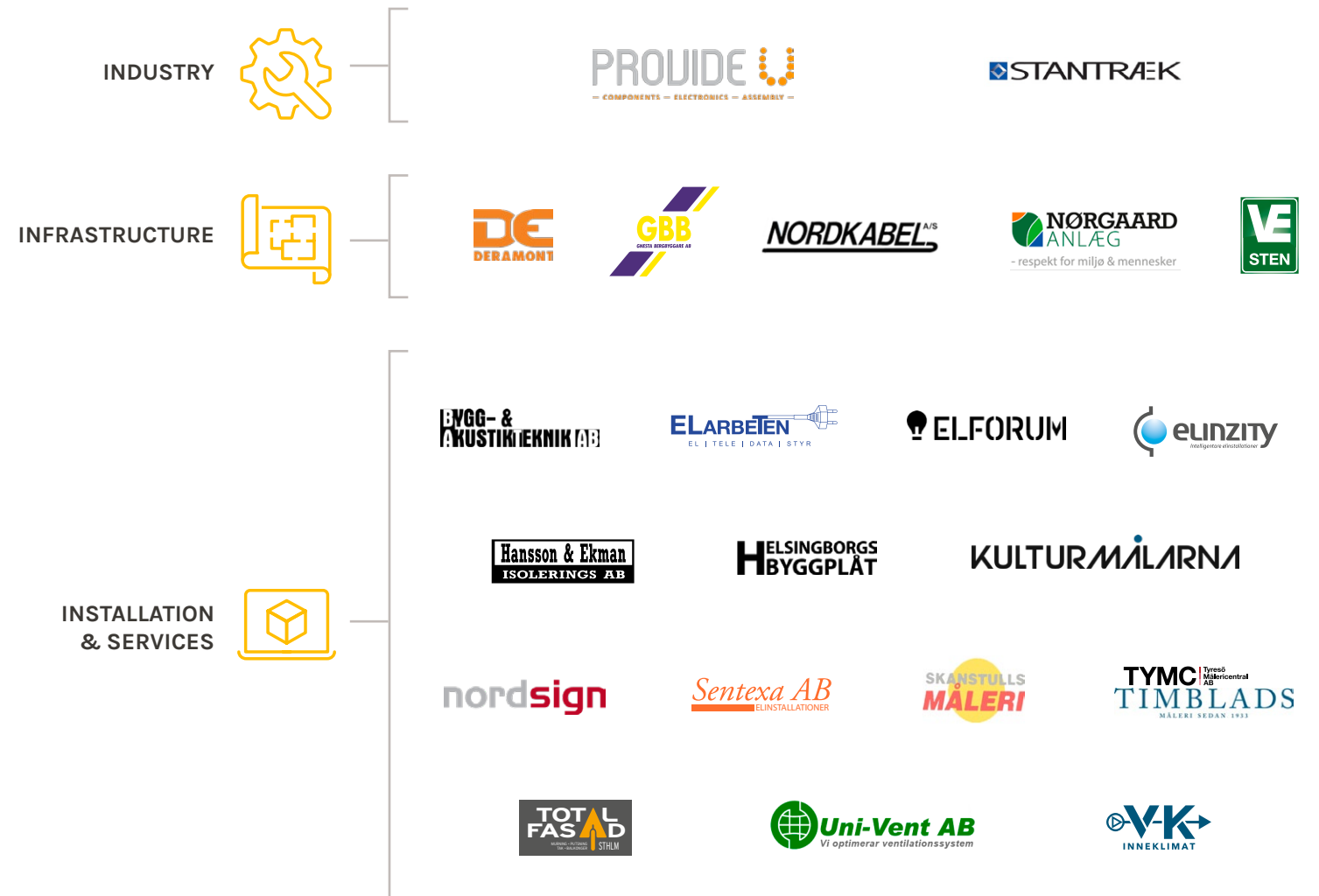
Personal interaction is important for us. We build long-term relationships based on mutual trust and respect.

### Business acumen

Our companies are specialists in their areas and are driven with strong professionalism and a sound corporate culture. Together we create the best possible value growth.

### Operational closeness

Our most important asset comprise the operations at our companies as well as their unique histories and cultures. Decisions are always made close to our customers, employees and market.



# Solid growth and profitability

As we reflect on the Group's third financial year in 2023, Novedo continues to deliver solid growth and profitability. Our sales are approaching SEK 3 billion and, as of the year end, pro forma EBITA was SEK 312 million. My assessment is that market conditions in 2024 will largely correspond to this year's and that Novedo is well equipped to continue developing in a solid and positive direction moving forward.

## Net sales up 52.7 percent driven by positive organic growth and acquisitions

Net sales for 2023 increased 52.7 percent, of which 1.8 percent was organic growth, and totalled SEK 2,708.2 million (1,773.4).

Four companies with total annual sales of SEK 484.3 million were acquired and consolidated during the year. The acquisitions were made in all three of Novedo's business segments and comprised: Helsingborgs Byggplåt AB, the industrial company Stantræk A/S, the infrastructure group Nørgaard Anlæg Holding ApS and the product company Dundertech AB, with the latter comprising a strategic bolt-on acquisition within the Group.

In January 2024, the company OVKservice Syd AB was also acquired by Novedo's subsidiary Ventilationskontroll. OVKservice is based in southern Sweden and is well-established in ventilation inspection and ventilation services. Through its complementary customer offering and established customer base, OVKservice provides Novedo with a good platform for further expansion in the south of Sweden.

## Solid earnings, positive margin trend and strengthened cash flow

Novedo has proven highly resilient in the tougher economic climate that dominated 2023. This is due to Novedo's exposure to less cyclical markets as well as its diversified customer base and marginal dependency on individual customers and projects. EBITA increased 77.3 percent in 2023 and totalled SEK 272.3 million (153.6). The EBITA margin strengthened to 10.1 percent (8.7), which is in line with Novedo's financial targets.

## Novedo has proven highly resilient in the tougher economic climate in 2023.

Cash flow from operating activities was affected by an increase in negative net interest income but was positively impacted overall by increased volume and good margin development and amounted to SEK 108.3 (52.3) million for the full year.

To finance company acquisitions, Novedo issued an additional SEK 1,250 million within the existing bond issue and net interest-bearing debt in relation to EBITDA was a multiple of 2.9 at the year end. The bonds fall due for redemption at the end of 2024. The Board of Directors and management are positive regarding the options for bond refinancing and are in the process of evaluating and selecting various financing alternatives such as bank and direct loans or even a new bond issue. In addition, a so-called dual track process has been ongoing whereby the Group is prepared for an IPO as an additional possible platform for raising future capital.

**Balanced segments and geographical diversification promotes good risk diversification and long-term profitability**

Novedo aims to grow sales for the three business segments over time to be of equal size, which is also confirmed by a year-on-year comparison where the Industry and Infrastructure segments increased in relation to the Installation & Services segment.

Novedo has an active acquisition agenda, both in Sweden and abroad, and in 2023 the Group's net sales from countries outside Sweden increased to 19.3 percent (2.1), of which the majority were from Denmark.

**Sustainability is a natural component of our business and a competitive advantage moving forward**

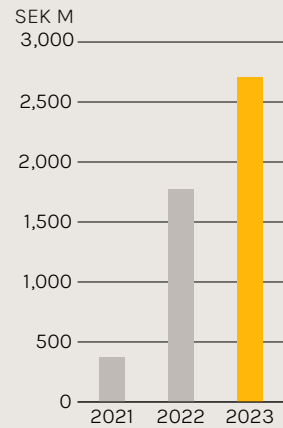
The universal sustainability principles defined in the UN Global Compact are a natural fit for Novedo since all of the Group's subsidiaries are characterised by healthy operations and a sound corporate culture.

**We expect demand to increase from our customers for sustainable, climate-friendly solutions and products.**

With the aim of ensuring that our Group continues to grow with healthy companies, Novedo focuses specifically on these parameters during the acquisition process and, in addition to legal and financial due diligence, also conducts due diligence of ESG-related areas.

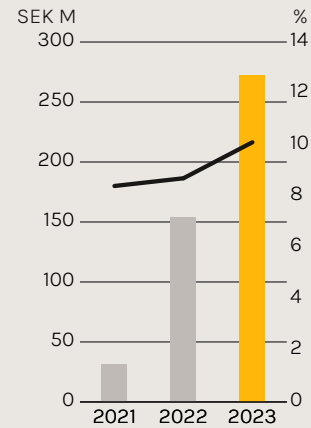
We expect demand to increase from our customers for sustainable, climate-friendly solutions and products. As part of verifying that our operations will meet future customer requirements, in early 2024, we initiated an update of Novedo's ESG strategy, which will also result in relevant sustainability targets together with developing future sustainability reporting.

**Net sales**



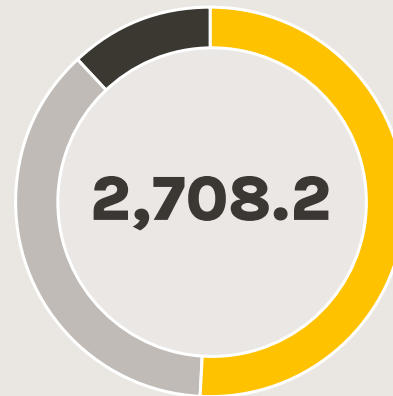
Net sales

**EBITA and EBITA margin**



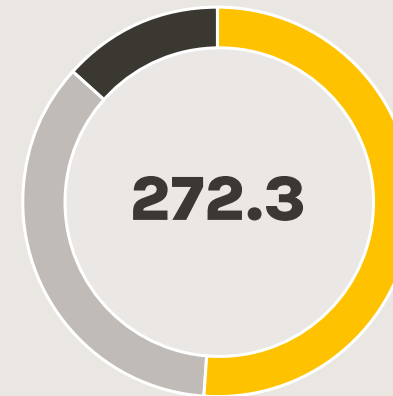
EBITA  
EBITA margin

**Net sales 2023, SEK M**



Installation & Services 51.0%  
Infrastructure 37.1%  
Industry 11.9%

**EBITA 2023, SEK M**



Installation & Services 51.3%  
Infrastructure 35.5%  
Industry 13.2%

**Dedicated and knowledgeable employees mean that we are well equipped to continue developing in a solid and positive direction moving forward.**

**Novedo delivers on all financial targets and makes good progress on sustainability-related targets**

When we sum up 2023, I can state that Novedo is delivering on all financial targets despite tougher market conditions during the year. We continue to make progress in terms of our sustainability targets, which include prioritising high participation in leadership training to promote a sound corporate culture and to quality assure the Group's succession plan-

ning. During the year, 94.7 percent (45.5) of acquired annual sales were also externally reviewed from an ESG perspective and received a positive outcome.

**Favourable acquisition market and order intake bodes for continued solid and positive development**

It is my opinion that Novedo's decentralised organisational structure, combined with well-established and long-standing subsidiaries with proven good financial

track records, has good preconditions to manage, develop, and strengthen its operations, even in more challenging market conditions.

Overall, Novedo has noted a good order intake in all segments, and my assessment is that the market conditions for 2024 will be much like the past year.

Novedo has several attractive acquisitions under evaluation, and I have identified good growth opportunities in all business segments both in existing and in new geographic markets.

Finally, I would like to extend my gratitude to all of Novedo's employees who have been part of enabling our progress this year. Dedicated and knowledgeable employees mean that Novedo is well equipped to continue developing in a solid and positive direction moving forward.

**Per-Johan Dahlgren**  
President & CEO

**Financial targets**

**Annual sales growth**

Target

**>50%**

Outcome 2023

**52.7%**

Novedo aims to grow the company more than 50 percent over the 2022-2024 period, with 3 percent of the growth being organic. These levels were reached for acquisition growth in the Group's first three financial years, that is from 2021-2023, and in 2023 organic growth amounted to 1.8 percent.

**Annual EBITA margin**

Target

**>10%**

Outcome 2023

**10.1%**

Novedo's objective is for the company's EBITA margin to exceed 10 percent in the medium term. For the first two financial years, 2021 and 2022, the company's EBITA margin was 8.4 percent and 8.7 percent respectively before strengthening to 10.1 percent in 2023.

**Sustainability targets**

**ESG due diligence**

Target

**>90%**

Outcome 2023

**94.7%**

Novedo aims to perform an external ESG due diligence for more than 90 percent of acquired annual sales, where business conduct, health & safety, employer brand and environmental management are examined. In 2023, 94.7 percent (45.5) of acquired annual sales were examined.

**Net interest-bearing debt/EBITDA**

Target

**<3.5x**

Outcome 2023

**2.9x**

Novedo's objective is to have a balanced net debt. For 2023 and 2022, net debt amounted to a multiple of 2.9. The ratio is calculated pursuant to the definition in the company's bond terms and conditions as net interest-bearing debt in relation to pro forma EBITDA over the last 12 months.

**Training**

Target

**>90%**

Outcome 2023

**70.0%**

Novedo's objective is that the CEOs and managers of its subsidiaries complete leadership training with the aim of promoting a sound corporate culture and assuring the quality succession planning over time. The objective is monitored through the percentage of CEOs who have completed leadership training under Novedo's auspices over the past five years, which for 2023 was 70.0 percent (60.0).



# Value-creating and sustainable business model

Acquisitions are a natural component of Novedo’s growth strategy and the Group has maintained a high acquisition rate since the first one was completed in January 2021. At the end of 2023, the Group consisted of some 20 subsidiaries/groups within the Group, of which four were consolidated in 2023. Novedo sets high standards for the companies it acquires and has clear acquisition criteria. Among other criteria, the management teams of acquired companies need to be entrepreneurial and willing to continue their work even after the company becomes part of Novedo.

## Acquisition criteria

Novedo acquires companies based on the following criteria:

- Sound corporate culture.
- Strong entrepreneurs.
- Proven and sustainable business model.
- Leading position in its market niche.
- Healthy customer relationships.
- Strong cash flows.
- >10 percent EBITA margin



## Acquisition process

The acquisition process has three key phases. When a potential company is identified, when it is evaluated and finally when Novedo and the owner of the selling company create a common understanding about how it will be run and developed moving forward and when the parties come to an agreement on the commercial terms.

Novedo strives to conduct a dialogue early on with the owner of a company of interest. This allows Novedo to become a natural partner for the owner ahead of any sale. Novedo has a continuous inflow of new, attractive companies with acquisition potential, both from its own network, from external business brokers and from the entrepreneurs themselves.

All companies to be acquired are reviewed to ensure that they have a long-term sustainable business. Discussions and reasoning regarding the continued engagement of key individuals, as well as Novedo’s values and decentralised governance model, are held at an early stage of the evaluation. A basic and adapted evaluation is performed in order to ensure that the opportunities and risks associated with the acquisition have been identified. In addition to the aggregate expertise at the Group, due diligence is performed by external auditing and legal firms to review, for example, environmental impact, tax, financial position and legal matters.

It is essential that operations are conducted responsibly in order to create long-term sustainable growth, development and profitability. As of mid-2022, Novedo has formalised the external review with ESG parameters. If a potential acquisition does not meet the relevant requirements and standards, or is not deemed amenable to necessary improvements, Novedo declines to make the acquisition. In 2023, Novedo acquired four new companies, of which three, or 94.7 percent (45.5) of the acquired annual sales, underwent a sustainability review. Novedo has an objective of submitting 90 percent of acquired annual sales to an external ESG review.

Thorough preparations and learning about the parties involved are keys to success. In the final phase, in addition to coming to an agreement over the commercial terms that will create value for both parties, Novedo and the selling entrepreneur work together to create a shared understanding about the conditions the company needs to continue to develop and create the best possible long-term value growth.

Identification

Evaluation

Consensus going forward

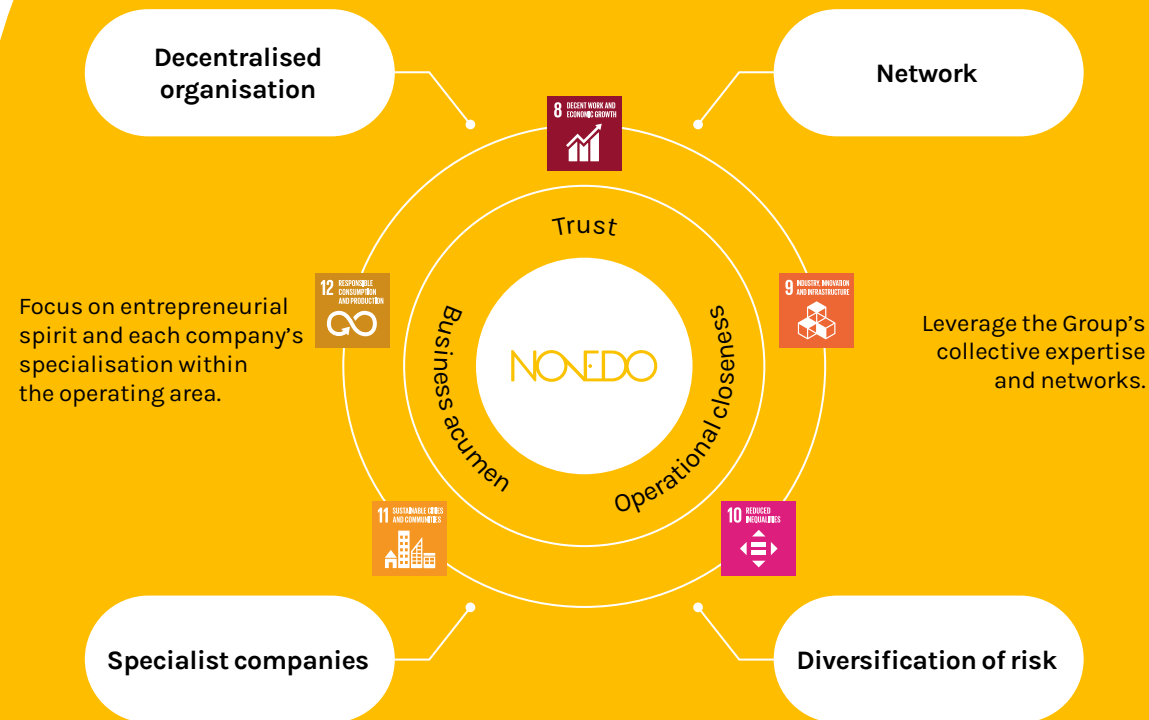
Novedo has a niched acquisition strategy and all companies acquired are naturally integrated into one of the three segments. This increases the opportunities for focused activities and partnerships. In connection with the formal consolidation of an acquired subsidiary, there is a structured integration process that provides the company with the best preconditions within the Group.

Operations at Novedo are based on a conviction that the best business decisions are made close to the customer and the market by knowledgeable and engaged entrepreneurs and employees. Novedo's business model revolves around the subsidiaries being operated as previously but where they are also provided with the opportunity to reap the benefits of the Group's collective competence, experience and resources to, thereby, over time create the best possible value growth.

At the Group level, Novedo focuses primarily on supporting subsidiaries with long-term planning and leadership issues. A meaningful, proactive activity for development in leadership is the leadership training that Novedo launched in 2022. The training aims to provide companies with good leaders and specialists. The training, which was implemented with the help of external professionals, has three tracks. One is for existing CEOs, one is for potential leaders and one is for talent and specialists, who are often younger people. The training is obligatory for existing CEOs. In 2023, ten (12) of the subsidiaries' CEO's participated in the leadership training, and at year end, 70.0 percent (60.0) of the subsidiaries' CEOs had completed the training. The target is 90 percent.

## Value-creating operational business model

Operational business models drive value and limit risk - stronger together



The acquired company's management and its new board have a continuous dialogue with Novedo's COO and team. Every month, the companies report sales, earnings and other important financial and non-financial performance metrics to Novedo centrally. The ongoing governance is goal-oriented and focused on transactions that have a bearing on solid growth, margin development and tied-up capital. Novedo also ensures that skills development at the subsidiaries, as well as their sustainability agendas, are followed up and evaluated during the year.

### The UN SDGs are an integrated component of Novedo's business model

Sustainability is a precondition for long-term value creation. That is why it is an integrated component of Novedo's business model. The basis for the Group's sustainability agenda is Novedo's values and Code of Conduct as well as the ten principles in the UN Global Compact and the UN SDGs.

Novedo has previously conducted a digital stakeholder dialogue and materiality assessment. Among other findings, this research made it clear that the Group's end customers primarily have requirements for safe work environments (risk analyses equivalent to ISO 45000), structured environmental management (equivalent to ISO 14000), and compliance with the Code of Conduct. Based on the results, five SDGs have been identified where Novedo can align value creation with societal benefits: SDG 8, 9, 10, 11 and 12.

Integration

Follow-up

### ESG due diligence

Sustainability is integrated in Novedo's acquisition analysis. It is important to understand how a potential acquisition's business model and competitive ability are affected by ESG opportunities and risks, today and in the long term.

Novedo aims to perform an external ESG due diligence for more than 90 percent of acquired annual sales, where business conduct, health & safety, employer brand and environmental management are examined. In 2023, 94.7 percent (45.5) of acquired annual net sales were externally examined with positive outcomes.

### Overriding sustainability policy to promote sound and responsible business

To ensure that sustainability is simply and transparently integrated throughout the entire Group, Novedo's Board of Directors has adopted a sustainability policy that describes principles for how the Group integrates and manages sustainability within operations. The policy focuses on four prioritised areas:

#### Minimal environmental impact

We strive to minimise negative environmental effects. We always comply with the applicable laws and regulations for the environment. That is why we constantly monitor applicable laws and regulations in markets where we operate. No environmental incidents occurred within the Group during 2023.

#### Safe and healthy work environment

We take responsibility for people's health and safety in our workplaces. Our workplaces are to be safe and reli-

### ESG is part of the acquisition analysis and is material for understanding the climate-related opportunities and risks at a company as well as understanding our sustainability policy.

able, with a focus on health and a good company culture. We work continuously to prevent accidents, injuries and illness.

#### Attractive and developing organisation

We work to attract, develop and retain talent. All employees have the same rights and opportunities. Novedo has a zero-tolerance approach to differential treatment, harassment and discrimination. We strive to promote the unique abilities, strengths and differences of all of our employees.

#### Sound business ethics

We promote responsible business practices to build long-term relationships. We always apply sound business ethics and comply with the applicable laws, regulations and ordinances of the markets in which we operate.

To facilitate the reporting of suspected improprieties within, or in relation to, Novedo's operations, Novedo has established an external and anonymous whistle-blower function, which is available at [www.novedo.se](http://www.novedo.se) that allows users to report suspicions of serious improprieties. No cases were reported in the whistle-blower function in 2023.

### Management and governance

Novedo's Board determines the Group's ESG strategy as well as the Group's codes and policies, such as the Code of Conduct, supplier code of conduct, environmental policy, and the health & safety policy, in addition to taking a position on the materiality assessment on which the ESG strategy is based.

Novedo's Board is the ultimate authority in terms of sustainability governance. Novedo's CEO and the subsidiary CEOs are responsible for compliance. All employees carry this responsibility in their daily work.

As a result of the subsidiaries' differentiated operations, focus areas for the subsidiaries' sustainability agenda and environmental initiatives differ.

### ESG strategy and reporting developed to meet commercial and regulatory requirements

Demand for sustainable, climate-friendly solutions and products is expected to increase. With the aim of ensuring Novedo's relevance within ESG, in early 2024, the company renewed its stakeholder dialogue by conducting interviews and surveys with key stakeholders, and updated the Group's materiality assessment with double materiality. The results of these efforts comprise the basis for an updated ESG strategy and more developed sustainability reporting going forward. One important priority for Novedo in 2024 is to conduct benchmark measurements for the relevant KPIs to enable setting appropriate targets for future operations.

### ESG due diligence

94.7%

of the annual sales of the companies acquired during the year underwent an external ESG due diligence process. The target is >90%.

### Training

70.0%

of the subsidiaries' CEOs have completed the leadership programme in the past five years. The target is >90%.

## Why do entrepreneurs choose Novedo?

“It is with great pleasure that Nørgaard becomes part of the Novedo Group and thus also part of a fine group of well-established companies in Jutland. In addition to taking advantage of, and contributing to, Novedo’s collective expertise and resources, we see an opportunity to create real customer value by developing our business in business-related interaction within the Group and thus continue to deliver profitable growth going forward,” says Michael Nørgaard, CEO Nørgaard.

Operations at Novedo are based on a conviction that the best business decisions are made close to the customer and the market by knowledgeable entrepreneurs and employees. Novedo’s business model revolves around the subsidiaries being operated as previously but where they are also provided with the opportunity to reap the benefits of the Group’s collective competence, experience and resources, and over time create the best possible value growth.

The Danish infrastructure company Nørgaard was acquired by Novedo in December 2023 and CEO Michael Nørgaard comments above on why he chose to join Novedo.

[www.na-ribe.dk](http://www.na-ribe.dk)




*From left: Michael Nørgaard, CEO Nørgaard Anlæg Holding ApS and Per-Johan Dahlgren, President & CEO of Novedo Holding AB.*



# Industrial group with a niche in Industry, Infrastructure and Installation & Services

Novedo consists of prominent entrepreneurial SMEs with sound corporate cultures, developed niche positions and proven business models in three segments.

## BUSINESS SEGMENT

|  | NET SALES, SEK M | EBITA, SEK M | EBITA MARGIN, % | EMPLOYEES  |
|--|------------------|--------------|-----------------|------------|
|  <p><b>INSTALLATION &amp; SERVICES</b><br/>The segment comprises companies that offer installation, service and maintenance of properties and is primarily aimed at commercial property owners and public housing.</p>  | <b>1,382.0</b>   | <b>167.0</b> | <b>12.1</b>     | <b>691</b> |
|  <p><b>INFRASTRUCTURE</b><br/>The segment consists of specialist companies active in infrastructure projects such as rock removal, ground works and associated areas and maintenance of railway, road and power transmission infrastructure as well as other infrastructure construction.</p>          | <b>1,005.5</b>   | <b>115.4</b> | <b>11.5</b>     | <b>448</b> |
|  <p><b>INDUSTRY</b><br/>The segment consists of specialist industrial companies that deliver clear customer value in terms of manufacturing or retail of products intended for B2B, for example, suppliers to production companies, distributors and companies with in-house product development.</p> | <b>320.7</b>     | <b>43.0</b>  | <b>13.4</b>     | <b>152</b> |

# Installation & Services



Installation & Services comprises companies that offer installation, service and maintenance of properties and is primarily aimed at commercial property owners and public housing.

Net sales for the Installation & Services business segment increased year-on-year to SEK 1,382.0 million (1,013.1) for the full-year 2023. EBITA amounted to SEK 167.0 million (119.2) for 2023. The EBITA margin amounted to 12.1 percent (11.8) for 2023.

The segment reported a solid trend and its companies are demonstrating strong resilience in the current market climate, with good order intake in general since a large portion of the companies' offering is focused on service, maintenance and improvements in existing properties. Structural trends in energy sav-

ings and electrification also had a positive effect on demand for the segment's companies.

Novedo intends for the Group's three segments to be equally in size in terms of sales in the long term. At the end of the year, the segment comprised 51.0 percent (57.1) of the Group's total net sales for the full-year 2023. During the year, the roofing specialist Helsingborgs Byggplåt together with its subsidiary Bra Tak Entreprenad Skåne with some 40 employees and annual sales of SEK 103.3 million, were acquired and consolidated. At the start of 2024, a bolt-on acquisi-

tion was completed of OVKservice Syd AB, which primarily carries out ventilation inspection and ventilation adjustments.

At the end of the year, the segment consisted of 15 wholly-owned operating subsidiaries with nine associated subsidiaries, encompassing a total of 691 employees. Refer also to Note 32 for an overview of the segment's subsidiaries.



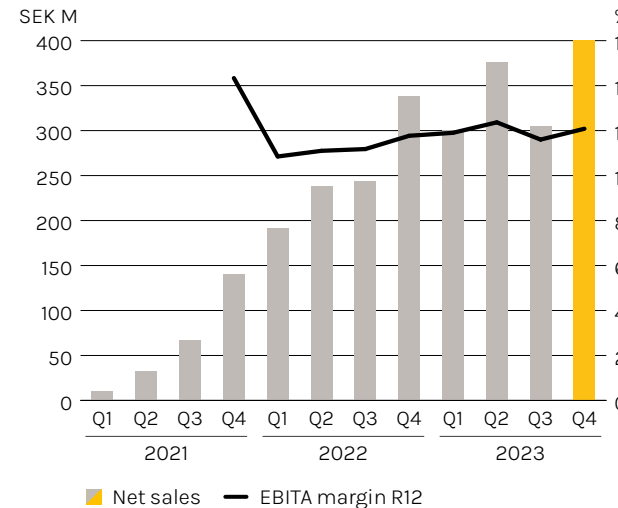
## Financial overview

Net sales and EBITA margin

| SEK M           | 2023    | 2022    | 2021  |
|-----------------|---------|---------|-------|
| Net sales       | 1,382.0 | 1,013.1 | 250.0 |
| EBITA           | 167.0   | 119.2   | 34.1  |
| EBITA margin, % | 12.1    | 11.8    | 13.6  |

Seasonal trends, in terms of revenue and earnings, vary between Novedo's three segments, and within each segment as a result of the specific business and industrial conditions. Installation & Services has an underlying seasonal variation where the first quarter of the year is generally weaker due to winter weather conditions and the third quarter of the year is affected by annual leave during the summer months.

Net sales and EBITA margin



Share of the Group's net sales, 2023

51.0%

## Companies in Installation & Services



**BATAB Bygg & Akustikteknik AB**  
CEO: Rafed Elbasam

BATAB Bygg & Akustikteknik was founded in 1975 and is a Stockholm-based company active within suspended ceiling and acoustic solutions. The company mainly focuses on renovations and customer adaptations of commercial properties, industry, offices, and the public sector. Primary customers comprise construction companies (B2B). BATAB has 15 employees and net sales for 2023 amounted to SEK 172.3 million. The company was acquired and consolidated by Novedo in Q3 2022.

[www.akustikteknik.se](http://www.akustikteknik.se)



**Elarbeten Helsingborg AB**  
CEO: Simon Persson

Elarbeten Helsingborg was founded in 1993 and is a Helsingborg-based company that provides a varied offering of services related to electricity, primarily consultation/planning and conducting electrical installations such as new installations, renovations, service, telephone lines, solar cells and chargepoints for electric vehicles. Primary customers comprise property and construction companies (B2B). Elarbeten has 14 employees and net sales for 2023 amounted to SEK 37.0 million. The company was acquired and consolidated by Novedo in Q1 2022.

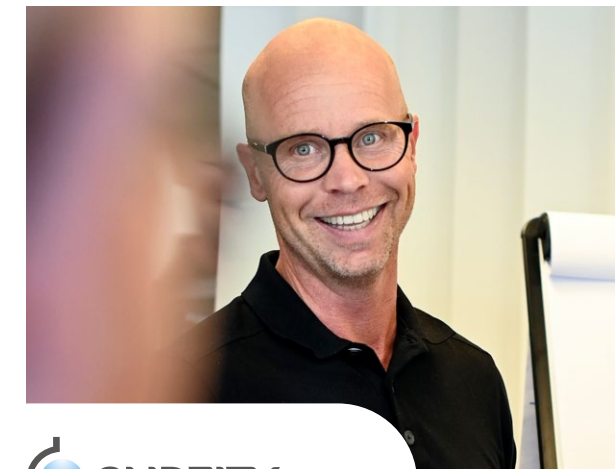
[www.elarbetenab.se](http://www.elarbetenab.se)



**Elforum Göteborg AB**  
CEO: Johan Andersson

Elforum was founded in 2018 and is a Gothenburg-based company active in electrical installation and related services such as electrical installations for industry, offices, commercial properties, stores and housing. The company is also a certified installer of data networks and performs installations of chargepoints for electric vehicles. Elforum has 28 employees and net sales for 2023 amounted to SEK 58.9 million. The company was acquired and consolidated by Novedo in Q3 2021.

[www.elforum.se](http://www.elforum.se)



**Elinzity AB**  
CEO: Peter Berntsson

Elinzity was founded in 2006 and is a Gothenburg-based company that offers electricity installation with a focus on services, renovations, office customisation and major contracts with associated project planning and management. Primary customers comprise public sector players and well-known commercial property owners. Elinzity has 65 employees and net sales for 2023 amounted to SEK 115.0 million. The company was acquired and consolidated by Novedo in Q1 2022.

[www.elinzity.se](http://www.elinzity.se)

## Companies in Installation & Services



**Hansson & Ekman Isolerings Aktiebolag**  
CEO: Jan Larsson

Hansson & Ekman was founded in 1992 and is active in three locations in Sweden. The company conducts technical plumbing insulation in HVAC and industrial segments. Its services include technical insulation, sheath splicing of culvert pipes, adjustment and marking of pipes/vents, and operation and maintenance of pipes/ventilation. Hansson & Ekman has 81 employees and net sales for 2023 amounted to SEK 110.5 million. The company was acquired and consolidated by Novedo in Q3 2021.

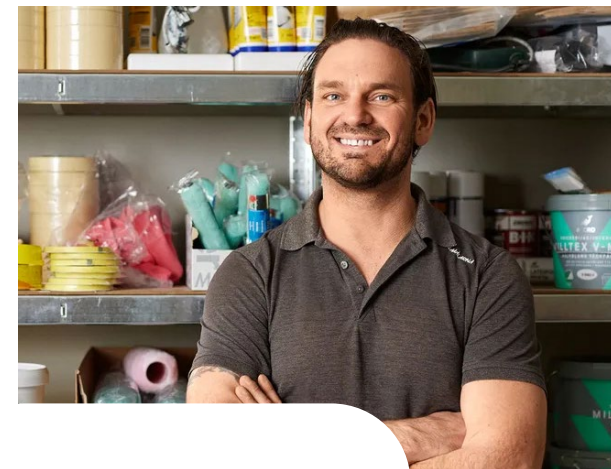
[www.hanssonoekman.se](http://www.hanssonoekman.se)



**Helsingborgs Byggplåt AB**  
CEO: Jimmy Wallberg

Helsingborgs Byggplåt was founded in 2005 and is now a strong and well-established roofing specialist in southern Sweden. With its broad expertise both in sheet metal and in roofing, the company offers its customers everything from smaller renovation work to complete renovation contracts. The customer base is primarily regional with a diversified business mix in the public sector and real estate companies. The business, together with the wholly-owned subsidiary Bra Tak Entreprenad Skåne AB, has 39 employees in Helsingborg and Malmö and the companies' total turnover for 2023 amounted to approximately SEK 103.3 million. The company was acquired and consolidated by Novedo in Q1 2023.

[www.helsingborgsbyggplat.se](http://www.helsingborgsbyggplat.se)



**Kulturmålarna AB**  
CEO: Henrik Nordgren

Kulturmålarna was founded in 1998 by current CEO Henrik Nordgren and his father and is located in Finspång, Mjölby, Linköping and Norrköping. The company offers contract painting, durable surface layers, industrial painting and real estate painting to B2C and B2B customers. Kulturmålarna has 45 employees and net sales for 2023 amounted to SEK 42.5 million. The company was acquired and consolidated by Novedo in Q3 2021.

[www.kulturmalarerna.se](http://www.kulturmalarerna.se)



**Nordsign Aktiebolag**  
CEO: Erik Asp

Nordsign AB was founded in 2006 and is a Leksand-based product and installation company that manufactures, delivers and installs tailor-made and complete solutions for commercial signs for companies across the Nordic countries. Products include pylon signs, facade wraps, shop interiors and shop facades as well as energy-saving LED signs and LED screens. Its sales are conducted B2B and its customers include well-known and strong brands, with about half of its sales comprising repeat business. Nordsign has 14 employees and net sales for 2023 amounted to SEK 47.4 million. The company was acquired and consolidated by Novedo in Q3 2022.

[www.nordsign.se](http://www.nordsign.se)



## Companies in Installation & Services

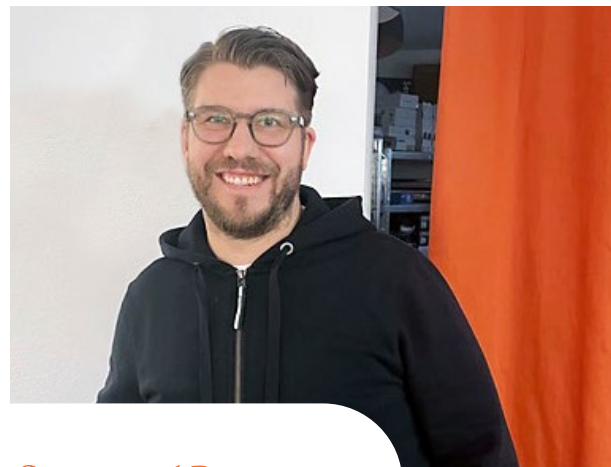


**Olle Timblads Målerifirma AB**  
CEO: Hans-Åke Wennerstrand

Olle Timblads, founded in 1933, and its subsidiary Tyresö Målericentralen are among the largest painting companies in Sweden and conduct all types of painting work in Stockholm, Nacka, Södertälje, Strängnäs, Söderort, Nykvarn, Värmdö and Tyresö, with a focus on RAM/LOU agreements. Its customers include municipalities, real estate companies and private individuals.

The companies have 150 employees and net sales for 2023 amounted to SEK 183.9 million. The companies were consolidated by Novedo in Q3 2021.

[www.timblad.se](http://www.timblad.se)



**Sentexa AB**  
CEO: Fredric Börjesson

Sentexa AB was founded in 2002 and is a Stockholm-based company that offers electricity installation with a focus on reparation, reconstruction and extension. The company offers everything from small installations and services to complete one-stop-shop solutions, all with their own fitters and project managers. Around half of the company's customer base consists of public agencies. Sentexa has 13 employees and net sales for 2023 amounted to SEK 30.0 million. The company was acquired and consolidated by Novedo in Q2 2022.

[www.sentexa.se](http://www.sentexa.se)



**Skanstulls Måleri Aktiebolag**  
CEO: Anders André

Skanstulls Måleri AB was founded in 1997 and offers painting services in the Stockholm area. Its customers include large, medium-sized and small construction companies as well as property managers, foundations and various educational and district administrations. Skanstulls Måleri has 31 employees and net sales for 2023 amounted to SEK 35.7 million. The company was acquired and consolidated by Novedo in Q1 2021. In 2023, the founder Kent Boström passed down the CEO role to Anders André.

[www.skanstullsmaleri.se](http://www.skanstullsmaleri.se)



**Total Fasad Stockholm AB**  
CEO: Johan Widegren

Total Fasad Stockholm AB was founded in 2015 and is a Stockholm-based company active within facade maintenance and window renovations. Its primary customers are tenant owners' associations and property companies. Total Fasad Stockholm has 62 employees and net sales for 2023 amounted to SEK 182.8 million. The company was acquired and consolidated by Novedo in Q2 2022. In 2023, the co-founder Marcus Hamber passed down the CEO role to Johan Widegren.

[www.totalfasad.se](http://www.totalfasad.se)

## Companies in Installation & Services



**Uni-vent Rör AB**  
CEO: Kostas Papadopoulos

Founded in 2005, Uni-Vent is a ventilation company primarily engaged in airflow adjustments, measurements, investigations of ventilation systems and installations. The company works with everything from large commercial buildings and hospitals to smaller properties and residential projects.

Uni-Vent has 24 employees and net sales for 2023 amounted to SEK 97.1 million. The company was acquired and consolidated by Novedo in Q2 2021.

[www.univent.se](http://www.univent.se)



**Ventilationskontroll Aeolus Aktiebolag**  
CEO: Aleksandar Köster

Ventilationskontroll Aeolus Aktiebolag, founded in 1980, is a Gothenburg-based installation company active within ventilation and indoor climate. The company, together with its subsidiaries, offers installations, service, repair, operating and energy optimisation, energy and control work, pre-engineering, technical investigations, OVK ventilation inspections and adjustment of indoor climate plant. The company group has many service and operating agreements with stable customers. The company has been FR2000 certified since 2009 and has 110 employees together with sales of SEK 186.6 million for 2023. The company was acquired and consolidated by Novedo in Q1 2022.

[www.ventilationskontroll.nu](http://www.ventilationskontroll.nu)



**Ventilationskontroll expands to the southern Sweden through the acquisition of OVKservice Syd**

Novedo has a clear target to grow through strategic and complementary acquisitions of existing subsidiaries, which was confirmed at the start of 2024 through Ventilationskontroll Aeolus Aktiebolag's acquisition of the company OVKservice Syd AB. The acquisition of OVKservice Syd AB complements Ventilationskontroll's offering and reaches a new customer base, strengthening its geographical presence.

OVKservice mainly conducts ventilation inspections, balancing and ventilation cleaning. The business consists of nine employees who primarily conduct operations in the southern part of Sweden. The company has a broad and recurring customer base. OVKservice was originally founded in 1996 in Löddeköping and

has had steady growth and profitability with annual sales for 2023 amounting to approximately SEK 10 million. The owner and seller is CEO Fredrik Gyllander, who will remain in his role as CEO after the sale ([www.ovkservice.se](http://www.ovkservice.se)).

"The dialogue with Novedo and Ventilationskontroll's CEO has been idea-generating and constructive since our first meeting, and I see how both OVKservice and other companies in the Ventilationskontroll group can benefit from each other's skills and offerings and thus create the best conditions for a broader customer offering and qualitative customer value through commercial collaborations", says Fredrik Gyllander, CEO of OVKservice Syd AB.



**“The common denominator for all of the companies at Novedo is their importance in creating jobs in their local communities, which can start with an internship or another entry-level job. In other words, our entrepreneurs are an important part of a sustainable society where we’re stronger together,” says Per-Johan Dahlgren, President & CEO.**

# Case: Tailor-made trainee programme for indoor climate technicians

Demand to climate optimise properties is strong, driven by increased awareness of energy efficiency and rising energy prices. Increased demand also means an increased need for indoor climate technicians, which led to Ventilationskontroll creating an entirely new tailor-made trainee programme for indoor climate technicians in 2023.

Demand to climate optimise properties is high, which is largely the result of rising energy prices and property owners' desire to contribute to the UN Sustainable Development Goals and the Paris Agreement. At Novedo, subsidiaries that work with services linked to energy efficiency are noting strong demand and a need for experienced and trained indoor climate technicians, which is resulting in a shortage thereof.

To manage this shortage of indoor climate technicians and to attract young people to the profession, the Gothenburg-based Novedo company Ventilations-

kontroll began a one-year trainee programme in 2023.

The trainee programme is aimed at young adults up to 28 years old and does not have any requirements in terms of secondary-school education. The programme is individually based and follows Ventilationskontroll's syllabus that includes all the necessary elements of what is required to work as an indoor climate technician. Participants will learn about the profession from its foundation and work in all areas of the company, learning about assembly, operation, maintenance and service, control technology, energy optimisation and

inspections. Participants will be provided with a personal mentor who will guide and support them during their traineeship and they will also be able to apply their knowledge to real projects at Ventilationskontroll's customers together with their mentors.

The trainee programme is paid and complies with a collective agreement and begins with a trial period for the first six months. Following this, the knowledge of participants will be tested and evaluated ahead of the next stage of the programme.

After a successful social media recruitment campaign, five expectant trainees - three male and two female, all born in the 2000s - began at Ventilationskontroll in autumn 2023.

"Participants in the trainee programme are provided with the opportunity to develop their strengths and abilities while they gain greater knowledge in the profession and industry and not least a first step into the work market," says Aleksandar Köster, CEO of Ventilationskontroll.



## IN BRIEF

**Company group:** Ventilationskontroll Aeolus Aktiebolag (for subsidiaries, refer also to Note 32)

**Founded:** 1980

**Services:** Installation, service, inspection and optimisation of climate installations for indoor use

**Customers:** Primarily commercial property owners and municipal property managers

**Employees:** 110

**CEO:** Aleksandar Köster



## “Focus on continuous improvement will keep us relevant for another 90 years.”

Novedo consists of companies with solid market positions, most of which have a long corporate history. Market positions earned over the years through good market knowledge and through close collaboration and dialogue with customers and employees. The focus on improvements is always present and in 2023 Anders Larm started as a business developer at the lively 90-year-old Olle Timblads Målerifirma AB.

### **What does your role as a business developer involve?**

My role is new to Timblads since 2023 and involves working with the company's management system to ensure that our working methods are linked in a well thought out way. Overall, it is about “doing what we said we would do” and constantly improving.

### **Timblads turned 90 years old in 2023. Is there anything left to develop after 90 years?**

Timblads is a leader in the industry and has a strong market position as a result of a historical drive to continuously develop the business. Continuing to focus on business development is the best insurance for remaining relevant for the next 90 years.

### **What has been your initial focus during the year?**

I have primarily focused on developing a clear structure for the organisation and for our documentation so that all employees, new and old, know what applies and can find documents easily.

### **Society's focus on ESG is increasing. Are you noticing any changes in terms of wishes or demands from customers?**

We are noticing changing customer requirements in terms of climate targets and climate calculations, which is why we have also recently produced our first climate calculation. In procurement, it is typically also positive to be able to present certificates regarding quality, environment and work environment, where we are certified in accordance with ISO 9001, 14001 and 45001.

### **Does Timblads focus on anything particular in relation to ESG?**

We focus on what is close to our business and where we can have a tangible impact. A primary and fundamental area is naturally the health and safety of our employees and, additionally, we conduct dialogues with our paint suppliers to be able to offer materials that meet customer requirements. We have also been working on our transition to electric vehicles.

### **What will you be focusing on in the next few years?**

There will be continued focus on improving operations by leveraging new technologies, material developments and other innovations. ESG is an area in which we need to ensure that we integrate customer requirements well and that our climate footprint is as positive as possible.

Photo: Anders Larm, Business developer at Olle Timblads Målerifirma AB and Tyresö Målericentral AB

# Infrastructure



The segment consists of specialist companies active in infrastructure projects such as rock removal, ground works and associated areas, maintenance of road and power transmission infrastructure as well as infrastructure construction in areas such as fibre and water.

The segment's net sales increased year-on-year, primarily due to the acquisition of Nordkabel A/S in December 2022 and Nørgaard Anlaeg Holding ApS in December 2023, and amounted to SEK 1,005.5 million (635.6) for the full-year 2023. The segment posted a solid trend and EBITA amounted to SEK 115.4 million (70.0) for 2023. The EBITA margin amounted to 11.5 percent (11.0) for 2023.

State and regional investments in infrastructure have a positive impact on the segment. Historically speaking, economic downturns have a low impact on

investments in infrastructure. Order intake is good, which is partly due to a high level of government projects and a high proportion of framework agreements.

Novedo intends to grow the segment over time to correspond to one third of the Group's total sales and for the full-year 2023, the segment's share of the Group's total net sales amounted to 37.1 percent (35.9).

Nørgaard Anlaeg Holding ApS and its subsidiaries with annual sales of SEK 182.5 million was acquired and consolidated in 2023. The company group carries out ground and construction work, mainly in southern

Denmark. A strategic bolt-on acquisition was also made in the form of Dundertech AB, a product company in the rock industry. At the end of the year, the segment consisted of 6 operating subsidiaries with 11 associated subsidiaries, encompassing 448 employees.

Refer also to Note 32 for a collected overview of the Group's subsidiaries.

Johan, supervisor at land engineering company Deramont Entreprenad AB.



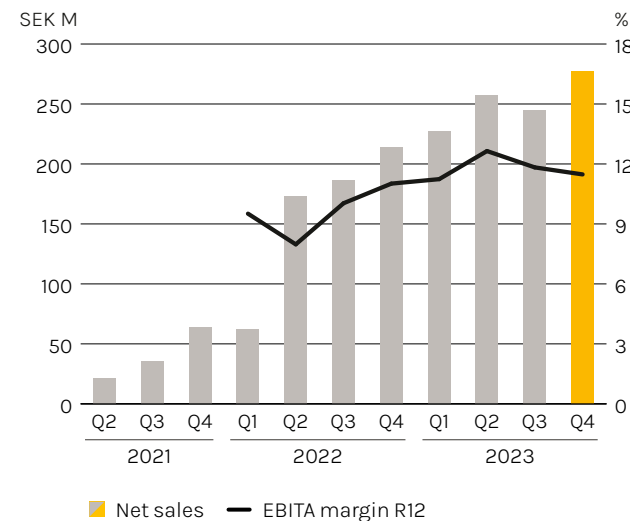
## Financial overview

Net sales and EBITA margin

| SEK M           | 2023    | 2022  | 2021  |
|-----------------|---------|-------|-------|
| Net sales       | 1,005.5 | 635.6 | 120.9 |
| EBITA           | 115.4   | 70.0  | 12.7  |
| EBITA margin, % | 11.5    | 11.0  | 10.5  |

Seasonal trends, in terms of revenue and earnings, vary between Novedo's three segments, and within each segment as a result of the specific business and industrial conditions. Infrastructure has an underlying seasonal variation where the first quarter of the year is generally weaker due to winter weather conditions and the third quarter of the year is affected by annual leave during the summer months.

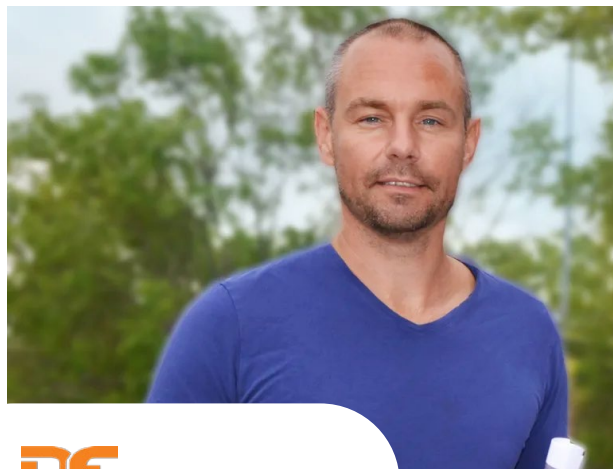
Net sales and EBITA margin



Share of the Group's net sales, 2023

# 37.1%

## Companies within Infrastructure



**Deramont Entreprenad AB**  
CEO: Petter Flodén

Deramont was founded in 2010 by CEO Petter Flodén and his colleague Lennart Pålsson and is a Skåne-based land contractor that performs foundation work, civil engineering, water and sewage work, fine planning and construction of simple concrete structures. Its customers consist of medium-sized to large construction companies that engage Deramont as a subcontractor to conduct ground works for homes, warehouses, schools, offices, logistics facilities, etc. Deramont has 31 employees and net sales for 2023 amounted to SEK 125.8 million. The company was acquired and consolidated by Novedo in Q3 2021.

[www.deramont.se](http://www.deramont.se)



**GBB Holding AB**  
CEO: Nenad Blagojevic

GBB Holding AB (GBB) was founded in 1996 and is a market-leading, full-service supplier of rock engineering related solutions and complementary services. Projects are primarily infrastructure-related for public sector and private sector customers. GBB comprises a number of operating subsidiaries that cover all parts of the value chain, thereby generating advantageous synergy effects within the Group. GBB has 108 employees and net sales for 2023 amounted to SEK 400.5 million. The company was acquired and consolidated by Novedo in Q2 2022.

In 2023, GBB completed a strategic acquisition of Dundertech AB, a product company in the rock industry, which strengthens GBB's overall customer offering.

[www.gnestabergbyggare.se](http://www.gnestabergbyggare.se)



**Nordkabel A/S**  
CEO: Henrik Hassing

Nordkabel A/S, founded in 1988, has 218 employees and operates in eight Jutlandic locations, with its head office based in Aars (near Aalborg). The company performs installations and maintenance, primarily within electricity networks, fibre and water. Nordkabel has a strong and stable customer base exclusively within B2B consisting of long customer relationships, often via framework agreements, and close collaborations with municipalities, private and public energy suppliers and telecom companies. Annual sales amounted to approximately SEK 368.6 million for the 2023 financial year. The company was acquired and consolidated by Novedo in Q4 2022.

[www.nordkabel.dk](http://www.nordkabel.dk)



**Nørgaard Anlæg Holding ApS**  
CEO: Michael Nørgaard

Nørgaard Anlæg Holding ApS was founded in 1979 and is located in southern Denmark, with the head office based in Ribe (near Esbjerg). The company, which also consists of four subsidiaries, has a stable customer base with long customer relationships and carries out ground and construction work primarily for the public sector, such as municipal energy and water and sewage companies (district heating, sewage, and sewage work) or directly for municipalities (urban renewal/pavements and parks). Nørgaard has 45 employees and net sales for 2023 amounted to SEK 182.5 million. The company was acquired and consolidated by Novedo in Q4 2023.

[www.na-ribe.dk](http://www.na-ribe.dk)

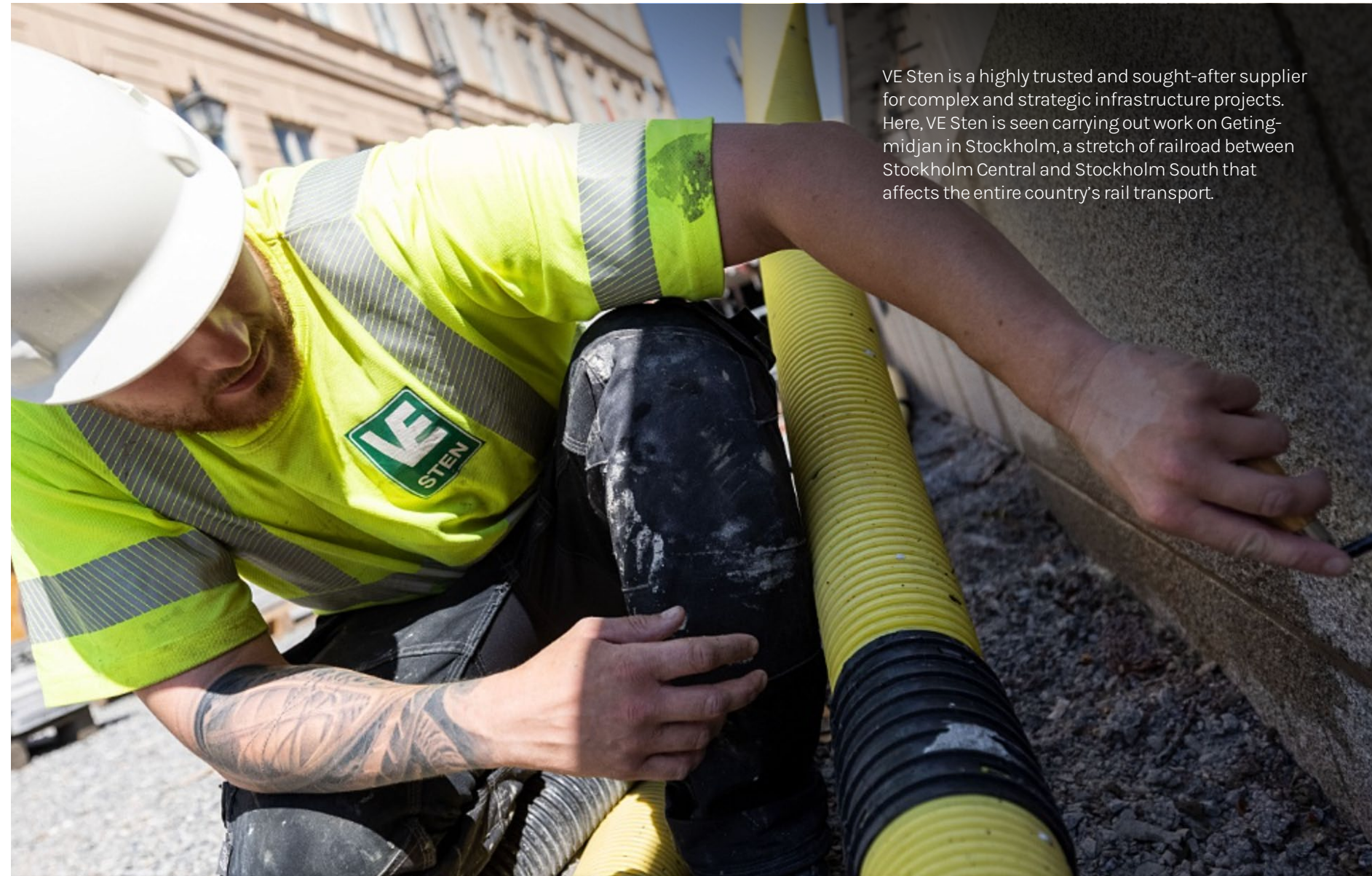
## Companies within Infrastructure



### Valter Eklund Bolagen CEO: Sofie Björklund

Valter Eklund Bolagen consists of Valter Eklund Stenentreprenader AB and VE Sten AB and was founded in 1938 under its former name Stenfirma Valter Eklund. The companies are currently suppliers of natural stone both to private and to public environments. The product portfolio ranges from floors, facades, stairs, and bathrooms to garden facilities with paving stones or landscaping in public environments. The products are evenly distributed between new construction and renovation, maintenance, and service. The companies have 46 employees and net sales for 2023 amounted to SEK 99.7 million. The company was acquired and consolidated by Novedo in Q2 2021. In January 2024, former CEO Mikael Stjernborg stepped down to work on the companies' boards and former CFO Sofie Björklund moved to the role of CEO of the company group.

[www.ve-sten.se](http://www.ve-sten.se)



VE Sten is a highly trusted and sought-after supplier for complex and strategic infrastructure projects. Here, VE Sten is seen carrying out work on Getingmidjan in Stockholm, a stretch of railroad between Stockholm Central and Stockholm South that affects the entire country's rail transport.



# Case: Climate park reduces the risk of flooding caused by extreme weather

Nørgaard has extensive experience in rainwater and wastewater solutions, both in residential areas and as part of overall urban planning. Brændkjær Climate Park is an example of how positive environmental aspects can be achieved together with savings.

The town of Brændkjær in Kolding Municipality, was designated in 2021 as one of eleven areas in Denmark where there is a particular risk of extreme flooding due to torrential rainfall, prolonged precipitation and high water levels. As a result, Kolding Municipality has applied several initiatives in the form of climate adap-

tation facilities. One initiative is Brændkjær Climate Park, where Novedo's subsidiary Nørgaard Anlæg has been the main contractor and conducted extensive land and construction work.

The climate park consists of an area of 18.5 hectares, equivalent to 28 football pitches, where flat ground surfaces have been refined into common spaces with rainbeds, open rain channels and several residential and activity areas.

The climate park removes significant amounts of water from the sewers, thereby securing the residential area, but also contributes to climate-proofing Kolding by delaying the rainwater that falls in the

Brændkjær area. The water is discharged directly into the environment so that it does not overload the sewers. This means that the climate park will also reduce the amount of mixed rain and wastewater run-off when it rains, as the rainwater will not go down the drain. In this way, the climate park also contributes to better water quality in Kolding Fjord. In addition to relieving the sewers, the climate park also saves large amounts of CO<sub>2</sub>, as rainwater from Brændkjær does not have to be pumped all the way to the treatment plant.

"The heavier rainfall of recent years has increased the need for efficient rainwater management. Nørgaard's experience and knowledge in rain and wastewater management contributes to positive environmental outcomes while saving costs in treatment and wastewater management," says Michael Nørgaard, CEO of Nørgaard.



Nørgaard has conducted earthworks and construction work for Brændkjær Climate Park



Image of Brændkjær Climate Park

### IN BRIEF

**Company group:** Nørgaard Anlæg Holding Aps (for subsidiaries, refer also to Note 32)

**Founded:** 1979

**Services:** Land and construction work (district heating, sewage and sewage work as well as urban renewal/pavements and parks)

**Customers:** Public sector, such as municipal energy and water companies or municipalities directly

**Employees:** 45

**CEO:** Michael Nørgaard

[www.na-ribe.dk](http://www.na-ribe.dk)





## “Capitalises on the company’s history and expertise, but also dares to be innovative and look ahead.”

On January 1, 2024, Sofie Björklund took over the role as CEO of Valter Eklund Bolagen, which consists of Valter Eklund Stenentreprenad AB and VE Sten AB.

### *VE Sten was founded in 1938. How do you approach a company with such an established brand and long-standing and rich history?*

It is a great honour to be part of this organisation and to build on its history. We have incredible expertise and a well-functioning structure. Together, we have driven the companies forward both in economic upswings and in downturns. It is important to capitalise on history and expertise, but also to be bold enough to innovate and look ahead. My focus will be to ensure that we continue to maintain our market position as the number one stone supplier in the market through quality and service.

### *What market and customer trends do you see affecting demand for the companies’ services and products?*

Like all industries, companies are affected by market and customer trends and it is our view that natural stone will always be in demand in one way or another. We are innovative and we lead and follow market and customer trends. We are noticing that more customers are setting higher requirements in terms of the environment and work environment, which is natural for us to focus on and to continuously improve.

### *What is Valter Eklund Bolagen doing to protect the environment, climate footprint and social sustainability?*

To ensure that the stone is mined in a correct and environmentally friendly way, we make site visits to our suppliers who mine the stone. We have also, together with one of our suppliers, via the Swedish Stone Industry Association, conducted a life cycle assessment (LCA) on one of our most common recurring products in which we have analysed the factors that have the greatest climate impact. In addition, we plan and coordinate transportation and use environmentally friendly and adequate equipment. This is something we constantly evaluate and monitor since it is an important part of our business.

### *Which growth opportunities do you see in your industry?*

With our unique expertise, there are good opportunities for growth. We are very broad across a niche industry and there are development opportunities both within and in adjacent sectors. We are active in all areas but not to the full extent, leaving scope to capture more of the market, and to develop and generate growth.

Photo: Sofie Björklund, CEO of Valter Eklund Stenentreprenad AB and VE Sten AB, together with employees.

# Industry



The segment consists of niche industrial companies that deliver clear customer value in terms of manufacturing or retail of products intended for B2B, for example, suppliers to production companies, distributors and companies with in-house product development.

The Industry segment is a new segment since 2022 and Novedo intends to grow the segment over time to correspond to one third of the Group's total sales.

Net sales increased significantly on a year-on-year basis, due to the acquisition of the Danish industrial company Stantræk A/S, whose accounts have been included as of March 2023, and amounted to SEK 320.7 million (124.6) for the full-year 2023. EBITA amounted to SEK 43.0 million (18.4) for the full year. The EBITA margin amounted to 13.4 percent (14.8) for

2023. The 2022, the EBITA margin was positively impacted by supply chain disruptions.

Novedo sees good opportunities to grow both in terms of acquisitions and organically in the segment, and the structural trend of product-owning companies moving their supply chains geographically closer to where the products are consumed should particularly benefit European electronics manufacturers with highly automated manufacturing moving forward.

Stantræk A/S has about 70 employees and had annual sales of SEK 173.0 million in 2023 and was acquired and consolidated in the first quarter of 2023. Stantræk specialises in customised components and sheet metal parts for industrial applications. At the end of the period, the segment consisted of two operating subsidiaries and two associated subsidiaries with 152 employees. Refer also to Note 32 for an overview of the Group's subsidiaries.

Thomas Zeijlon, CEO of ProvideU Electronics AB (previously Elektronik Mekanik i Västerås AB)

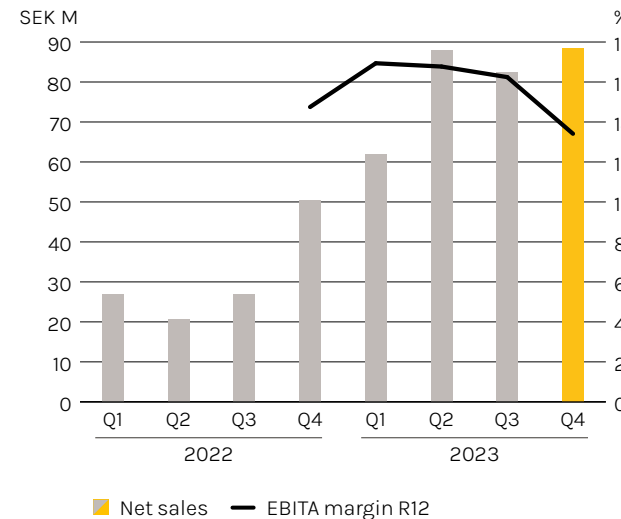


## Financial overview

Net sales and EBITA margin

| SEK M           | 2023  | 2022  | 2021 |
|-----------------|-------|-------|------|
| Net sales       | 320.7 | 124.6 | -    |
| EBITA           | 43.0  | 18.4  | -    |
| EBITA margin, % | 13.4  | 14.8  | -    |

Net sales and EBITA margin



Share of the Group's net sales, 2023

11.9%

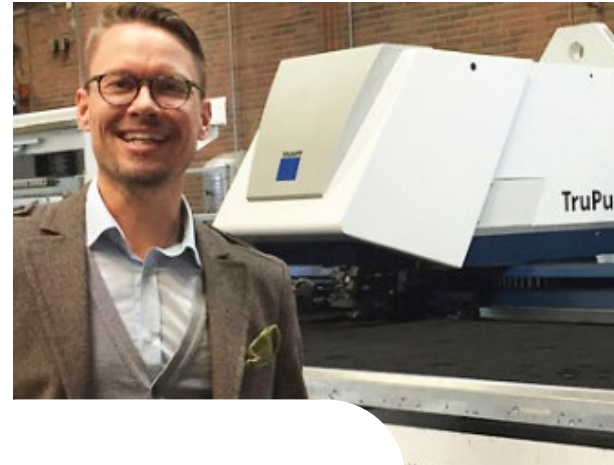
### Companies within Industry



**ProvideU AB**  
CEO: Fredrik Forngren

ProvideU AB was founded in 2008 and is an industrial company within custom-made components and complete systems targeted at B2B customers, including ABB, Flowserve and Humphree, and many customers are active in growth areas such as tomorrow's energy storage, industrial robotics, IoT and vehicle electronics for customers. The company's head office is located in Västerås and it has production facilities in Tallinn, Estonia and in Västerås, Sweden, as well as production partners in Asia. ProvideU with subsidiaries ProvideU Assembly OÜ and ProvideU Electronics (formerly ElektronikMekanik i Västerås AB) were acquired in Q1 and Q3 of 2022 respectively and have a total of 78 employees and had combined annual net sales of SEK 178.2 million for 2023.

[www.provideu.com](http://www.provideu.com)



**Stantræk A/S**  
CEO: Morten Petri Lauritsen

The Danish industrial company Stantræk A/S was founded in 1967 and is located in Lystrup in Jutland, near Aarhus. The company specialises in customised components and sheet metal parts for industrial applications and has a solid and diversified B2B customer base in various industries such as wind/energy, electronics and processing. Stantræk has 74 employees and net sales for 2023 amounted to SEK 170.0 million. Stantræk was acquired and consolidated in Q1 2023.

[www.stantraek.com](http://www.stantraek.com)



ProvideU AB provides custom-made components and complete systems for B2B customers. Through close collaboration between ProvideU and a customer company, significant improvements were achieved in the shipping process to the customer company. Together, ProvideU and the customer company designed a tray system that shipped the components horizontally rather than vertically. The change meant that the equivalent of weekly deliveries that previously required ten contain-

ers were now accommodated in four containers, representing annual savings of almost 40 cubic metres. The collaboration resulted in significant efficiency gains, reductions in transport costs and, not least, environmental benefits in terms of reduced CO<sub>2</sub> emissions. The stackable trays also provide improved protection during transportation, further reducing the need for packaging materials, such as bubble wrap, which also saves resources and valuable time.

## “Germany has a tradition of successful small and medium-sized enterprises (Mittelstand).”

Novedo has a clear growth strategy to align the three business segments to have equal sales over time. The acquisition agenda has initially focused on the Nordic market and from 2023 also target the German market, whereby Daniel Kral was recruited as Head of M&A for Germany.

### **Congratulations on your new role as M&A Manager for Germany. Why did you select Novedo?**

My previous professional life has provided me with extensive experience in business acquisitions in the German market. Novedo has an extremely knowledgeable management team and a corporate culture that appeals to me. I was also impressed by what Novedo has achieved in a short time. As such, the opportunity to establish Novedo in Germany through an active acquisition agenda was easy to accept.

### **What acquisition opportunities do you see in the German market?**

Germany has a tradition of successful small and medium-sized enterprises (Mittelstand) that comprises well-run entrepreneur-led companies with established market positions that are awaiting succession planning. I believe there are favourable growth opportunities in all of Novedo's business segments in the German market, both in terms of stand-alone acquisitions and bolt-on acquisitions to existing companies within Novedo.

### **Why do German companies want to become part of Novedo?**

In my first nine months at Novedo, I have met many potential acquisition companies and I note that Novedo has an overall strength and competitive advantage owing to its core values and business model with regard to its decentralised structure, the possibility of strategic sounding boards and long-term viability.

### **What will be your focus in the coming years?**

Initially, the German acquisition agenda is focused on the industrial business segment, which is natural given Germany's significant number of qualitative small and medium-sized industrial companies. That said, there are also good opportunities for acquisition growth in Novedo's other two business segments.

Photo: Daniel Kral, Head of M&A Germany.



# Risks and risk management

## Strategic risks

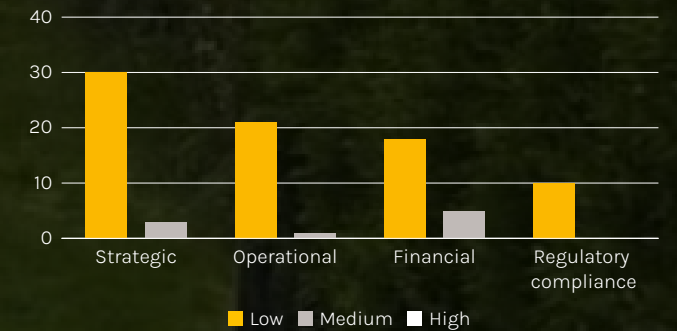
Includes risks that can prevent the company from achieving its vision and targets. Strategic risks are often tied to operating in a specific industry.

| RISKS  | RISK MANAGEMENT   |
|--|---|
| <p><b>Acquisition model</b><br/>Acquisitions account for a substantial portion of the Group’s business model and growth. Failing to acquire companies at the same rate as before could slow Novedo’s progress towards the Group’s strategic targets.</p>   | <p>Novedo has a developed central acquisition organisation that works in a structured manner in its own channels or through external corporate brokers to identify possible companies to acquire. Growth is within several segments and countries.</p>  |
| <p><b>Acquisition process</b><br/>The acquisition process, especially the evaluation ahead of an acquisition, needs to include legal, financial and sustainability aspects. Failing to maintain the quality of the acquisition process could slow Novedo’s progress towards the Group’s strategic targets.</p>   | <p>Novedo has an established acquisition process conducted by employees with industry expertise and extensive experience, where potential acquisitions are evaluated based on a variety of aspects, quantitative as well as qualitative.</p>  |
| <p><b>Market dynamics</b><br/>Novedo’s subsidiaries depend on customers’ investments and purchases. Thus they are affected by changes in the economy, including geopolitical uncertainty. A downturn in the markets where Novedo operates can slow progress towards the Group’s overall financial targets.</p>   | <p>Novedo’s business model, with balanced diversification of subsidiaries active in a variety of industries, segments and geographic markets reduces the Group’s overall sensitivity to the market as well as exposure to individual customers. Many of Novedo’s companies are also exposed to segments with structural growth.</p>   |
| <p><b>Climate change</b><br/>Climate change in the form of global warming and extreme weather conditions and natural catastrophes are risks that can affect the Group’s companies and their value chains. Changes in environmental legislation, taxes and demand can also impact companies’ sales as well as the shipment of goods, which can collectively limit progress towards the Group’s strategic targets.</p> | <p>Novedo’s decentralised Group structure, with SMEs active in a variety of industries and geographies, reduces the risk of problems at a single company having a material impact on the Group as a whole.</p> <p>When Novedo carries out a preliminary acquisition analysis, it includes ESG due diligence where material sustainability risks are mapped and assessed before the acquisition.</p> |

Novedo has a process for a structured review of the Group’s exposure to strategic, operational, and financial risk, as well as compliance risk within the Group. All of the identified risks were rated based on their likelihood and potential impact. For risks with a higher overall risk value, proactive measures were defined. Conclusions from the review are presented and discussed at the Board level.

At the end of 2023, Novedo had operations in three different segments through some 20 companies/company groups. This spread, together with a fragmented customer base, limits the Group’s business risks. The most recent risk survey at the company identified 88 risks. Of these, none were classified as high, nine were moderate and 79 were low. Read more about Novedo’s financial risks and risk management in Note 3 Financial risks.

Assessment per category



# Risks and risk management

## Operational risks

Risks that are related to efficiency, including the efficient use of resources.

Operational risks are risks related to internal processes, resources, systems and employees.

| RISKS  | RISK MANAGEMENT  |
|--|--|
| <p><b>Poor performance in newly acquired companies</b><br/>If a company with serious problems is acquired as a result of an inadequate evaluation process or unforeseen circumstances (regarding financial earning capacity or important sustainability topics, for example), there is a risk of a negative impact on the Group's reputation or financial performance.</p> | <p>The decentralised governance model, with full operational mandate and responsibility at each individual company, allows companies to adapt easily by making decisions quickly and close to operations. In connection with the consolidation of acquired subsidiaries, Novedo appoints a new board that includes representatives from Novedo's Group management and employees with specialist expertise. Monthly financial follow-up for all companies and developed structure for sustainability follow-up. Shared risk with sales through acquisition agreements that are based on earnouts.</p> |
| <p><b>Customer credit risk</b><br/>There is risk that companies' customers are unable to fulfil their obligations, which is to say are unable to pay.</p>  | <p>Full operational responsibility at subsidiaries for their operations, including credit risk assessment of customers and payment procedures. The Group provides support as necessary.</p>  |
| <p><b>Skills shortage</b><br/>There is risk that one or several key individuals leave some of the Group's companies. If Novedo fails to recruit appropriate replacements, this can have a negative impact on the company's financial position and earnings.</p>  | <p>Annual structured review of the Board, CEO and management group for all companies regarding expertise, composition and succession planning. Due diligence includes a thorough review of companies' key individuals in order to identify any need for succession planning or dependence on expertise.</p>  |
| <p><b>Succession planning</b><br/>Striving for increased diversity and inclusion is a strategically important area for our companies, since research shows that diverse groups perform better than homogeneous ones. A lack of diversity can lead to reduced innovation and creativity as well as limited perspectives in decision making.</p>                             | <p>Long-term expertise and resource plans for all business areas and recurring development programmes. Active board work in all subsidiaries according to a Group-wide framework.</p>  |

# Risks and risk management

| RISKS   | RISK MANAGEMENT  |
|---|--|
| <p><b>Disruptions in accounting systems</b><br/>                     There is a risk of unwanted disruptions in critical systems that can lead to companies being unable to report their figures. This can also lead to some operations being incapacitated for a period of time – or in the worst-case scenario, permanently.</p>  | <p>Novedo’s business model with many SMEs reduces the risk for a material impact on the Group if an error or disruption should arise at any single company. Novedo has developed a framework of policies with associated guidelines in order to improve IT security and continuity planning.</p>   |
| <p><b>IT incidents</b><br/>                     IT incidents at Novedo’s head office or at any of the subsidiaries can lead to the loss of important data, or the loss of any of the IT systems in use. Companies can also be exposed to disruptions in operations caused by cybercrime or other intrusions into their information systems, which can lead to stops in operating activities as well as high costs.</p>  | <p>Novedo’s decentralised business model with independent subsidiaries means that few subsidiaries share IT platforms or infrastructure. This means that the risk of a significant financial impact on the Group in the event of an IT incident is relatively limited. A framework of policies with associated guidelines has been developed in order to improve IT security and continuity planning for implementation at the Group. A large portion of the Group’s subsidiaries also conducted a self-evaluation to quality assure the company’s procedures and controls with respect to IT systems and information security. The Group’s Board of Directors reviewed the results.</p> |
| <p><b>External or internal attempts at fraud</b><br/>                     Internal or external attempts at fraud related to one or several companies can damage a company’s financial performance and reputation.</p>   | <p>Novedo’s business model with many SMEs reduces the risk that an incident at a single company might have a significant financial effect on the Group. Internal procedures and an external whistle-blower function are established to prevent and detect errors and fraud.</p>  |
| <p><b>Company-specific sustainability matters/problems</b><br/>                     There is a risk that sustainability problems might arise at one or several of the Group’s subsidiaries or supply chains, for example, related to human rights or to products that are in some way shown to have a negative impact on people or the environment. Problems can, in the long run, entail costs for management and correction as well as damage the reputations of the subsidiary or even the Group as a whole.</p> | <p>Novedo conducts a thorough ESG due diligence ahead of any potential acquisition. The decentralised Group structure, with SMEs active in a variety of industries and geographies, reduces the risk of problems at a single company having a material impact on the Group as a whole.</p>   |



# Risks and risk management

## Financial risks

Risks related to the company’s internal and external reporting, as well as the company’s exposure to financial risks such as interest rates, liquidity, credit and currency.

| RISKS   | RISK MANAGEMENT   |
|---|---|
| <p><b>Access to financing</b><br/>Disruptions in the credit market or problems in the banking sector can entail difficulties for the Group when financing capital needs, making it significantly more expensive or even impossible.</p> | <p>Novedo has a centralised approach to the Group’s financing, where all external borrowings are handled by the Parent Company for internal financing of the subsidiaries. The company aims for an even maturity structure for external liabilities, a good liquidity reserve and diversified borrowings from well-reputed banks.</p> |
| <p><b>Interest rate risk</b><br/>Unfavourable changes in interest rate levels can have a significant negative impact on the Group’s net financial items and earnings.</p>   | <p>Regular monitoring of interest rates and continuous evaluation of the need to expand lending with fixed interest or to hedge interest rates with interest rate swaps.</p>  |

## Compliance risks

Includes the risk of financial or legal consequences from a failure to comply with laws, ordinances or regulations.

| RISKS  | RISK MANAGEMENT   |
|--|---|
| <p><b>Reporting errors</b><br/>Major errors in accounting or reporting could affect the quality of the published financial statements and damage the confidence investors and other stakeholders have in Novedo, and subsequently their relationship with Novedo.</p>    | <p>A framework of procedures for financial reporting has been developed together with controls to ensure good internal control.</p>   |
| <p><b>Sustainability data and communication</b><br/>Failing to communicate Novedo’s collective performance in important sustainability areas or how the companies approach sustainability can damage the confidence investors and other stakeholders have in Novedo.</p> | <p>To ensure ESG relevance and to meet reporting requirements, Novedo conducted renewed stakeholder dialogues and a double materiality assessment in 2024. Sustainability is included as a standing item in at least one regular Board meeting per year. The reporting of sustainability data from subsidiaries is consolidated at Group level.</p> |

# Financial statements



## FINANCIAL STATEMENTS

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# Directors' report

Novedo posted continued solid growth and profitability in 2023. At the end of the year, the Group consisted of some 20 prominent B2B companies with about 1,300 employees in Denmark, Estonia, Germany and Sweden. Companies with a balanced mix of offerings and a solid and diversified customer base in three segments: Industry, Infrastructure and Installation & Services.

The Board of Directors and President & CEO of Novedo Holding AB (publ) ("Novedo"), Corp. ID No. 559334-4202 with registered offices in Stockholm, Sweden, hereby submits its annual report and consolidated accounts for the 2023 financial year.

## Operations

Novedo is a niche industrial group of prominent B2B companies, with a well-balanced mix of offerings and a solid and diversified customer base. The vision is to be the first choice for SMEs that want to develop and grow their business to achieve long-term sustainable profitability. The company's business concept is to acquire and develop solid B2B companies that, through business acumen and sound values, become stronger together. The company's operations focus on three segments: Industry, Infrastructure and Installation & Services. The Industry segment consists of niche industrial companies that deliver clear customer value in terms of manufacturing or retail of products intended for B2B, for example, suppliers to production companies, distributors and companies with in-house product development. The Infrastructure segment consists of specialist companies active in infrastructure projects such as rock removal, ground works and associated areas, including maintenance of railway, road and power transmission infrastructure as well as other infrastructure construction.

Installation & Services comprises companies that offer installation, service and maintenance of properties and is primarily aimed at commercial property owners and public housing. For more information about the segments and subsidiaries, see also pages 12–28.

## Significant events during the year

In 2023, Novedo continued to realize the Group's growth strategy to grow the three business segments over time to equal sales in terms of sales. In addition, Novedo has increased its geographical presence and 19.3 percent (2.1) of the Group's net sales came from countries outside Sweden. Four companies have been acquired with combined annual sales for 2023 of SEK 484.3 million.

## Net sales

Net sales increased 52.7 percent to SEK 2,708.2 million (1,773.4). Growth was mainly acquisition-related and the organic growth was 1.8 percent.

## Earnings

All three segments contributed positively to the Group's favourable earnings and margin trends during the year. EBITA increased year-on-year to SEK 272.3 million (153.6), corresponding to an EBITA margin of 10.1 percent (8.7). EBIT increased to

SEK 218.6 million (122.5), corresponding to an EBIT margin of 8.1 percent (6.9).

Net financial items amounted to SEK -299.1 million (-154.1), of which SEK -147.4 million (-66.8) pertained to interest expense on bonds and SEK -143.8 million (-65.7) was attributable to revaluation and reassessment of conditional purchase prices resulting from the companies' improved earnings.

The pre-tax loss (profit) amounted to SEK -80.5 million (-31.5). Loss for the year amounted to SEK -97.4 million (-56.9). Earnings per share totalled SEK -6.53 (-1,909.42).

In connection with the Extraordinary General Meeting in September 2023, a 500:1 share split was decided.

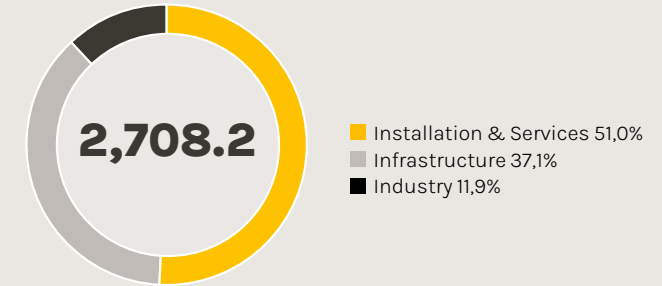
## Financial position

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

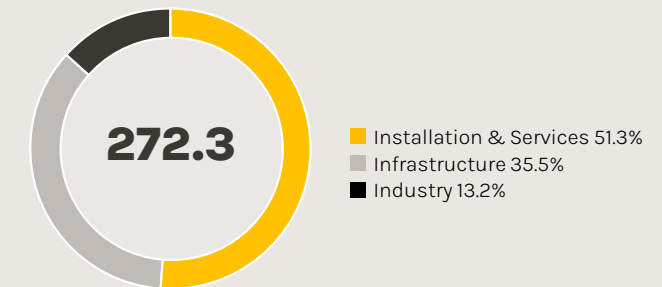
Cash and cash equivalents on December 31, 2023 amounted to SEK 226.9 million (189.0).

During the first quarter of 2023, Novedo issued SEK 250 million within the existing bond loan, after which the outstanding volume on the balance sheet date amounted to SEK 1,250 million within a framework of SEK 1,500 million in total. The bonds will mature in November 2024. The Board of Directors and management are positive about the possibility of refinancing

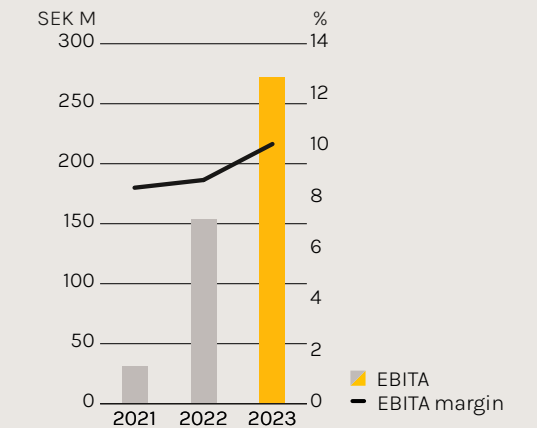
Net sales 2023, SEK M



EBITA 2023, SEK M



EBITA and EBITA margin 2021–2023



## Directors' report

the bond loan and are in the process of evaluating and selecting among various financing alternatives, such as bank loans, direct loans or new bond issues. In addition, there is a so-called dual track process where the Group is also prepared for an IPO as an additional possible platform for future capital raising. The Group's interest-bearing net debt increased during the year and amounted to SEK 1,215.5 million as of December 31, 2023. The net debt/equity ratio was 3.3 (1.9) times at the end of the year.

### Cash flow and investments

Increased net interest income has affected cash flow from operating activities, but was positively impacted by increased volume and good margin development and amounted to SEK 108.3 million (52.3) in 2023.

Acquisitions of shares in subsidiaries, including settlement of conditional purchase prices for previous acquisitions, amounted to a net of SEK -308.3 million (-827.4) for 2023.

### Employees

At the end of the year, the number of employees in the Group was 1,304 (1,124), of whom 3 (3) employees were employed in the Parent Company. The average number of employees in the Group over the year was 1,242 (1,110). The employee gender balance amounted to 12 percent (11) women and 88 percent (89) men.

### Parent Company

The Parent Company's net sales consist of intra-group management services. Net sales amounted to SEK 4.6 (1.6) million in 2023 and profit amounted to

SEK 73.8 (-52.3) million for the full year. The parent company has received a dividend of SEK 208.4 million. Interest costs for the bond loan of SEK -130.4 million had a negative impact on earnings.

### Research and development

Novedo conducts no research but does develop its own products in the Industry segment.

### Operations subject to permits

Through one of its sub-groups, the company's operations encompass rock removal. These operations require the necessary permits for purchasing, storing, transporting and using explosive materials.

### Material risks and uncertainties

Novedo's operations and subsidiaries are exposed to a number of risks that could impact the Group. During the year, Group management conducted risk evaluations and presented the findings to the Board. See also the section on risks and risk management on pages 29-32.

### Guidelines for remuneration to senior executives

Remuneration to senior executives is set out in Note 9. At the 2023 Annual General Meeting, guidelines for remuneration to senior executives were adopted.

### Corporate governance report and sustainability report

The company's sustainability-related information can be found mainly in the company's description of operations. Novedo's corporate governance report can be found on pages 74-85.

### Events after the balance-sheet date

No significant events have occurred after the balance-sheet date.

### Outlook

The company sees good acquisition opportunities within Sweden but also has an active acquisition agenda outside Sweden's borders. The company believes that the market situation for 2024 corresponds to that of 2023 and the company sees a good order intake also at the beginning of 2024, which is a result of Novedo's well-balanced mix of offerings and stable and diversified customer base.

### Financial targets

Novedo has the following financial targets: >50 percent annual sales growth between 2022 and 2024, including 3 percent mid-term organic growth; >10 percent EBITA margin per year in the mid term; and <3.5x net interest-bearing debt/EBITDA pro forma.

### Share capital and shareholders

Novedo has one class of shares. On September 21, 2023, an Extraordinary General Meeting was held which, among other things, resolved to increase the number of shares by dividing all shares into 500 (so-called 500:1 share split). As of December 31, 2023, the share capital amounted to SEK 551,970 (551,970) divided into 15,480,000 (30,960) shares, resulting in a quota value of approximately SEK 0.04 (17.83).

Esmaeilzadeh Holding AB owns 68.0 percent of the shares in Novedo. Furthermore, F Holmström PE 3 AB has a holding of 12.7 percent. No other shareholder owns over ten percent of the company's shares.

### Shareholder agreement for preference shares in Novedo AB

Holders of preference shares are entitled, prior to an exit, to have their preference shares in Novedo AB converted to ordinary shares in Novedo Holding AB (publ) ("Holding"). The definition of "Exit" is an IPO of Holding or a transfer of a majority (50 percent) of the shares in Holding. In the event of an Exit, there are reciprocal rights of drag-along (for Holding) and tag-along (for the owners of preference shares in Novedo AB). Upon conversion, a number of ordinary shares will be received, the value of which corresponds to the value of the preference shares. Owners of preference shares have waived their right to influence the decision-making of Novedo AB in the shareholders' agreement.

### Proposed appropriation of profits, SEK thousand

|   |               |
|---|---------------|
| The Board of Directors proposes that the profits available for distribution be appropriated as follows: |               |
| Profit/loss brought forward   | -60,185       |
| Share premium reserve   | 143,934       |
| <b>Profit/loss for the year</b>   | <b>73,769</b> |
| The Board of Directors proposes that the following amount be carried forward                            |               |
|   | 157,518       |

The bond terms for senior secured bond loan 2021/2024 (ISIN: SE0017070980) state that no dividend may be distributed during the term of the bond loan if the company's shares are unlisted.

## Consolidated statement of comprehensive income

| SEK thousand                                       | Note | 2023<br>Jan-Dec   | 2022<br>Jan-Dec   |
|--|------|-------------------|-------------------|
| <b>Operating income</b>                            | 6    |                   |                   |
| Net sales  | 4    | 2,708,228         | 1,773,350         |
| Other operating income                             | 5    | 19,223            | 19,197            |
| <b>Total operating income</b>                      |      | <b>2,727,451</b>  | <b>1,792,547</b>  |
| <b>Operating expenses</b>                          |      |                   |                   |
| Raw materials and consumables                      |      | -961,260          | -580,330          |
| Goods for resale                                   |      | -286,017          | -275,992          |
| Other external expenses                            | 10   | -281,514          | -197,880          |
| Employee benefit expenses                          | 9    | -854,757          | -541,390          |
| Depreciation and amortisation                      |      | -79,739           | -41,309           |
| Depreciation of right-of-use assets                |      | -41,444           | -28,342           |
| Other operating expenses                           |      | -4,078            | -4,774            |
| <b>Total operating expenses</b>                    |      | <b>-2,508,808</b> | <b>-1,670,017</b> |
| <b>Operating profit (EBIT)</b>                     |      | <b>218,642</b>    | <b>122,530</b>    |
| <b>Profit/loss from financial items</b>            |      |                   |                   |
| Gain/loss on disposal of subsidiaries              | 11   | 934               | -19,787           |
| Financial income                                   | 11   | 9,802             | 955               |
| Financial expenses                                 | 11   | -309,830          | -135,229          |
| <b>Total financial items</b>                       |      | <b>-299,094</b>   | <b>-154,060</b>   |
| <b>Pre-tax profit/loss</b>                         |      | <b>-80,452</b>    | <b>-31,531</b>    |
| Income tax   | 12   | -16,960           | -25,410           |
| <b>Profit/loss for the year</b>                    |      | <b>-97,412</b>    | <b>-56,941</b>    |
| <b>Profit is attributable to:</b>                  |      |                   |                   |
| shareholders in the Parent Company                 |      | -101,100          | -59,116           |
| non-controlling interests                          |      | 3,688             | 2,175             |
| <b>Earnings per share</b>                          |      |                   |                   |
| Earnings per share before and after dilution       | 35   | -6,53             | -1,909.42         |
| Average number of shares before and after dilution | 35   | 15,480,000        | 30,960            |

## Consolidated statement of other comprehensive income

| SEK thousand  | Note | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
|---|------|-----------------|-----------------|
| <b>Profit/loss for the year</b>                         |      | <b>-97,412</b>  | <b>-56,941</b>  |
| Other comprehensive income:                             |      |                 |                 |
| <i>Items that may be reclassified to profit or loss</i> |      |                 |                 |
| Exchange-rate differences                               |      | -21,748         | 9,033           |
| Other comprehensive income for the period               |      | -               | -               |
| <b>Total comprehensive income for the period</b>        |      | <b>-119,160</b> | <b>-47,908</b>  |
| <b>Attributable to:</b>                                 |      |                 |                 |
| Shareholders in the Parent Company                      |      | -121,671        | -51,068         |
| Non-controlling interests                               |      | 2,511           | 3,160           |

# Consolidated balance sheet

| SEK thousand                          | Note | 2023<br>Dec 31   | 2022<br>Dec 31   |
|---------------------------------------|------|------------------|------------------|
| <b>Intangible assets</b>              | 13   |                  |                  |
| Intangible assets                     |      | 1,525,575        | 1,298,604        |
| <b>Total intangible assets</b>        |      | <b>1,525,575</b> | <b>1,298,604</b> |
| <b>Tangible assets</b>                | 14   |                  |                  |
| Plant and equipment                   |      | 83,693           | 79,161           |
| Furniture, tools and fittings         |      | 36,148           | 13,007           |
| Leasehold improvements                |      | 42,269           | 17,773           |
| <b>Total tangible assets</b>          |      | <b>162,110</b>   | <b>109,941</b>   |
| <b>Right-of-use assets</b>            | 15   | <b>120,534</b>   | <b>88,676</b>    |
| <b>Financial assets</b>               | 16   |                  |                  |
| Other non-current securities holdings | 17   | 3,891            | 4,318            |
| Deferred tax assets                   | 25   | 37,354           | -                |
| Other non-current receivables         | 18   | 2,923            | 774              |
| <b>Total financial assets</b>         |      | <b>44,169</b>    | <b>5,092</b>     |
| <b>Total non-current assets</b>       |      | <b>1,852,387</b> | <b>1,492,314</b> |
| <b>Inventories, etc.</b>              |      |                  |                  |
| Raw materials and consumables         |      | 128,572          | 93,903           |
| <b>Total inventories</b>              |      | <b>128,572</b>   | <b>93,903</b>    |
| <b>Current receivables</b>            |      |                  |                  |
| Accounts receivable - trade           | 19   | 492,823          | 372,665          |
| Current tax assets                    |      | 21,946           | 23,130           |
| Other current receivables             |      | 28,204           | 26,878           |
| Contract assets                       | 20   | 172,702          | 83,617           |
| Prepayments and accrued income        | 21   | 50,658           | 11,880           |
| <b>Total current receivables</b>      |      | <b>766,333</b>   | <b>518,170</b>   |
| <b>Liquid investments</b>             |      | <b>1,522</b>     | <b>1,096</b>     |
| <b>Cash and cash equivalents</b>      | 22   | <b>226,875</b>   | <b>188,970</b>   |
| <b>Total current assets</b>           |      | <b>1,123,302</b> | <b>802,140</b>   |
| <b>Total assets</b>                   |      | <b>2,975,690</b> | <b>2,304,032</b> |

| SEK thousand   | Note | 2023<br>Dec 31   | 2022<br>Dec 31   |
|--|------|------------------|------------------|
| <b>Equity</b>  |      |                  |                  |
| Share capital  | 23   | 552              | 552              |
| Other contributed capital  | 23   | 389,545          | 458,134          |
| Profit/loss brought forward, including profit for the period     |      | -162,748         | -52,158          |
| <b>Equity attributable to shareholders in the Parent Company</b> |      | <b>227,349</b>   | <b>406,528</b>   |
| Non-controlling interests  |      | 146,177          | 61,518           |
| <b>Total equity</b>  |      | <b>373,526</b>   | <b>468,047</b>   |
| <b>Non-current liabilities</b>                                   |      |                  |                  |
| Provisions for pensions and similar obligations                  | 24   | 5,033            | 5,645            |
| Other provisions   | 24   | 2,347            | 2,118            |
| Conditional purchase prices                                      | 8    | 382,809          | 295,948          |
| Other acquisition-related liabilities                            | 30   | -                | 37,200           |
| Deferred tax liabilities   | 25   | 93,830           | 76,622           |
| Lease liabilities  | 15   | 79,602           | 47,718           |
| Bonds issued   | 26   | -                | 938,001          |
| Liabilities to credit institutions                               | 26   | 2,751            | 4,932            |
| Other non-current liabilities                                    |      | 111              | 137              |
| <b>Total non-current liabilities</b>                             |      | <b>566,483</b>   | <b>1,408,321</b> |
| <b>Current liabilities</b>                                       |      |                  |                  |
| Lease liabilities  | 15   | 22,404           | 26,344           |
| Bonds issued   | 26   | 1,232,699        | -                |
| Liabilities to credit institutions                               | 26   | 2,298            | 4,123            |
| Acquisition-related liabilities                                  | 8    | 96,819           | -                |
| Other acquisition-related liabilities                            | 30   | 37,200           | 14,611           |
| Advance payments from customers                                  |      | 81,710           | 1,174            |
| Accounts payable - trade   |      | 191,514          | 138,329          |
| Bank overdraft facilities  |      | -                | 8,588            |
| Tax liabilities  |      | 24,547           | 26,687           |
| Debt to principal shareholder                                    | 36   | 104,167          | 30,000           |
| Other current liabilities  | 27   | 66,836           | 57,529           |
| Contract liabilities   | 20   | 21,824           | 11,224           |
| Accrued expenses and deferred income                             | 28   | 153,663          | 109,054          |
| <b>Total current liabilities</b>                                 |      | <b>2,035,681</b> | <b>427,663</b>   |
| <b>Total liabilities</b>   |      | <b>2,602,164</b> | <b>1,835,985</b> |
| <b>Total equity and liabilities</b>                              |      | <b>2,975,690</b> | <b>2,304,032</b> |

# Consolidated statement of changes in equity

| SEK thousand                                | Note | Share capital | Other contributed capital | Translation reserve | Profit/loss brought forward, including profit for the year | Total    | Non-controlling interests | Total equity |
|---|------|---------------|---------------------------|---------------------|--|----------|---------------------------|--------------|
| <b>Opening balance, Jan 1 2022</b>          |      | 552           | 300,543                   | -                   | -1,090   | 300,005  | 77,999                    | 378,004      |
| New share issue                             | 23   | -             | 123,189                   | -                   | -  | 123,189  | 15,070                    | 138,259      |
| Divestment of non-controlling interest      |      | -             | -                         | -                   | -  | -        | -309                      | -309         |
| Shareholders' contribution                  |      | -             | -91,862                   | -                   | -  | -91,862  | 91,862                    | -            |
| Change in non-controlling interests         |      | -             | 32,335                    | -                   | -  | 32,335   | -32,335                   | -            |
| <b>Total transactions with shareholders</b> |      | -             | 63,662                    | -                   | -  | 63,662   | 74,288                    | 137,950      |
| Profit/loss for the period                  |      | -             | -                         | -                   | -59,116  | -59,116  | 2,175                     | -56,941      |
| Translation effect of foreign operations    |      | -             | -                         | 8,351               | -  | 8,351    | 682                       | 9,033        |
| Other comprehensive income                  |      | -             | -                         | -                   | 617  | 617      | -617                      | -            |
| <b>Total comprehensive income</b>           |      | -             | -                         | -                   | -58,499  | -50,147  | 2,239                     | -47,908      |
| <b>Closing balance, Dec 31 2022</b>         | 23   | 552           | 364,205                   | 8,351               | -59,589  | 313,520  | 154,526                   | 468,046      |
| <b>Opening balance, Jan 1 2023</b>          |      | 552           | 364,205                   | 8,351               | -59,589  | 313,520  | 154,526                   | 468,047      |
| New share issue                             | 23   | -             | 14,076                    | -                   | -  | 14,076   | 1,531                     | 15,607       |
| Shareholders' contribution                  |      | -             | -1,573                    | -                   | -  | -1,573   | 1,573                     | -            |
| Change in non-controlling interests         |      | -             | 12,837                    | -                   | -  | 12,837   | 12,837                    | -            |
| <b>Total transactions with shareholders</b> |      | -             | 25,340                    | -                   | -  | 25,340   | -9,733                    | 15,607       |
| Profit/loss for the period                  |      | -             | -                         | -                   | -101,100   | -101,100 | 3,688                     | -97,412      |
| Translation effect of foreign operations    |      | -             | -                         | -11,602             | -  | 11,602   | -1,114                    | -12,715      |
| Change in non-controlling interests         |      | -             | -                         | 63                  | 1,128  | 1,191    | -1,191                    | -            |
| Other comprehensive income                  |      | -             | -                         | -                   | -  | -        | -                         | -            |
| <b>Total comprehensive income</b>           |      | -             | -                         | -11,539             | 99,972   | -11,511  | 1,384                     | -110,127     |
| <b>Closing balance, Dec 31 2023</b>         | 23   | 552           | 389,545                   | -3,188              | -159,561   | 227,349  | 146,177                   | 373,526      |

| SEK thousand   | 2023<br>Dec 31    | 2022<br>Dec 31 |
|--|-------------------|----------------|
| Number of ordinary shares at the beginning of the period | 30,960            | 30,960         |
| Number of ordinary shares at the end of the period       | 15,480,000        | 30,960         |
| <b>Total number of shares at the end of the period</b>   | <b>15,480,000</b> | <b>30,960</b>  |

On september 21, 2023, an Extraordinary General Meeting was held.

# Consolidated statement of cash flow

| SEK thousand   | Note   | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
|--|--------|-----------------|-----------------|
| Operating profit   |        | 218,612         | 122,530         |
| Adjustments for non-cash items, etc.   | 29     | 120,409         | 73,063          |
| Net interest income/expense paid   |        | -130,419        | -63,559         |
| Income tax paid  |        | -64,160         | -49,476         |
| <b>Cash flow from operating activities before changes in working capital</b> |        | <b>144,472</b>  | <b>82,558</b>   |
| Total change in operating receivables  |        | -149,497        | -52,921         |
| Total change in operating liabilities  |        | 113,324         | 22,622          |
| <b>Cash flow from operating activities</b>                                   |        | <b>108,299</b>  | <b>52,259</b>   |
| Acquisition of subsidiaries  | 7      | -308,261        | -827,441        |
| Divestments of subsidiaries  |        | 934             | -1,984          |
| Investments in tangible assets   |        | 43,874          | -5,638          |
| Disposals of items of property, plant and equipment                          |        | 8,482           | 36,027          |
| Investments in right-of-use assets   |        | -2,865          | -12,041         |
| Settlement of short-term financial liabilities                               |        | -2,197          | -8,000          |
| Change in current financial investments                                      |        | -               | -72             |
| <b>Cash flow from investing activities</b>                                   |        | <b>-347,780</b> | <b>-819,149</b> |
| Borrowings   | 26, 30 | 391,624         | 197,968         |
| Repayment of borrowings to principal owners                                  | 30     | -45,000         | -               |
| Repayment of borrowings to credit institutions                               | 26     | -14,991         | -53,491         |
| Repayment of lease liabilities   |        | -38,130         | -25,009         |
| Change in bank overdraft facilities  |        | -16,738         | 14,975          |
| <b>Cash flow from financing activities</b>                                   |        | <b>276,765</b>  | <b>134,353</b>  |
| <b>Cash flow for the period</b>  |        | <b>37,283</b>   | <b>-632,536</b> |
| Cash and cash equivalents - opening balance                                  |        | 188,970         | 821,432         |
| Exchange-rate difference in cash and cash equivalents                        |        | 622             | 74              |
| <b>Cash and cash equivalents - closing balance</b>                           | 22     | <b>226,875</b>  | <b>188,970</b>  |



# Statement of comprehensive income – Parent Company

| SEK thousand                             | Note | 2023<br>Jan–Dec | 2022<br>Jan–Dec |
|--|------|-----------------|-----------------|
| <b>Operating income</b>                  |      |                 |                 |
| Net sales                                |      | 4,564           | 1,577           |
| Other operating income                   |      | 2               | 1               |
| <b>Total operating income</b>            |      | <b>4,566</b>    | <b>1,578</b>    |
| <b>Operating expenses</b>                |      |                 |                 |
| Other external expenses                  | 10   | -4,888          | -3,725          |
| Employee benefit expenses                | 9    | -18,634         | -4,654          |
| Other operating expenses                 |      | -205            | -2              |
| <b>Total operating expenses</b>          |      | <b>-23,727</b>  | <b>-8,380</b>   |
| <b>Operating profit/loss</b>             | 31   | <b>-19,161</b>  | <b>-6,803</b>   |
| <b>Profit/loss from financial items</b>  |      |                 |                 |
| Result from shares in subsidiaries       | 11   | 208,435         | -               |
| Interest income                          | 11   | 5,637           | 664             |
| Interest expenses                        | 11   | -160,693        | -67,279         |
| <b>Profit/loss after financial items</b> |      | <b>34,217</b>   | <b>-73,417</b>  |
| Group contributions received             |      | -               | 23,568          |
| Tax on profit for the year               | 12   | 39,552          | -2,475          |
| <b>Profit/loss for the year</b>          |      | <b>73,769</b>   | <b>-52,324</b>  |

The Parent Company does not include any items that are reported as other comprehensive income, which is why total comprehensive income is consistent with profit for the year.

# Balance sheet – Parent Company

| SEK thousand                      | Note   | 2023<br>Dec 31   | 2022<br>Dec 31   |
|-----------------------------------|--------|------------------|------------------|
| <b>Financial assets</b>           |        |                  |                  |
| Participations in Group companies | 31, 32 | 1,258,248        | 1,033,927        |
| Deferred tax assets               | 25     | 37,354           | -                |
| <b>Total financial assets</b>     |        | <b>1,295,602</b> | <b>1,033,927</b> |
| <b>Total non-current assets</b>   |        | <b>1,295,602</b> | <b>1,033,927</b> |
| <b>Current receivables</b>        |        |                  |                  |
| Tax receivables                   |        | 280              | -                |
| Receivables from Group companies  |        | 181,791          | 29,614           |
| Other current receivables         |        | 662              | 103              |
| Prepayments and accrued income    | 21     | 25,867           | 197              |
| <b>Total current receivables</b>  |        | <b>208,601</b>   | <b>29,914</b>    |
| <b>Cash and cash equivalents</b>  | 22     | <b>21,938</b>    | <b>1,134</b>     |
| <b>Total current assets</b>       |        | <b>230,538</b>   | <b>31,048</b>    |
| <b>Total assets</b>               |        | <b>1,526,140</b> | <b>1,064,975</b> |

| SEK thousand                         | Note | 2023<br>Dec 31   | 2022<br>Dec 31   |
|--------------------------------------|------|------------------|------------------|
| <b>Equity</b>                        |      |                  |                  |
| Share capital                        | 23   | 552              | 552              |
| <b>Total restricted equity</b>       |      | <b>552</b>       | <b>552</b>       |
| Share premium reserve                |      | 143,934          | 143,934          |
| Profit/loss brought forward          |      | -60,185          | -7,861           |
| Profit/loss for the period           |      | 73,769           | -52,324          |
| <b>Total non-restricted capital</b>  |      | <b>157,518</b>   | <b>83,749</b>    |
| <b>Total equity</b>                  |      | <b>158,070</b>   | <b>84,301</b>    |
| <b>Non-current liabilities</b>       |      |                  |                  |
| Bonds issued                         | 26   | -                | 938,001          |
| <b>Total non-current liabilities</b> |      | <b>-</b>         | <b>938,001</b>   |
| <b>Current liabilities</b>           |      |                  |                  |
| Bonds issued                         | 26   | 1,232,699        | -                |
| Accounts payable - trade             |      | 1,243            | 69               |
| Tax liabilities                      |      | -                | 1,770            |
| Debt to principal shareholder        | 36   | 104,167          | 30,000           |
| Other current liabilities            | 27   | 674              | 420              |
| Accrued expenses and deferred income | 28   | 29,287           | 10,415           |
| <b>Total current liabilities</b>     |      | <b>1,368,070</b> | <b>42,674</b>    |
| <b>Total liabilities</b>             |      | <b>1,368,070</b> | <b>980,675</b>   |
| <b>Total equity and liabilities</b>  |      | <b>1,526,140</b> | <b>1,064,975</b> |

# Statement of changes in equity – Parent Company

| SEK thousand   | Share capital | Share premium reserve | Profit/loss brought forward including profit for the year | Total equity       |
|--|---------------|-----------------------|---|--------------------|
| Opening balance, Jan 1 2022                            | 552           | 143,934               | -7,861  | 136,625            |
| Profit/loss for the year                               | -             | -                     | -52,324   | -52,324            |
| <b>Total transactions with shareholders</b>            | -             | -                     | -52,324   | -52,324            |
| <b>Closing balance, Dec 31 2022</b>                    | <b>552</b>    | <b>143,934</b>        | <b>-60,185</b>  | <b>84,301</b>      |
| Opening balance, Jan 1 2023                            | 552           | 143,934               | -60,185   | 84,301             |
| Profit/loss for the year                               | -             | -                     | 73,769  | 73,769             |
| <b>Total transactions with shareholders</b>            | -             | -                     | 73,769  | 73,769             |
| <b>Closing balance, Dec 31 2023</b>                    | <b>552</b>    | <b>143,934</b>        | <b>13,584</b>   | <b>158,070</b>     |
|  |               |                       | <b>Dec 31 2023</b>  | <b>Dec 31 2022</b> |
| Number of ordinary shares at the beginning of the year |               |                       | 30,960  | 30,960             |
| Number of ordinary shares at the end of the year       |               |                       | 15,480,000  | 30,960             |
| <b>Total number of shares at the end of the year</b>   |               |                       | <b>15,480,000</b>   | <b>30,960</b>      |

The ordinary shares have a quotient value of SEK 0.04.

# Statement of cash flow – Parent Company

| SEK thousand  | Note   | 2023<br>Jan–Dec | 2022<br>Jan–Dec |
|---|--------|-----------------|-----------------|
| Operating loss  |        | -19,161         | -6,803          |
| Adjustments for non-cash items  | 29     | -1              | -               |
| Interest expenses   |        | -127,663        | -60,639         |
| Income tax paid   |        | -43             | -428            |
| <b>Cash flows from operating activities before changes in working capital</b> |        | <b>-146,868</b> | <b>-67,871</b>  |
| Change in operating receivables   |        | -175,577        | -5,732          |
| Change in operating liabilities   |        | -211,741        | -295,107        |
| <b>Cash flow from operating activities</b>                                    |        | <b>-534,186</b> | <b>-368,710</b> |
| Dividend from subsidiaries  |        | 208,435         | -               |
| Shareholders' contribution paid   |        | -               | -514,118        |
| <b>Cash flow from investing activities</b>                                    |        | <b>208,435</b>  | <b>-514,118</b> |
| Borrowings  | 26, 30 | 391,624         | 194,607         |
| Repayment of borrowings to principal owner                                    | 30     | -45,000         | -               |
| <b>Cash flow from financing activities</b>                                    |        | <b>346,624</b>  | <b>194,607</b>  |
| <b>Cash flow for the year</b>   |        | <b>20,873</b>   | <b>-688,221</b> |
| Cash and cash equivalents – opening balance                                   |        | 1,134           | 689,355         |
| Exchange rate difference  |        | -69             | -               |
| <b>Cash and cash equivalents – closing balance</b>                            | 22     | <b>21,938</b>   | <b>1,134</b>    |

# Notes

|    |                |  |
|----|----------------|--|
| 45 | <b>Note 1</b>  | Accounting policies  |
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| 60 | <b>Note 16</b> | Financial assets and liabilities   |
| 60 | <b>Note 17</b> | Other non-current securities holdings                                      |
| 60 | <b>Note 18</b> | Other non-current receivables  |
| 61 | <b>Note 19</b> | Accounts receivable – trade  |
| 61 | <b>Note 20</b> | Contract assets and contract liabilities                                   |

|    |                |  |
|----|----------------|--|
| 61 | <b>Note 21</b> | Prepayments and accrued income                               |
| 61 | <b>Note 22</b> | Cash and cash equivalents                                    |
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| 63 | <b>Note 31</b> | Parent Company purchases from, and sales to, Group companies |
| 64 | <b>Note 32</b> | Investments in subsidiaries                                  |
| 65 | <b>Note 33</b> | Participations in Group companies                            |
| 65 | <b>Note 34</b> | Proposed appropriation of profits                            |
| 65 | <b>Note 35</b> | Earnings per share   |
| 65 | <b>Note 36</b> | Related-party transactions                                   |
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| 65 | <b>Note 38</b> | Contingent liabilities                                       |
| 65 | <b>Note 39</b> | Significant events after the balance-sheet date              |
| 66 | <b>Note 40</b> | Changes in 2022 Annual Report                                |
| 66 | <b>Note 41</b> | Quarterly data   |
| 67 | <b>Note 42</b> | Performance measures not defined pursuant to IFRS            |

# Notes

## Note 1 Accounting policies

### General information

The most significant accounting policies and valuation principles used in the preparation of the financial statements are summarised below. Where the Parent Company applies different policies, these are set out under the heading "Parent Company's accounting policies" below.

The consolidated financial statements were prepared in accordance with the Annual Accounts Act, the recommendations from the Swedish Financial Reporting Board's RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS) as endorsed by the EU.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in a separate section below "Significant accounting estimates and judgements."

### Formation of the Group

Novedo Holding AB (publ) was formed on September 10, 2021 and, therefore, has no history of balance sheets and income statements for the beginning of 2021. The Novedo AB Group was formed on July 28, 2020. The new Group was formed through the acquisition of the former Novedo AB Group by Novedo Holding AB through contributions on October 26, 2021. Novedo Holding AB became the owner of the shares in Novedo AB immediately following the acquisition. The shares previously held by, inter alia, Board members and Group management, were transferred by means of a contribution to the effect that ordinary shares in Novedo AB were exchanged for ordinary shares in Novedo Holding AB. The acquisition of these shares took place on October 26, 2021. The formation of the Group entailed the establishment of a new Parent Company, Novedo Holding AB, through a share exchange. Due to the fact that a newly formed company cannot be considered to comprise an acquirer, and where the primary purpose is a

restructuring within the Group (common control), the Group has been established as a continuation of the former Novedo AB Group.

The consolidated financial statements when the Group was formed were prepared in accordance with the cost method aside from those that concern any financial instruments which are consistently measured at fair value. Other assets and liabilities are recognised at historical cost in accordance with the cost method. The financial statements encompass the companies that the Group is made up of. The financial statements were prepared with consistent application of the accounting policies.

### Currency and presentation currency

The Group uses Swedish kronor (SEK) as its presentation currency. The Parent Company's functional currency is Swedish kronor (SEK), which is also the Parent Company's presentation currency. Unless otherwise stated, all amounts are rounded to the nearest thousand SEK (SEK thousand).

### New accounting policies

**New and revised existing standards, endorsed by the EU that will enter force in 2024.**

None of the EU endorsed new and amended standards and interpretations from the IFRS Interpretation Committee are currently assessed to materially impact Novedo's earnings or financial position. This is also true of Swedish regulations.

### Principles for the consolidated financial statements Subsidiaries

Subsidiaries are all companies over which the Group has control. The Group controls a company when the Group is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Subsidiaries are fully consolidated in the financial statements from the date on which control is transferred to the Group. They are deconsolidated from the financial statements from the date that control ceases.

All transactions between Group companies are carried out at market prices. Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are eliminated unless the

transaction provides evidence of an impairment of the asset transferred.

The consolidated financial statements were prepared using the acquisition method, whereby the equity of the subsidiary at acquisition, determined as the difference between the fair values of assets and liabilities, is eliminated in its entirety. The Group's equity includes only the amount of the subsidiaries' equity arising after the acquisition.

### Business combinations

The Group applies the acquisition method when accounting for business combinations. The compensation transferred by the Group for obtaining control of a subsidiary is measured as the total of fair values at the acquisition date of the assets transferred, liabilities assumed and equity instruments issued by the Group, which includes the fair value of any asset or liability arising from a conditional purchase prices agreement. Subsequent changes to the fair value of the conditional purchase prices that is deemed to be a financial liability are recognised in profit or loss (under Other operating expenses).

In business combinations for which consideration has been transferred, any difference between a non-controlling interest and the fair value of the previously owned interest (in the case of step acquisitions) exceeding the fair value of the assets acquired and liabilities assumed, which are recognised separately, is reported as goodwill. When the difference is negative, known as a bargain purchase, it is recognised directly in profit or loss.

Acquisition-related expenses are expensed as incurred under the item Other external expenses.

Assets acquired and liabilities assumed are measured initially at their fair values at the acquisition date.

### Transactions and balances in foreign currency

Transactions in foreign currencies are translated using the applicable exchange rates on the transaction date (spot rate). Gains and losses in foreign currencies resulting from the revaluation of monetary items at the closing rate are recognised in profit or loss. Non-monetary items are not translated at the balance-sheet date but are measured at historical acquisition cost (translated at the exchange rate on the transaction date), except for non-monetary items measured

at fair value which are translated at the exchange rate on the date the fair value was determined.

### Segment information

Operating segments are reported according to IFRS 8 in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM is the function responsible for allocating resources and assessing the performance of operating segments. Within the Novedo Group, the President has been identified as the CODM. During the reporting period, Novedo had three operating segments, namely Installation & Services, Infrastructure and Industry. More information is provided in Note 6.

### Goodwill

Goodwill represents future economic benefits arising from a business combination which is not individually identified and separately recognised. Goodwill is reported as cost of acquisition less accumulated amortisation.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of this combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management purposes.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a possible decline in value. The carrying amount of the CGU to which the goodwill is allocated is compared to its recoverable amount, which is the higher of its value in use and its fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Goodwill is monitored and tested at segment level.

The valuation is based on Novedo's business plan and the analysis of discounted cash flow as the main method to estimate the recoverable amount. A sensitivity analysis of the discount rate, growth assumption and margins is performed after each impairment test to determine whether the residual value is sufficient.

### Intangible assets

Trademarks consist of acquired corporate trademarks and

are amortised over ten years. Customer relationships stem from the written agreements that make up the order backlog at the time of acquisition and are amortised over 5-10 years.

#### Tangible assets

Tangible assets consist of machinery and equipment, which are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Depreciation of machinery and equipment is based on historical acquisition cost less any subsequent impairment losses. The residual value is deemed to be non-existent. Depreciation is calculated on assets acquired during the year, taking into account the acquisition date. Depreciation is calculated on a straight-line basis, which means equal depreciation over the useful life, which is normally 3-5 years.

#### Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### Impairment reversal

An impairment loss is reversed if there is both an indication that the impairment loss no longer applies and a change in the assumptions used to calculate the recoverable amount. A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, net of depreciation/amortisation where applicable, if no impairment loss had been recognised. Impairment losses on loans and accounts receivables carried at amortised cost are reversed if a subsequent increase in the recoverable amount can be objectively related to an event occurring after the impairment loss was recognised.

#### Revenue

Revenue is measured based on the remuneration specified in the contract with the customer. The Group recognises revenue when control of a good or service is passed to the customer. Control occurs at a point in time or over time depending on the agreed terms.

The Group's revenue comprises construction contracts and service assignments that are recognised over time and product sales that in all material are recognised at a point of time. Construction contracts includes invoicing under construction contracts and additional alterations and additions regulated in the contract, while service assignments refers to services, minor works, etc., that are not covered by the contract. Construction contracts are not turnkey contracts, but are usually used for smaller projects, which gives a greater spread of risk. The Group's revenue also comprises new construction and aftermarket/renovations equally, which also provides a good spread of risk.

When the outcome can be measured reliably, assignment revenue and related expenses are recognised according to the percentage of completion of the contract (i.e., over time) at the balance-sheet date. Contract revenue is measured at the fair value of the consideration that has been or will be received. When the Group cannot reliably estimate the outcome of an assignment, revenue is recognised only to the extent that the assignment costs incurred can be recovered. Contract costs are recognised in the period in which they are incurred.

The percentage of completion of a construction contract is assessed by the project manager by comparing the costs incurred to date with the total estimated costs for the contract. Only costs corresponding to work performed are included in costs to date.

The gross amount payable by customers for contract is recognised in the line item "Contract assets" for all contracts in progress where the contract's costs and recognised profits (net of recognised losses) exceed invoiced amounts. Liabilities due under assignments are recognised under the heading "Contract liabilities" for all assignments in progress for which invoiced amounts exceed contract costs plus recognised profits (less recognised losses).

Treatment as an onerous contract takes place when an expected loss arises where it is likely that the total contract costs will exceed the total revenue, which is then immediately recognised as an expense.

When recognising revenue from service assignments, a forecast is made in which the Group estimates the percent-

age of completion of each individual project, which is progressively offset against the costs incurred by the project. Revenue from service activities is recognised when the services are provided by reference to the percentage of completion of the contract (recognition over time) at the balance-sheet date.

For revenue from product sales, the performance obligation is fulfilled at a specific point of time. The performance obligations for standardised products are considered as met at the point in time when the products are delivered pursuant to the contracted delivery terms and control of the product is thereby transferred to the customer. For customer-specific products, customers are not entitled to terminate the contract, so the Group has the right to fulfil the contract and the right to payment for the service provided. Customer-specific products are recognised over time. The Group's payment terms are essentially 30 days net.

#### Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs are accrued and recognised in the income statement over the same periods as the costs they are intended to compensate. Government grants are reported under other operating income.

#### Employee benefits

Short-term employee benefits, such as salaries, social security contributions, holiday pay and bonuses, are recognised in the period in which the work is performed by the employees. A liability for the expected cost of bonus payments is recognised when the Group has a legal or informal obligation to make such payments as a result of services performed by employees. The obligation must also be reliably measurable.

#### Pension obligations

Pension plans are usually financed through payments to insurance companies or managed funds based on periodic actuarial calculations. These plans may be defined-benefit or defined-contribution plans.

A defined-benefit pension plan is a pension plan characterised by a determined amount of pension benefits which the employee is to receive after retiring, usually based on one or a number of factors such as age, length of service and salary.

A defined-contribution plan is a pension plan by which the company pays fixed fees to a separate legal entity. The company therefore has no legal or informal obligations to pay

additional fees if the fund lacks sufficient assets to pay all employee benefits related to employee service during current or previous periods. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments can come to the benefit of the Group. The contributions are recognised as employee benefit expenses when they fall due.

Post-employment benefits provided by the Group essentially only comprise various defined-contribution pension plans. A few employees are encompassed by a pension solution in the form of endowment insurance pledged for pension commitments.

#### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises any termination benefits when demonstrably obligated to, either through the termination of employees' employment under a detailed formal plan without the possibility of retraction, or through the provision of termination benefits as a result of an offer of voluntary redundancy, as a result of restructuring. Benefits that are expected to be settled in more than twelve months are recognised at their discounted present value.

#### Financial income and expenses

Financial income comprises interest income and, where applicable, dividend income, as well as gains on the revaluation or disposal of financial instruments. Financial expenses comprise interest expense on borrowings, including accrued transaction costs and losses on changes in value or disposal of financial instruments. Any foreign exchange gains and losses are recognised net. Interest income and interest expenses are recognised using the effective interest rate method, while dividends are recognised when the right to receive dividends has been established.

#### Taxes

Income tax consists of current tax calculated on the taxable income, deferred tax and other taxes and adjustment of current tax relating to previous years for Group companies. All of the companies within the Group calculate income taxes in accordance with the applicable tax rules and regulations. Income tax is recognised in profit or loss for the period unless it relates to a transaction recognised directly in equity or in other comprehensive income. Deferred tax is recognised for temporary differences between the carrying amounts and

tax bases of assets and liabilities and for carried-forward tax losses (to the extent that they are expected to be recoverable). The Group uses the balance sheet method to calculate deferred tax liabilities and deferred tax assets. The balance sheet method is based on tax rates at the balance sheet date applied to differences between the carrying amount of an asset or liability and its tax base, and on carried-forward tax losses. These carried-forward tax losses can be used to reduce future taxable profits. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to enable the benefit to be utilised. Under IFRIC23, uncertainties relating to income taxes are taken into account if, and when, income taxes are recognised and measured in the financial statements.

Deferred tax assets and liabilities are recognised net if there is a legal right to set off tax assets against tax liabilities on a net basis and the deferred tax is attributable to the same taxation authority.

#### Financial instruments

Financial instruments recognised in the balance sheet include, on the asset side, mainly cash and cash equivalents, accounts receivable, non-current securities holdings and non-current receivables, and on the liability side, acquisition-related liabilities, accounts payable, accrued expenses and loan liabilities.

A financial asset or financial liability is recognised on the balance sheet when the company becomes a party under the instrument's contractual terms. A receivable is recognised when the company has performed and a contractual obligation exists for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are recognised once an invoice has been sent. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are recognised once an invoice has been received.

A financial asset is derecognised from the balance sheet when the rights in the agreement are realised, expire, or the company loses control over them. A financial liability is derecognised from the balance sheet when the contractual obligation is fulfilled or otherwise extinguished. A financial asset and a financial liability are recognised net only when there is a legal right to set off the amounts and an intention to settle the items net. Purchases and sales of financial assets are recognised on the transaction date, which is the date the company commits to purchasing or selling the asset. Any transaction costs are included in the fair value of assets in addition to those whose changes in value are rec-

ognised in profit or loss for the period. Transaction costs that arise in connection with the recognition of financial liabilities are amortised over the maturity of the loan as a financial expense.

Financial assets and liabilities that are handled within IFRS 9 are classified as follows:

#### Financial assets:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss (FVPL)

#### Financial liabilities:

- Financial liabilities measured at amortised cost.
- Financial liabilities measured at FVPL

Within the above categories, there are different types of financial instruments. Financial instruments are classified on initial recognition and the classification determines principles for the valuation of the instruments. The fair values of quoted financial investments and derivatives are based on quoted market prices or interest rates. If official interest rates or market prices are not available, fair value is calculated by calculating the present value of expected future cash flows with the interest rates at the time.

#### Financial liabilities at amortised cost

Financial assets are classified as recognised at amortised cost if the contractual terms result in payments relating only to principal amounts and interest on the outstanding principal amounts and when the purpose of holding the financial asset is to hold the asset to maturity. In subsequent recognition, the asset is measured at amortised cost based on the effective interest rate method less impairment losses. Interest income and gains/losses from financial assets at amortised cost are recognised under financial income.

#### Impairment of financial assets recognised at amortised cost

The Group assesses the future expected credit losses (ECLs) linked to assets recognised at amortised cost. The Group recognises a loss allowance for such ECLs at each reporting date. For accounts receivable, the Group applies the simplified approach for loss allowances, meaning that the allowance will correspond to the expected loss over the entire lifetime of the accounts receivable.

To measure the ECLs, accounts receivable have been grouped based on allocated credit risk characteristics and days past due. For the Group's other financial instruments, the general model is applied to calculate ECLs. The Group uses forward-looking variables for ECLs. ECLs are recognised

in the Group's statement of comprehensive income in the item Other external expenses. The Group has historically had insignificant credit losses on receivables.

#### Financial assets at fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVPL. Interest income and gains/losses from financial assets at FVPL, are recognised under financial income.

#### Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other liquid investments with maturities of three months or less. At the balance-sheet date, the Novedo Group had no overdraft facility, which would have been recognised on the balance sheet as borrowings under interest-bearing current liabilities.

#### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the borrowing period using the effective interest rate method.

Borrowings are derecognised from the statement of financial position when the obligations have been settled, annulled or otherwise expired. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### Financial liabilities, interest-bearing loans and credits measured at amortised cost

Loans and financial liabilities are initially measured at their respective fair values adjusted for directly attributable transaction costs. After initial recognition, these items are measured at their accrued amortised costs in accordance with the effective interest rate method.

#### Financial liabilities measured at FVPL – conditional purchase prices

The Group's financial liabilities, which are measured at FVPL, comprise conditional purchase prices. The liability for a conditional purchase prices is discounted and the effect of discounting is expensed under financial expenses. Measurement is continuously at fair value and changes in value are recognised in profit or loss under financial items. However, if the change in value takes place before the acquisition analysis has been determined and is of a nature that the event derives from the acquisition date, measurement takes place via the balance sheet.

#### Accounts payable – trade

Accounts payable are recognised at amortised cost, which is assumed to correspond to fair value.

#### Inventory

Inventory is measured at the lower of cost and net realisable value. Cost includes all expenses that are directly related to purchases. Expenses for commonly replaceable articles are distributed according to the first-in, first-out principle. Net realisable value is the estimated selling price in the operating activities less any applicable costs to sell. If the estimated net realisable value is below cost, a provision is made for inventory obsolescence.

#### Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal processes, onerous contracts or other claims are recognised when the Group has a legal or constructive obligation as a result of an earlier event, and it is likely that an outflow of financial resources will be required to settle the obligation, and the amount can be reliably estimated. The time or amount for the outflow may still be uncertain.

Provisions are valued in the amount estimated to be required to settle the existing obligation, based on the most reliable information available on the balance-sheet date, including the risks and uncertainties related to the existing obligation. If there are a number of similar obligations, the probability is determined for an outflow in a collective assessment of the obligations. Provisions are discounted to their present value where the time value of money is significant.

Any indemnification that the Group is virtually certain of being able to receive from an external party for the obligation is recognised as a separate asset. However, this asset cannot exceed the amount for the attributable provision.

No liability is recognised if the outflow of financial resources as a result of existing obligations is unlikely. Such situations



are recognised as contingent liabilities insofar as the likelihood of an outflow of resources is very small.

### Equity

Equity consists of the following items:

- Share capital which represents the nominal value (quotient value) of issued and registered shares.
- Other contributed capital comprised of premiums received in the new share issue and shareholders' contributions from the owners. Any transaction costs associated with new share issues are deducted from contributed capital.
- Profit/loss brought forward including profit for the year, i.e., all capitalised gains/losses for the current and previous periods and acquisitions of own shares.
- Non-controlling interests, which show the share of equity attributable to non-controlling interests.
- The foreign currency translation reserve encompasses all exchange differences that arise on the translation of financial statements from foreign operations with a currency other than SEK.

### Earnings per share

The calculation of earnings per share before dilution is based on consolidated profit for the year attributable to Parent Company shareholders and the weighted average number of shares outstanding during the year. In calculating earnings per share after dilution, earnings and the average number of shares are adjusted to take into account the effects of potential ordinary shares.

### Earnings per share before dilution

Earnings per share before dilution are calculated by dividing:

- profit attributable to shareholders in the Parent Company, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus issue elements in ordinary shares issued during the year and excluding repurchased shares held as treasury shares by the Parent Company.

### Earnings per share after dilution

For the calculation of earnings per share after dilution, the amounts used for calculating earnings per share before dilution are adjusted by taking into account:

- the effect, after tax, of dividends and interest expenses on potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### Leases

The Group acts as a lessee. The Group's leases, where the Group is a lessee, essentially pertain to premises, vehicles and IT equipment.

### Leases – Group as a lessee

For all leases, except for the exceptions mentioned below, a right-of-use asset and a corresponding lease liability are recognised on the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the repayment of the liability and financial expense. The financial expense is distributed across the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated straight-line over the shorter of the asset's useful life and the lease term. The leases extend for periods of 3–5 years, but options to extend or terminate the lease exist.

Assets and liabilities arising from leases are initially recognised at the present value of future lease payments. Lease liabilities include the present value of the following lease payments:

- fixed payments;
- variable lease payments that depend on an index or an interest rate;
- residual value guarantees; and
- purchase options (if it is reasonably certain said option will be exercised).

The lease payments are discounted using the implicit interest rate, if that rate can be readily determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the initial measurement of the lease liability;
- payments made at or before the time when the leased asset is made available to the lessee;
- any initial direct costs; and
- an estimate of any expenses to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

### The Group separates non-leasing components from lease payments.

The Group applies the exemption in IFRS 16, which means that lease payments related to short-term leases and low-value leases (assets with a value of USD 5,000 or less when new) are not recognised as a right-of-use asset together with a lease liability, but are instead recognised as an expense straight-line over the lease term. Short-term leases are leases with a lease term of 12 months or less. Low-value leases essentially comprise office equipment.

### Extension and termination options

Extension and termination options are included in a number of the Group's leases for office premises. These terms are used to maximise operational flexibility in terms of managing contracts.

The extension and termination options are included in the asset and the liability when it is reasonably certain that such options will be exercised.

### Subsequent recognition

The lease liability is revalued if there are any changes in the lease or if there are changes in the cash flow on which the original lease terms are based. Changes in cash flows based on original contract terms arise when: the Group changes its initial assessment whether options for extension and/or termination will be used, when there are changes in previous assessments as to whether a purchase option will be utilised, or when lease payments will change due to changes in indices or interest rates. A revaluation of the lease liability leads to a corresponding adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining revaluation is recognised in profit or loss. Right-of-use assets are assessed for impairment whenever events or changes in conditions indicate that the carrying amount of an asset cannot be recovered.

### Presentation

Right-of-use assets and lease liabilities are reported on a separate line in the balance sheet. In the income statement, depreciation on right-of-use assets is recognised in the line item depreciation and interest expenses on lease liabilities are recognised as financial expenses. Lease payments pertaining to low-value leases and short-term leases are recognised in profit or loss (line dependent on the type of leased asset). Repayment of the lease liabilities is recognised as cash flow from financing activities. Payments of interest and

payments of short-term leases and low-value leases are recognised as cash flow from operating activities.

The rental fee is revalued when changes in future lease payments arise through changes in the index or a changed assessment of the agreement as a result of, for example, purchases, lease extensions or termination of leases. A corresponding adjustment is made to the right-of-use asset.

### Cash flow statement

The cash flow statement is prepared using the indirect method. The recognised cash flow only includes transactions that have involved payment inflows or outflows.

### Parent Company's accounting policies

The differences between the consolidated and the Parent Company's accounting policies are presented below. The Parent Company accounting policies presented below were consistently applied for all periods presented in the Parent Company's financial statements.

### Presentation

The income statement and balance sheet are presented in accordance with the format prescribed in the Swedish Annual Accounts Act. The statement of changes in equity is consistent with the format used for the consolidated statement of changes in equity, but must include the columns stated in the Swedish Annual Accounts Act. Moreover, there is a difference in terms, compared with the consolidated financial statements, mainly with regard to financial income and expense, and equity.

### Participations in subsidiaries

Participations in subsidiaries are recognised in the Parent Company according to the cost method. This means that transaction costs are included in the carrying amount of the holding in the subsidiary. In the consolidated financial statements, transaction costs attributable to subsidiaries are recognised directly in profit or loss as they arise.

### Financial instruments

Due to the connection between accounting and taxation, the rules concerning financial instruments and hedge accounting in IFRS 9 are not applied in the Parent Company as a legal entity. The Parent Company recognises financial assets at cost less any impairment and financial current assets according to the lower of cost or market value rule. The cost of interest-bearing instruments is adjusted for the accrual difference between what was originally paid, less transaction

costs, and the amount paid on the due date (premium and discount respectively).

## Note 2 Significant estimates and judgements

The preparation of financial statements pursuant to IFRS requires that management make certain estimates and judgements in applying the company's accounting policies. These estimates and judgements can impact the reported amounts of assets, liabilities, revenue and costs. The actual amounts can deviate from these estimates and judgements. The estimates and underlying assumptions are analysed on an ongoing basis. Changes estimates and judgements are reported on a forward-looking basis.

### Fair value measurement

Certain of the Group's accounting policies and disclosures require measurement at fair value. This applies both to financial and to non-financial assets and liabilities. The Group has established methods for executing fair value measurements. If information from a third party, for example, a broker or other source of share prices, is available, this is used as the basis for assessing whether the valuation meets the criteria in the various applied standards. This includes the assessment undertaken in applying the valuation hierarchy stipulated in the reporting standards. With the fair value measurement of an asset or liability, the Group applies, on the first hand, the quoted prices in active markets for identical assets or liabilities. The Group applies the valuation model which categorises data according to a valuation hierarchy. This valuation hierarchy is based on the following levels. Level 1 - quoted prices for identical assets or liabilities in active markets. Level 2 - inputs other than quoted prices (according to Level 1) that are observable for the asset or liability. These can be either directly observable (for example prices) or indirectly observable (for example, deduced from price quotations). Level 3 - inputs for the valuation of assets or liabilities that are not based on observable market data.

If the inputs for the valuation of an asset or liability at fair value pertain to different levels in the valuation hierarchy, the entire valuation is categorised as belonging to one and the same level. The level to which the category refers is the lower of the levels applied in the valuation. At the end of each reporting period, the Group undertakes an assessment of whether there is sufficient data at a higher level.

### Impairment of non-financial assets and goodwill

In order to assess any need for impairment, Group management calculates a recoverable amount for each asset or CGU based on the expected future cash flow and applies an appropriate interest rate in discounting the cash flow. The assumptions regarding future operating profit are subject to uncertainty as is the determination of an appropriate discount rate. As of the closing date, December 31, 2023, goodwill totalled SEK 1,281,401 thousand. For more information on impairment testing, see Note 13.

### Business combinations and fair value measurement

In calculating fair value, Group management applies valuation techniques for the specific assets and liabilities acquired in conjunction with a business combination. It is primarily the fair value of the conditional purchase prices that is dependent on the outcome of a number of different variables, including the acquired company's future profitability. Group management applies valuation techniques in calculating the fair value of financial instruments (if there are no prices in active markets) and non-financial assets. This implies that estimates and judgements are undertaken as regards the manner in which market players would price a given instrument. Group management bases its assumptions, as far as possible, on observable data, but such data is not always available. In such cases, Group management applies the best available information. The estimated fair value can differ from the actual price which could have been achieved in a transaction on commercial terms as at the balance-sheet date. As of December 31, 2023, conditional purchase prices totalled SEK 479,628 thousand. See also Note 8.

### Revenue from construction contracts

Recognised revenue and associated contract assets with the principal reflect the Group management's best estimate of the outcome and percentage of completion for each contract. When it comes to more complex contracts, significant uncertainty exists in assessing the costs for completing the contract and as regards its profitability. The Group recognises revenue in the projects over time in pace with the percentage of completion, which is measured on the basis of costs incurred in relation to total expected costs at each given point in time. The Group has a well-established process for following up the risk of loss which can arise in the projects. As of December 31, 2023, receivables for construction contracts recognised in the balance sheet totalled SEK 172,702 thousand and contract liabilities totalled to SEK 21,884 thou-

sand. For more information regarding construction contracts, see Note 20.

### Carried-forward tax losses

Deferred tax assets are reported only for carried-forward tax losses where it is probable that such amounts can be used against future taxable surpluses and against taxable temporary differences. Each year, the Group investigates if it is appropriate to capitalise new deferred tax assets pertaining to the year's, or previous years', carried-forward tax losses.

## Note 3 Financial risk management

Through its operations, the Group is exposed to a large number of different financial risks such as: various market risks (foreign currency risk and interest rate risk), credit risk, liquidity risk and refinancing risk. The Group strives to minimise any potentially disadvantageous effects on its financial results.

- The goal with the Group's treasury activities is to:
- ensure that the Group can meet its payment obligations;
  - manage financial risks;
  - ensure access to the necessary financing; and
  - optimise the Group's net financial items.

The Group's risk management is handled by the Parent Company who identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Group has a finance policy stipulating the guidelines and framework for the Group's treasury activities. The responsibility for managing the Group's financial transactions and risks is centralised in the Parent Company.

### Market risk

#### Foreign currency risk

The Group is exposed to foreign currency risks which can be broken down as transaction exposure and translation exposure. Transaction exposure arises when a sales or purchase price is stated in foreign currency. Translation exposure arises when the subsidiaries' balance sheets and income statements are translated from local currency to SEK. Comprehensive income includes such translation differences amounting to SEK -12,7 million (9). The translation exposure is relatively limited since operations are mainly conducted in Swedish companies. The translation exposure is not hedged. Transaction exposure arises primarily from purchases in foreign currency and in the operations of foreign subsidiaries. Currency exposure arising from the operations of foreign

subsidiaries is not hedged. Based on the assumed 10 percent strengthening or weakening of SEK against DKK and EUR, pre-tax profit is affected in an amount of SEK +/-5.8 million for DKK/SEK and SEK +/-0.8 million for EUR/SEK.

### Interest rate risk

The Group evaluates, on a case-by-case basis, what is most advantageous - variable or fixed interest rates. At present, all liabilities to credit institutions are subject to a variable interest rate, while the bonds issued are subject to an interest rate of STIBOR +6.5 percent. Liabilities to credit institutions comprise borrowings in SEK at variable interest rates and expose the Group to interest rate risk as regards its cash flow. Liabilities to credit institutions amounted to SEK 5.0 million. The collateral for the Group's liabilities to credit institutions comprises retention of title.

### Sensitivity analysis of interest rate risk

If the interest rates on borrowings as of December 31, 2023 had been 100 basis points higher/lower, with all other variables being constant, the calculated pre-tax profit for the period would have been SEK 12.5 million lower/higher, mainly as an effect of the higher/lower interest expenses for borrowings with variable interest rates. Interest rate risk has been calculated based on the liabilities to credit institutions and bonds issued as of the balance-sheet date.

### Credit risk

Credit risk arises from balances with banks and credit institutions, as well as from customer credit exposures, including receivables outstanding. Credit risk is handled by Group management. For banks and credit institutions, only independently rated parties with a minimum rating of "A" are accepted.

Credit risk is managed at Group level, with the exception of credit risk related to outstanding accounts receivable and project cost calculations. Each Group company is responsible for monitoring and analysing credit risk for each new customer. In cases where no independent credit assessment is available, a risk assessment of the customer's creditworthiness is conducted, taking into account the customer's financial position, as well as past experience and other factors. Individual risk limits are set based on internal or external credit assessments in accordance with the limits determined by the Board of Directors. The application of credit limits is monitored regularly.

No credit limits were exceeded during the reporting period and management does not expect any losses as a result of

non-payment from these counterparties. Credit losses in the Group's companies have historically been insignificant and the payment history of customers has been good. Taking this into account, as well as considering forward-looking information on macroeconomic factors that may affect customers' ability to pay their debts, the Group's ECLs have also been assessed as insignificant.

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Group's liquidity reserve (including the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. These analyses are generally carried out in the operating companies, in accordance with practice and limits set by the Group management. To identify cash flows, liquidity/cash flow forecasts are prepared on a quarterly basis with forecasts for 12, 24 and 36 months ahead for the companies that the Group has acquired or signed acquisition agreements with.

The Group's cash and cash equivalents as of December 31, 2023 amounted to SEK 226,875 thousand. As of the balance-sheet date, Novedo Holding AB (publ) has one bond issue of SEK 1,250 million with a coupon rate of 10.647 per cent. The Group has already actively started securing funding after the existing bond matures in November 2024. Liquidity is followed up on an ongoing basis to identify any changes which could impact the above conditions.

The Group's bond issue is subject to covenants pertaining to net interest-bearing debt (i.e., interest-bearing liabilities less cash and bank balances) divided by EBITDA not exceeding certain levels. Moreover, restrictions also pertain to how the bond proceeds can be used, a definition of so-called authorised acquisitions. This definition means that acquisitions must be within the Group's three segments, namely Installation & Services, Infrastructure and Industry. A further requirement is that the companies acquired have been profitable during the last 12 months (from a date not earlier than 3 months before the acquisition) and that the company was profitable during the most recent audited financial year. The bond issue is secured by pledging shares in subsidiaries representing at least 85 percent of consolidated EBITDA.

#### Refinancing risk

Refinancing risk is defined as the risk that it becomes difficult to refinance the Group, that financing cannot be obtained, or that it can only be obtained at an increased cost. This risk is mitigated by the Group's continuous evaluation of various financing solutions. Starting the refinancing process in a structured and timely manner reduces refinancing risk. In the case of refinancing amounts exceeding SEK 100 million, the refinancing process must be initiated not later than six months prior to the refinancing date.

The table below analyses the Group's financial liabilities broken down by remaining tenor as of the balance-sheet date, up to and including, the contractual maturity date. The amounts stated in the table comprise contractual, undiscounted cash flows.

#### Measurement and disclosure of fair value

The various levels of financial instruments measured at fair are defined according to following:

##### (a) Financial instruments in Level 1

Quoted prices (unadjusted) in active markets for identical assets and liabilities.

##### (b) Financial instruments in Level 2

Other observable data for an asset or liability other than quoted prices included in Level 1, either directly (that is, as prices) or indirectly (that is, derived from prices).

#### (c) Financial instruments in Level 3

In the case one or more of the significant inputs is not based on observable market data, the instrument in question is classified in Level 3.

No transfers between the various fair value levels have occurred.

#### Interest-bearing liabilities

The carrying amount corresponds with the fair value of the Group's borrowing when the loans are subject to variable interest rates and when the credit spread is not of such a nature that the carrying amount deviates significantly from the fair value.

#### Conditional purchase prices

The fair value of conditional purchase prices is based on the management's assessment of the amount that will probably be paid given the terms and conditions of the share transfer agreement. Earnouts are measured in Level 3. There were no financial assets measured at fair value on any of the dates presented in this Annual Report. Conditional purchase prices comprise financial liabilities which are measured at fair value as of the balance-sheet date.

#### Capital management

The Group's goal regarding its capital structure is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital as low as possible.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends distributed to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities.

The Group has a strategy to maintain a balanced capital structure whereby the debt/equity ratio is followed up on an ongoing basis from the perspective of the Group's requirements. Debt capital was comprised of:

| SEK thousand                       | Dec 31 2023      | Dec 31 2022    |
|------------------------------------|------------------|----------------|
| Total borrowings                   | 1,443,922        | 1,029,707      |
| Less: cash and cash equivalents    | -228,397         | -188,970       |
| <b>Net debt</b>                    | <b>1,215,525</b> | <b>840,737</b> |
| Total equity                       | 373,526          | 468,047        |
| <b>Debt/equity ratio, multiple</b> | <b>3.3</b>       | <b>1.9</b>     |

The increase in the debt/equity ratio during 2023 was primarily attributable to the financing of acquisitions.

| As of December 31, 2023<br>SEK thousand | Less than<br>3 months | Between<br>3 months and 1 years | Between<br>1 and 2 years | Between<br>2 and 5 years | More than<br>5 years | Total contractual<br>cash flows | Carrying<br>amount |
|---|-----------------------|---------------------------------|--------------------------|--------------------------|----------------------|---------------------------------|--------------------|
| <b>Financial liabilities</b>            |                       |                                 |                          |                          |                      |                                 |                    |
| Bonds issued                            | -                     | 1,250,000                       | -                        | -                        | -                    | 1,250,000                       | 1,232,699          |
| Liabilities to credit institutions      | 646                   | 1,651                           | 2,032                    | 719                      | -                    | 5,049                           | 5,049              |
| Conditional purchase prices             | -                     | 103,261                         | 325,971                  | 155,383                  | -                    | 584,615                         | 479,628            |
| Acquisition-related liabilities         | -                     | 37,200                          | -                        | -                        | -                    | 37,200                          | 37,200             |
| Other non-current liabilities           | -                     | -                               | -                        | 111                      | -                    | 111                             | 111                |
| Lease liabilities                       | 16,567                | 18,165                          | 19,942                   | 48,386                   | 544                  | 103,602                         | 102,006            |
| Accounts payable - trade                | 191,514               | -                               | -                        | -                        | -                    | 191,514                         | 191,514            |
| Debt to principal shareholder           | -                     | 104,167                         | -                        | -                        | -                    | 104,167                         | 104,167            |
| Accrued interest                        | 12,242                | 9,115                           | -                        | -                        | -                    | 21,357                          | 21,357             |
| <b>Total</b>                            | <b>220,969</b>        | <b>1,523,559</b>                | <b>347,945</b>           | <b>204,598</b>           | <b>544</b>           | <b>2,297,615</b>                | <b>2,173,732</b>   |

## Note 4 Specification of net sales and income

| Time of revenue recognition,<br>SEK thousand | 2023                    |                  |                |                  |
|--|-------------------------|------------------|----------------|------------------|
|  | Installation & Services | Infrastructure   | Industry       | Total Group      |
| Services transferred over time               | 1,382,021               | 951,510          | -              | 2,333,532        |
| Goods transferred at a single point in time  | -                       | 54,004           | 320,692        | 374,696          |
| <b>Total</b>                                 | <b>1,382,021</b>        | <b>1,005,515</b> | <b>320,692</b> | <b>2,708,228</b> |
| Time of revenue recognition,<br>SEK thousand | 2022                    |                  |                |                  |
|  | Installation & Service  | Infrastructure   | Industry       | Total Group      |
| Services transferred over time               | 1,013,135               | 584,413          | -              | 1,597,548        |
| Goods transferred at a single point in time  | -                       | 51,157           | 124,645        | 175,802          |
| <b>Total</b>                                 | <b>1,013,135</b>        | <b>635,570</b>   | <b>124,645</b> | <b>1,773,350</b> |

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

| Net sales by geographical market,<br>SEK thousand | 2023                    |                  |                |                  |
|---|-------------------------|------------------|----------------|------------------|
|   | Installation & Services | Infrastructure   | Industry       | Total Group      |
| Sweden  | 1,362,463               | 634,296          | 187,579        | 2,184,338        |
| Other EU  | 16,033                  | 370,731          | 110,199        | 496,963          |
| Rest of the world                                 | 3,525                   | 488              | 22,914         | 26,927           |
| <b>Total</b>                                      | <b>1,382,021</b>        | <b>1,005,515</b> | <b>320,692</b> | <b>2,708,228</b> |
| Net sales by geographical market,<br>SEK thousand | 2022                    |                  |                |                  |
|   | Installation & Services | Infrastructure   | Industry       | Total Group      |
| Sweden  | 1,006,257               | 605,782          | 124,352        | 1,736,391        |
| Other EU  | 6,641                   | 29,788           | 292            | 36,721           |
| Rest of the world                                 | 238                     | -                | -              | 238              |
| <b>Total</b>                                      | <b>1,013,135</b>        | <b>635,570</b>   | <b>124,645</b> | <b>1,773,350</b> |

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

## Note 5 Other operating income

| SEK thousand   | Group           | Group           | Parent Company  | Parent Company  |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 2023<br>Jan-Dec | 2022<br>Jan-Dec | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
| Rental income  | 588             | 800             | -               | -               |
| Government grants                                      | 11,050          | 13,928          | -               | -               |
| Gain on the disposal of tangible and intangible assets | 6,212           | 2,297           | -               | -               |
| Exchange-rate differences                              | 1,325           | 2,045           | 2               | 1               |
| Other items  | 48              | 127             | -               | -               |
| <b>Total income</b>                                    | <b>19,223</b>   | <b>19,197</b>   | <b>2</b>        | <b>1</b>        |

Government grants pertain essentially to compensation for sick pay received.

## Note 6 Operating segments

The CODM is the function responsible for allocating resources and assessing the performance of operating segments. Within the Group, the President has been identified as the CODM and during the reporting period, the Group had three operating segments, namely Installation & Services, Infrastructure and Industry. The segment information is based on the same accounting policies as applied in the Group as a whole. In addition, Group-wide costs are reported in the category Group items.

The operations of each reporting segment are described below:

### Installation & Services

Installation & Services comprises companies that offer installation, service and maintenance of properties and is primarily aimed at commercial property owners and public housing.

| Jan 1 – Dec 31 2023,<br>SEK thousand  | Installation<br>& Services | Infrastructure   | Industry        | Group items     | Total<br>segment  |
|---|----------------------------|------------------|-----------------|-----------------|-------------------|
| <b>Operating segments</b>   |                            |                  |                 |                 |                   |
| Net sales   | 1,382,021                  | 1,005,515        | 320,692         | -               | 2,708,228         |
| Other operating income  | 8,543                      | 8,352            | 2,301           | 27              | 19,223            |
| <b>Total operating income</b>   | <b>1,390,564</b>           | <b>1,013,867</b> | <b>322,992</b>  | <b>27</b>       | <b>2,727,451</b>  |
| <b>Operating expenses</b>   |                            |                  |                 |                 |                   |
| Raw materials, consumables and goods for resale                             | -649,631                   | -433,929         | -163,716        | -               | -1,247,277        |
| Other external expenses   | -102,582                   | -137,203         | -27,725         | -14,005         | -281,514          |
| Employee benefit expenses   | -451,024                   | -290,497         | -77,301         | -35,935         | -854,757          |
| Depreciation, amortisation and impairment of tangible and intangible assets | -3,901                     | -17,032          | -4,589          | -583            | -26,104           |
| Depreciation of right-of-use assets   | -16,155                    | -18,556          | -4,569          | -2,165          | -41,444           |
| Other operating expenses  | -321                       | -1,201           | -2,106          | -449            | -4,078            |
| <b>Total operating expenses</b>   | <b>-1,223,614</b>          | <b>-898,417</b>  | <b>-280,006</b> | <b>-53,137</b>  | <b>-2,455,174</b> |
| <b>EBITA</b>  | <b>166,951</b>             | <b>115,450</b>   | <b>42,987</b>   | <b>-53,110</b>  | <b>272,277</b>    |
| <b>Amortisation brands and customer relationships</b>                       |                            |                  |                 |                 |                   |
| Amortisation brands and customer relationships                              | -28,752                    | -18,452          | -6,431          | -               | -53,635           |
| <b>EBIT</b>   | <b>138,199</b>             | <b>96,998</b>    | <b>36,556</b>   | <b>-53,110</b>  | <b>218,642</b>    |
| <b>Net financial items</b>  | <b>5,762</b>               | <b>495</b>       | <b>-948</b>     | <b>-304,404</b> | <b>-299,094</b>   |
| <b>Pre-tax profit/loss</b>  | <b>143,961</b>             | <b>97,493</b>    | <b>35,608</b>   | <b>-357,514</b> | <b>-80,452</b>    |

### Segment assets

All non-current assets are physically located in Sweden, Estonia and Denmark.

### Infrastructure

The segment consists of specialist companies active in infrastructure projects such as rock removal, ground works and associated areas, including maintenance of railway, road and power transmission infrastructure as well as other new infrastructure construction.

### Industry

The segment consists of specialist industrial companies that deliver clear customer value in terms of manufacturing or retail of products intended for B2B, for example, suppliers to production companies, distributors and companies with in-house product development.

| Jan 1 – Dec 31 2022,<br>SEK thousand  | Installation<br>& Services | Infrastructure  | Industry        | Group items     | Total<br>segment  |
|---|----------------------------|-----------------|-----------------|-----------------|-------------------|
| <b>Operating segments</b>   |                            |                 |                 |                 |                   |
| Net sales   | 1,013,135                  | 635,570         | 124,645         | -               | 1,773,350         |
| Other operating income  | 12,090                     | 5,153           | 1,949           | 5               | 19,197            |
| <b>Total operating income</b>   | <b>1,025,226</b>           | <b>640,723</b>  | <b>126,593</b>  | <b>5</b>        | <b>1,792,547</b>  |
| <b>Operating expenses</b>   |                            |                 |                 |                 |                   |
| Raw materials, consumables and goods for resale                             | -434,326                   | -351,476        | -70,524         | -               | -856,329          |
| Other external expenses   | -73,980                    | -77,760         | -10,592         | -35,540         | -197,873          |
| Employee benefit expenses   | -379,623                   | -120,011        | -23,334         | -18,422         | -541,390          |
| Depreciation, amortisation and impairment of tangible and intangible assets | -1,906                     | -6,523          | -1,855          | -               | -10,284           |
| Depreciation of right-of-use assets   | -15,807                    | -11,515         | -1,020          | -               | -28,342           |
| Other operating expenses  | -342                       | -3,428          | -847            | -157            | -4,774            |
| <b>Total operating expenses</b>   | <b>-905,987</b>            | <b>-570,713</b> | <b>-108,172</b> | <b>-54,119</b>  | <b>-1,638,992</b> |
| <b>EBITA</b>  | <b>119,238</b>             | <b>70,010</b>   | <b>18,421</b>   | <b>-54,114</b>  | <b>153,555</b>    |
| <b>Amortisation brands and customer relationships</b>                       |                            |                 |                 |                 |                   |
| Amortisation brands and customer relationships                              | -20,655                    | -7,420          | -2,950          | -               | -31,025           |
| <b>EBIT</b>   | <b>98,583</b>              | <b>62,590</b>   | <b>15,471</b>   | <b>-54,114</b>  | <b>122,530</b>    |
| <b>Net financial items</b>  | <b>547</b>                 | <b>-1,626</b>   | <b>-99</b>      | <b>-152,883</b> | <b>-154,060</b>   |
| <b>Pre-tax profit/loss</b>  | <b>99,130</b>              | <b>60,964</b>   | <b>15,373</b>   | <b>-206,997</b> | <b>-31,531</b>    |

### Segment assets

All non-current assets are physically located in Sweden and Denmark.

## Note 7 Business combinations

Novedo consolidated the following acquisitions during 2023:

| Company                     | Segment                 | Consolidated | Country | Proportion of shares and votes, % | Net sales, SEK million <sup>1)</sup> | No. of employees |
|-----------------------------|-------------------------|--------------|---------|-----------------------------------|--------------------------------------|------------------|
| Helsingborgs Byggplåt AB    | Installation & Services | March        | Sweden  | 100                               | 103.3                                | 40               |
| Stantraek A/S               | Industry                | March        | Denmark | 100                               | 170.0                                | 71               |
| Dundertech AB               | Infrastructure          | April        | Sweden  | 100                               | 25.6                                 | 2                |
| Nørgaard Anlaeg Holding ApS | Infrastructure          | December     | Denmark | 100                               | 182.5                                | 45               |

<sup>1)</sup> Refers to pro forma for the full year 2023.

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

The total purchase price for acquisitions in 2023 amounts to SEK 372.2 million. Goodwill relates to surplus values from business combinations. Identified goodwill is primarily related to employees, expected future potential, and profitability of the acquired business. Goodwill attributable to acquisitions carried out in 2023 amounts to SEK 223.5 million. The Group's goodwill is tested for impairment annually per cash-generating unit. Trademarks consist of acquired

corporate brands and are depreciated over 10 years. Customer relationships derive from the written agreements that make up the order backlog at the time of acquisition and are amortized over 5-10 years. Customer relationships and trademarks attributable to acquisitions in 2023 amounted to SEK 40.3 million and SEK 13.3 million, respectively. Acquisition-related costs for 2023 amount to SEK 8.9 million.

The conditional purchase prices are based on the operating profit of the acquired company over the next few years and shall exceed a level agreed upon by both parties in accordance with the agreement. As of December 31, 2023, the undiscounted amount for all acquisitions performed during the years that may be paid to the former owners amounts to SEK 584.6 million.

Novedo consolidated the following acquisitions during 2022:

| Company                                  | Segment                 | Consolidated | Country | Proportion of shares and votes,% | Net sales, SEK million <sup>1)</sup> | No. of employees |
|--|-------------------------|--------------|---------|----------------------------------|--------------------------------------|------------------|
| Elarbeten Helsingborg AB                 | Installation & Services | January      | Sweden  | 100                              | 33                                   | 13               |
| Elinzity AB                              | Installation & Services | January      | Sweden  | 100                              | 122                                  | 64               |
| Ventilationskontroll Aeolus Aktiebolag   | Installation & Services | January      | Sweden  | 100%                             | 157                                  | 87               |
| ProvideU AB                              | Industry                | January      | Sweden  | 100                              | 97                                   | 62               |
| GBB Holding AB                           | Infrastructure          | April        | Sweden  | 100%                             | 444                                  | 106              |
| Sentexa AB                               | Installation & Services | May          | Sweden  | 100                              | 32                                   | 12               |
| Total Fasad Stockholm AB                 | Installation & Services | June         | Sweden  | 100                              | 129                                  | 58               |
| BATAB Bygg & Akustikteknik AB            | Installation & Services | July         | Sweden  | 100                              | 128                                  | 20               |
| Elektronik Mekanik i Västerås Aktiebolag | Industry                | September    | Sweden  | 100                              | 77                                   | 15               |
| Nordsign Aktiebolag                      | Installation & Services | September    | Sweden  | 100                              | 77                                   | 17               |
| Nordkabel A/S                            | Infrastructure          | November     | Denmark | 100                              | 327                                  | 205              |

<sup>1)</sup> Refers to pro forma for the full year 2022.

### Preliminary acquisition analyses completed during 2023 by segment

| 2023, SEK thousand  | Installation & Services | Infrastructure | Industry       | Total          |
|---|-------------------------|----------------|----------------|----------------|
| <b>Other non-current assets</b>                           | 742                     | 21,245         | 49,805         | 71,792         |
| Inventories   | 725                     | 8,981          | 30,969         | 40,674         |
| Other current assets, excluding cash and cash equivalents | 29,271                  | 30,821         | 38,541         | 98,632         |
| Cash and cash equivalents                                 | 3,988                   | 13,732         | 9,447          | 27,166         |
| Deferred tax assets/liabilities                           | -                       | -6,902         | -              | -6,902         |
| Liabilities to creditors                                  | -3,393                  | -3,251         | -36,823        | -43,467        |
| Other liabilities   | -18,047                 | -27,635        | -38,704        | -84,386        |
| <b>Acquired net assets</b>                                | <b>13,285</b>           | <b>36,990</b>  | <b>53,234</b>  | <b>103,510</b> |
| Customer contracts  | 8,468                   | 18,115         | 13,726         | 40,309         |
| Trademarks  | 3,228                   | 4,548          | 5,492          | 13,268         |
| Deferred tax liabilities                                  | -2,409                  | -5,706         | -3,952         | -12,067        |
| Goodwill  | 76,184                  | 67,091         | 80,243         | 223,518        |
| Fair value of inventories                                 | -                       | 3,631          | -              | 3,631          |
| <b>Purchase price</b>                                     | <b>98,756</b>           | <b>124,668</b> | <b>148,744</b> | <b>372,168</b> |
| Less, cash and cash equivalents in acquired operations    | -3,988                  | -13,732        | -9,447         | -27,166        |
| Less, unpaid purchase price                               | -29,624                 | -29,033        | -20,664        | -79,321        |
| <b>Impact on the Group's cash and cash equivalents</b>    | <b>65,144</b>           | <b>81,903</b>  | <b>118,633</b> | <b>265,681</b> |

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

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

### Pro forma impact of the acquisitions from 1 January 2023

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

Final values for the assets and liabilities from acquisitions in the 2022 financial year have been finally established. See below table for final outcome.

| 2022, SEK thousand  | Installation & Services | Infrastructure | Industry       | Total            |
|---|-------------------------|----------------|----------------|------------------|
| <b>Other non-current assets</b>                           | 40,306                  | 119,516        | 8,299          | 168,121          |
| Inventories   | 2,696                   | 13,272         | 37,673         | 53,641           |
| Other current assets, excluding cash and cash equivalents | 139,365                 | 210,797        | 27,199         | 377,361          |
| Cash and cash equivalents                                 | 71,648                  | 13,743         | 5,951          | 91,342           |
| Deferred tax assets/liabilities                           | -3,292                  | -480           | -1,284         | -5,056           |
| Liabilities to creditors                                  | -4,817                  | -39,762        | -3,393         | -47,971          |
| Other liabilities   | -141,924                | -118,072       | -27,127        | -287,123         |
| <b>Acquired net assets</b>                                | <b>103,982</b>          | <b>199,014</b> | <b>47,318</b>  | <b>350,315</b>   |
| Customer contracts  | 81,979                  | 54,840         | 15,867         | 152,686          |
| Trademarks  | 16,535                  | 15,800         | 4,361          | 36,696           |
| Deferred tax liabilities                                  | -20,294                 | -15,632        | -4,425         | -40,351          |
| Goodwill  | 411,663                 | 221,183        | 80,697         | 713,542          |
| Fair value of inventories                                 | -                       | 5,242          | 1,255          | 6,497            |
| <b>Purchase price</b>                                     | <b>593,866</b>          | <b>480,448</b> | <b>145,072</b> | <b>1,219,385</b> |
| Less, cash and cash equivalents in acquired operations    | -71,648                 | -13,743        | -5,951         | -91,342          |
| Less, unpaid purchase price                               | -166,793                | -88,445        | -45,392        | -300,630         |
| <b>Impact on the Group's cash and cash equivalents</b>    | <b>355,424</b>          | <b>378,260</b> | <b>93,429</b>  | <b>827,413</b>   |

No acquisitions during 2023 are deemed material. Material acquisitions for 2022 are presented in table below.

| Material acquisitions 2022                                | Nordkabel A/S              | GBB Holding AB             | Total          |
|---|----------------------------|----------------------------|----------------|
| SEK thousand  | Included in Infrastructure | Included in Infrastructure |                |
| Other non-current assets                                  | 52,046                     | 67,470                     | 119,516        |
| Inventories   | 497                        | 12,775                     | 13,272         |
| Other current assets, excluding cash and cash equivalents | 101,190                    | 109,607                    | 210,797        |
| Cash and cash equivalents                                 | 6,518                      | 7,225                      | 13,743         |
| Deferred tax assets/liabilities                           | -                          | -480                       | -480           |
| Liabilities to creditors                                  | -3,174                     | -36,588                    | 39,762         |
| Other liabilities   | -53,089                    | -64,983                    | -118,072       |
| <b>Acquired net assets</b>                                | <b>103,987</b>             | <b>95,027</b>              | <b>199,014</b> |
| Customer contracts  | 38,016                     | 16,824                     | 54,840         |
| Trademarks  | 8,478                      | 7,322                      | 15,800         |
| Deferred tax liabilities                                  | -9,578                     | -6,054                     | -15,632        |
| Goodwill  | 150,869                    | 70,314                     | 221,183        |
| Fair value of inventories                                 | -                          | 5,242                      | 5,242          |
| <b>Purchase price</b>                                     | <b>291,772</b>             | <b>188,675</b>             | <b>480,448</b> |
| Less, cash and cash equivalents in acquired operations    | -6,518                     | -7,225                     | -13,743        |
| Less, unpaid purchase price                               | -38,388                    | -47,016                    | -85,404        |
| <b>Impact on the Group's cash and cash equivalents</b>    | <b>246,866</b>             | <b>134,434</b>             | <b>381,301</b> |

### Note 8 Conditional purchase prices

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

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

| SEK thousand  | 2023           | 2022           |
|---|----------------|----------------|
| As of January 1   | 295,947        | 55,562         |
| Added through acquisition                               | 60,476         | 184,389        |
| Paid  | -20,000        | -              |
| Gains and losses recognised in profit or loss           | 88,664         | 33,507         |
| Change in present value of interest-bearing time factor | 55,130         | 22,784         |
| Exchange-rate differences                               | -590           | -295           |
| <b>As of December 31</b>                                | <b>479,628</b> | <b>295,947</b> |



## Note 9 Employees, employee benefit expenses and remuneration to senior executives

|   | Group                   |                         | Parent Company     |                  |
|---|-------------------------|-------------------------|--------------------|------------------|
|   | 2023<br>Jan-Dec         | 2022<br>Jan-Dec         | 2023<br>Jan-Dec    | 2022<br>Jan-Dec  |
| <b>SEK thousand</b>   |                         |                         |                    |                  |
| Salaries and benefits   | 632,974                 | 369,550                 | 12,988             | 3,253            |
| Pension costs - defined-contribution plans                    | 27,875                  | 16,597                  | 790                | -                |
| Statutory and contractual social security contributions       | 167,487                 | 136,559                 | 4,349              | 1,054            |
| <b>Total</b>  | <b>828,336</b>          | <b>522,706</b>          | <b>18,127</b>      | <b>4,306</b>     |
| <b>Salaries and other benefits</b>                            |                         |                         |                    |                  |
| Board members, CEO and other senior executives                | 12,988                  | 5,658                   | 12,988             | 3,253            |
| Other employees   | 619,986                 | 363,892                 | -                  | -                |
| <b>Total</b>  | <b>632,974</b>          | <b>369,550</b>          | <b>12,988</b>      | <b>3,253</b>     |
| <b>Social security contributions (of which pension costs)</b> |                         |                         |                    |                  |
| Board members, CEO and other senior executives                | 5,139 (790)             | 2,110 (301)             | 5,139 (790)        | 1,054 (0)        |
| Other employees   | 190,223 (27,875)        | 151,046 (16,296)        | -                  | -                |
| <b>Total</b>  | <b>195,362 (28,665)</b> | <b>153,156 (16,597)</b> | <b>5,139 (790)</b> | <b>1,054 (0)</b> |

### Average number of employees by geography

|                                  | Group        |               |              |               |
|----------------------------------|--------------|---------------|--------------|---------------|
|                                  | 2023         | 2023          | 2022         | 2022          |
| Avg. No. of employees by country |              | Of which, men |              | Of which, men |
| Sweden                           | 877          | 803           | 844          | 777           |
| Estonia                          | 56           | 11            | 51           | 11            |
| Denmark                          | 309          | 280           | 205          | 187           |
| Germany                          | 1            | 1             | -            | -             |
| <b>Total, Group</b>              | <b>1,242</b> | <b>1,094</b>  | <b>1,100</b> | <b>975</b>    |

### Gender distribution in the Group as regards Board members and senior executives

|  | Group |       |
|--|-------|-------|
|  | 2023  | 2022  |
| No. at balance-sheet date (of which men) |       |       |
| Board members                            | 6 (4) | 6 (4) |
| CEO and other senior executives          | 3 (3) | 3 (3) |

### Defined-contribution pension

The Group only has defined-contribution pension plans. The pension cost pertains to the cost that impacted profit for the year. The occupational pension contribution is based on the established ITP level, the provision is 4.5-30 percent of the pensionable salary.

### Termination of employment

The notice period for the CEO from the company is twelve months and from the CEO is a period of six months. Between the company and other members of the management, there is a mutual notice period of six months. At the Annual General Meeting 2023 the AGM decided on Guidelines for remuneration to senior executives, which can be read in full at [www.novedo.se](http://www.novedo.se)

### Remuneration to senior executives

| Remuneration 2023, SEK thousand           | Basic salary/<br>Board fee | Variable remuneration | Other benefits | Pension costs | Other remuneration | Total remuneration |
|---|----------------------------|-----------------------|----------------|---------------|--------------------|--------------------|
| Jan Johansson, Chairman                   | 250                        | -                     | -              | -             | -                  | 250                |
| Mouna Esmaeilzadeh, Board member          | 150                        | -                     | -              | -             | -                  | 150                |
| Saeid Esmaeilzadeh, Board member          | 150                        | -                     | -              | -             | -                  | 150                |
| Christer Hellström, Board member          | 175                        | -                     | -              | -             | -                  | 175                |
| Fredrik Lidjan, Board member              | 113                        | -                     | -              | -             | -                  | 113                |
| Erik Rune, Board member                   | 150                        | -                     | -              | -             | -                  | 150                |
| Mona Öljansdotter Johansson, Board member | 150                        | -                     | -              | -             | -                  | 150                |
| Per-Johan Dahlgren, President & CEO       | 2,774                      | 1,248                 | 156            | 359           | -                  | 4,537              |
| Other senior executives (2)               | 3,721                      | 643                   | 259            | 381           | 1,447              | 6,451              |
| <b>Total</b>                              | <b>7,632</b>               | <b>1,893</b>          | <b>415</b>     | <b>740</b>    | <b>1,447</b>       | <b>12,125</b>      |

At the Extraordinary General Meeting on January 12, 2023, Jan Johansson was elected as new Board member and new Chairman of the Board. Christer Hellström subsequently transitioned from Chairman to ordinary Board member. Fredrik Lidjan left the Board in connection with an Extraordinary General Meeting in September 2023. Anders Eriksson left his role as CFO in December 2023, with Lars Kvarnsund taking over as interim CFO on a consultancy basis. Amounts for basic salary/board fees excludes social security contributions.

| Remuneration 2022, SEK thousand           | Basic salary/<br>Board fee | Variable remuneration | Other benefits | Pension costs | Other remuneration | Total remuneration |
|---|----------------------------|-----------------------|----------------|---------------|--------------------|--------------------|
| Christer Hellström, Chairman              | 150                        | -                     | -              | -             | 200                | 350                |
| Mouna Esmaeilzadeh, Board member          | 75                         | -                     | -              | -             | -                  | 75                 |
| Saeid Esmaeilzadeh, Board member          | 75                         | -                     | -              | -             | -                  | 75                 |
| Fredrik Lidjan, Board member              | 75                         | -                     | -              | -             | -                  | 75                 |
| Erik Rune, Board member                   | 75                         | -                     | -              | -             | -                  | 75                 |
| Mona Öljansdotter Johansson, Board member | 75                         | -                     | -              | -             | -                  | 75                 |
| Per-Johan Dahlgren, President & CEO       | 2,105                      | -                     | 36             | -             | -                  | 2,141              |
| Other senior executives (2)               | 2,800                      | -                     | 148            | 301           | -                  | 3,249              |
| <b>Total</b>                              | <b>5,430</b>               | <b>-</b>              | <b>184</b>     | <b>301</b>    | <b>200</b>         | <b>6,115</b>       |

Amounts for basic salary/board fees are excludes social security contributions. Christer Hellström has invoiced 200 KSEK for services performed services in the Investment Committee. The Investment Committee is not a Board committee.

## Note 10 Fees and remuneration to auditors

|  | Group           |                 | Parent Company  |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 2023<br>Jan-Dec | 2022<br>Jan-Dec | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
| <b>SEK thousand</b>                                |                 |                 |                 |                 |
| <b>Öhrlings PricewaterhouseCoopers AB</b>          |                 |                 |                 |                 |
| Audit engagement                                   | 7,788           | 4,850           | 80              | 1,205           |
| Audit services in addition to the audit engagement | 84              | -               | -               | -               |
| Other services                                     | 97              | -               | 35              | -               |
| <b>Total</b>                                       | <b>7,969</b>    | <b>4,850</b>    | <b>115</b>      | <b>1,205</b>    |
| <b>Other auditing firms</b>                        |                 |                 |                 |                 |
| Audit engagement                                   | 573             | 611             | -               | -               |
| Tax advisory services                              | 532             | 262             | -               | -               |
| Other services                                     | 229             | -               | -               | -               |
| <b>Total</b>                                       | <b>1,333</b>    | <b>873</b>      | <b>-</b>        | <b>-</b>        |

The audit engagement pertains to the statutory audit of the annual accounts and consolidated accounts, of the bookkeeping and of the administration of the Board, as well as the audit and other examinations executed as agreed upon, or in accordance with written agreements. Other services are such which are not included in an audit engagement and which also do not comprise tax advisory services.

## Note 11 Financial items

|   | Group           |                 | Parent Company  |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 2023<br>Jan-Dec | 2022<br>Jan-Dec | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
| <b>SEK thousand</b>   |                 |                 |                 |                 |
| Dividends   | -               | -               | 208,435         | -               |
| Capital gain/loss on divestment of subsidiaries                               | 934             | -               | -               | -               |
| Exchange-rate differences   | 5,058           | -               | -70             | -               |
| Financial income  | 4,744           | 955             | 5,707           | 664             |
| <b>Total financial income</b>   | <b>10,736</b>   | <b>955</b>      | <b>214,071</b>  | <b>664</b>      |
| Interest expenses, bonds issued   | -147,448        | -66,791         | -147,448        | -66,791         |
| Interest expenses, lease liabilities  | -4,026          | -1,478          | -               | -               |
| Capital gain/loss on divestment of subsidiary                                 | -               | -19,787         | -               | -               |
| Change in present value of conditional purchase prices following acquisitions | -55,131         | -22,784         | -               | -               |
| Remeasurement and discounting of conditional purchase prices                  | -88,664         | -42,937         | -               | -               |
| Interest expenses, principal shareholder                                      | -11,995         | -448            | -11,995         | -488            |
| Other interest-related and financial expenses                                 | -2,566          | -791            | -1,250          | -               |
| <b>Total financial expenses</b>   | <b>-309,830</b> | <b>-155,015</b> | <b>-160,693</b> | <b>-67,729</b>  |
| <b>Financial items - net</b>  | <b>-299,094</b> | <b>-154,060</b> | <b>53,378</b>   | <b>-66,615</b>  |

## Note 12 Tax on profit for the year

|   | Group           |                 | Parent Company  |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 2023<br>Jan-Dec | 2022<br>Jan-Dec | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
| <b>SEK thousand</b>   |                 |                 |                 |                 |
| <b>Current tax</b>  |                 |                 |                 |                 |
| Current tax on profit for the year  | -56,695         | -23,222         | -               | -2,198          |
| Adjustments, previous years   | 579             | -29             | 2,198           | -               |
| <b>Total current tax</b>  | <b>-56,115</b>  | <b>-23,251</b>  | <b>2,198</b>    | <b>-2,198</b>   |
| <b>Deferred tax</b>   |                 |                 |                 |                 |
| Origination and reversal of temporary differences   | 1,802           | -2,159          | -               | -               |
| Tax losses carried forward  | 37,354          | -               | 37,354          | -277            |
| <b>Total deferred tax</b>   | <b>39,156</b>   | <b>-2,159</b>   | <b>37,354</b>   | <b>-277</b>     |
| <b>Total income tax</b>   | <b>-16,960</b>  | <b>-25,410</b>  | <b>39,552</b>   | <b>-2,475</b>   |
| The income tax on the Group's pre-tax profit differs from the theoretical amount that would arise using the Swedish tax rate applicable to profits of the consolidated entities as follows: |                 |                 |                 |                 |
| Pre-tax profit/loss   | -80,452         | -31,525         | 34,217          | -49,849         |
| <b>Tax according to the current tax rate 20.6%</b>  | <b>16,573</b>   | <b>6,494</b>    | <b>-7,049</b>   | <b>10,269</b>   |
| Difference attributable to overseas tax rates   | -841            | -140            | -               | -               |
| Tax effect of non-deductible costs, interest expense deduction limitations  | -30,414         | -12,823         | -               | -12,739         |
| Tax effect of other non-deductible costs  | -8,679          | -19,914         | -155            | -5              |
| Tax effect of non-taxable income  | 4,655           | 1,003           | 45,139          | -               |
| Tax effect of standard income tax on tax allocation reserves  | -299            | -30             | -               | -               |
| Utilised non-capitalised deficits   | 2,045           | -               | 1,617           | -               |
| <b>Total reported tax expense</b>   | <b>-16,960</b>  | <b>-25,410</b>  | <b>39,552</b>   | <b>-2,475</b>   |

### Note 13 Intangible assets

| Dec 31, 2023                                | Group            |                        |                | Total            |
|---|------------------|------------------------|----------------|------------------|
|   | Goodwill         | Customer relationships | Trademarks     |                  |
| Opening accumulated acquisition cost        | 1,053,853        | 220,965                | 61,080         | 1,335,898        |
| Business combinations                       | 229,496          | 40,956                 | 13,234         | 283,686          |
| Exchange rate-differences                   | -1,948           | -993                   | -163           | -3,103           |
| <b>Closing accumulated acquisition cost</b> | <b>1,281,401</b> | <b>260,928</b>         | <b>74,152</b>  | <b>1,616,481</b> |
| Opening accumulated amortisation            | -                | -31,902                | -5,814         | -37,717          |
| Amortisation for the year                   | -                | -46,627                | -7,008         | -53,635          |
| Exchange rate-differences                   | -                | 399                    | 47             | 446              |
| <b>Closing accumulated amortisation</b>     | <b>-</b>         | <b>-78,130</b>         | <b>-12,776</b> | <b>-90,906</b>   |
| <b>Carrying amount</b>                      | <b>1,281,401</b> | <b>182,798</b>         | <b>61,375</b>  | <b>1,525,575</b> |

| Dec 31, 2022                                | Group            |                        |               | Total            |
|---|------------------|------------------------|---------------|------------------|
|   | Goodwill         | Customer relationships | Trademarks    |                  |
| Opening accumulated acquisition cost        | 354,261          | 71,456                 | 25,574        | 451,291          |
| Business combinations                       | 716,154          | 152,697                | 36,696        | 905,548          |
| Disposals                                   | -16,562          | -3,188                 | -1,190        | -20,940          |
| <b>Closing accumulated acquisition cost</b> | <b>1,053,853</b> | <b>220,965</b>         | <b>61,080</b> | <b>1,335,898</b> |
| Opening accumulated amortisation            | -                | -6,326                 | -1,374        | -7,700           |
| Amortisation for the year                   | -                | -26,426                | -4,599        | -31,025          |
| Disposals                                   | -                | 850                    | 159           | 1,009            |
| <b>Closing accumulated amortisation</b>     | <b>-</b>         | <b>-31,902</b>         | <b>-5,814</b> | <b>-37,717</b>   |
| <b>Carrying amount</b>                      | <b>1,053,853</b> | <b>189,063</b>         | <b>55,266</b> | <b>1,298,182</b> |

Goodwill refers to excess value from business combinations. Identified goodwill is primarily related to employees, expected future potential and the high profitability of the acquired business. Goodwill recognised in the Group totalled SEK 1,281.4 million (1,053.8). Goodwill is allocated as follows: segment Installation & Services SEK 819.9 million, Infrastructure SEK 301.8 million and Industry SEK 159.7 million.

Impairment testing is undertaken based on the CGUs where such units correspond to the Group's reported segments. Impairment testing involves assessing whether the unit's recoverable amount is greater than its carrying amount. The recoverable amount has been calculated on the basis of the unit's value in use, which comprises the present value of the unit's future expected cash flows, without regard to any possible future expansion of the operations or restructuring.

The annual growth volume for the first year has been assessed based on the companies' forecasts, and for subsequent years on the basis of a constant growth rate of 3 percent. These calculations are based on the estimated future cash flows before tax applying financial forecasts covering a five-year period. The operating margins have been calculated applying historical operating margins. The weighted average growth rate applied in extrapolating the cash flows beyond the forecast period has been determined at 2 percent.

In calculating the value in use, a discount rate of 11.0 percent before tax has been applied. The major assumptions in this context primarily comprise a risk-free interest rate of 2.9 percent, a stock market premium of 5.5 percent, a beta of 1.35 percent and a calculated lending margin of 3.0 percent. A sensitivity analysis applied to the growth assumptions and discount rate has been undertaken. This analysis encompassed a calculation where the discount rate increased by up to 3 percentage points without any need for impairment being indicated. The sensitivity analysis shows that the risk for an impairment requirement is very low.

Trademarks consist of acquired corporate trademarks and are amortised over ten years. Customer relationships stem from the written agreements that make up the order backlog at the time of acquisition and are amortised over 5-10 years.

## Note 14 Tangible assets

| Dec 31, 2023,<br>SEK thousand           | Group          |                |                                      |                 |
|---|----------------|----------------|--------------------------------------|-----------------|
|   | Machinery      | Equipment      | Buildings and leasehold improvements | Total           |
| Opening cost                            | 176,210        | 40,326         | 19,221                               | 235,757         |
| Business combinations                   | 36,330         | 20,339         | 41,338                               | 98,007          |
| Year's acquisitions                     | 26,742         | 15,478         | 1,651                                | 43,874          |
| Sales and disposals                     | -11,881        | -1,888         | -                                    | -13,769         |
| Reclassifications                       | -5,617         | -100           | 315                                  | -5,402          |
| Divestments of subsidiaries             | -              | -              | -                                    | -               |
| Exchange-rate differences               | -2,969         | -20            | -750                                 | -3,738          |
| <b>Closing cost</b>                     | <b>218,815</b> | <b>74,135</b>  | <b>61,778</b>                        | <b>354,728</b>  |
| Opening accumulated depreciation        | -97,048        | -27,318        | -1,449                               | -125,816        |
| Business combinations                   | -32,070        | -5,806         | -17,058                              | -54,934         |
| Depreciation for the year               | -18,282        | -6,604         | -1,243                               | -26,129         |
| Impairment                              | -              | -              | -                                    | -               |
| Sales and disposals                     | 8,221          | 1,616          | -                                    | 9,837           |
| Reclassifications                       | 1,951          | -              | -77                                  | 1,874           |
| Divestments of subsidiaries             | -              | -              | -                                    | -               |
| Exchange-rate differences               | 2,106          | 125            | 318                                  | 2,548           |
| <b>Closing accumulated depreciation</b> | <b>135,122</b> | <b>-37,987</b> | <b>-19,509</b>                       | <b>-192,619</b> |
| <b>Carrying amount</b>                  | <b>83,693</b>  | <b>36,148</b>  | <b>42,269</b>                        | <b>162,110</b>  |

There were no contracted investments regarding tangible assets as at the end of the reporting period which are yet to be included in the financial statements.

| Dec 31, 2022,<br>SEK thousand           | Group          |                |                                      |                 |
|---|----------------|----------------|--------------------------------------|-----------------|
|   | Machinery      | Equipment      | Buildings and leasehold improvements | Total           |
| Opening cost                            | 41,661         | 11,819         | 539                                  | 54,018          |
| Business combinations                   | 175,148        | 29,429         | 18,264                               | 222,841         |
| Year's acquisitions                     | 3,872          | 4,011          | 82                                   | 7,966           |
| Sales and disposals                     | -46,635        | -2,906         | -                                    | -49,540         |
| Reclassifications                       | -              | -              | -                                    | -               |
| Divestments of subsidiaries             | -              | -2,068         | -                                    | -2,068          |
| Exchange-rate differences               | 2,163          | 42             | 337                                  | 2,542           |
| <b>Closing cost</b>                     | <b>176,210</b> | <b>40,326</b>  | <b>19,221</b>                        | <b>235,757</b>  |
| Opening accumulated depreciation        | -24,211        | -9,274         | -384                                 | -33,869         |
| Business combinations                   | -75,140        | -17,283        | -918                                 | -93,341         |
| Depreciation for the year               | -7,740         | -2,749         | -131                                 | -10,620         |
| Impairment                              | -              | -              | -                                    | -               |
| Sales and disposals                     | 11,235         | 1,088          | -                                    | 12,323          |
| Reclassifications                       | -              | -              | -                                    | -               |
| Divestments of subsidiaries             | -              | 928            | -                                    | 928             |
| Exchange-rate differences               | -1,191         | -30            | -16                                  | -1,237          |
| <b>Closing accumulated depreciation</b> | <b>-97,048</b> | <b>-27,318</b> | <b>-1,449</b>                        | <b>-125,816</b> |
| <b>Carrying amount</b>                  | <b>79,161</b>  | <b>13,007</b>  | <b>17,773</b>                        | <b>109,941</b>  |

There were no contracted investments regarding tangible assets as at the end of the reporting period which are yet to be included in the financial statements.

## Note 15 Right-of-use assets

The balance sheet shows the following amounts relating to leases:

| SEK thousand                | 2023<br>Dec 31  | 2022<br>Dec 31 |
|-----------------------------|-----------------|----------------|
| <b>Right-of-use assets:</b> |                 |                |
| Premises                    | 35,266          | 32,001         |
| Vehicles                    | 21,170          | 23,870         |
| Other                       | 64,098          | 32,805         |
| <b>Total</b>                | <b>120,534</b>  | <b>88,676</b>  |
| <b>Lease liabilities:</b>   |                 |                |
| Non-current                 | -79,602         | -26,344        |
| Current                     | -22,404         | -47,718        |
| <b>Total</b>                | <b>-102,006</b> | <b>-74,062</b> |

The statement of profit or loss shows the following amounts relating to leases:

|   | 2023          | 2022          |
|---|---------------|---------------|
| <b>Depreciation of right-of-use assets:</b>       |               |               |
| Premises  | 13,516        | 9,913         |
| Vehicles  | 13,418        | 13,805        |
| Other   | 14,510        | 4,271         |
| <b>Total</b>                                      | <b>41,444</b> | <b>27,989</b> |
| Interest expense (included in financial expenses) | 4,029         | 1,828         |
| Expense relating to short-term leases             | 18,810        | 15,817        |
| Expense relating to leases of low-value assets    | 7,111         | 1,768         |

There were no contracted investments regarding right-of-use assets as at the end of the reporting period which are yet to be included in the financial statements. The total cash flow for leases was SEK -40,995 thousand (-39,327). For information on maturities for lease liabilities, see Note 3. The most significant contracts are the leases for premises. The leases for the premises are expected, with a couple of exceptions, to be extended by a period of three years.

The Group leases vehicles and in these contracts, there are options for the extension and termination of the lease. Generally, the Group does not deem that it is reasonably certain that it will exercise any of the extension or termination options on the leased vehicles since the Group usually returns the vehicle to leasing company at the end of the lease. The final date has, therefore, been set as the contract's original termination date.

## Note 16 Financial assets and liabilities

Financial assets and liabilities as of December 31, 2023 for the Group.

| Dec 31, 2023,<br>SEK thousand                                | Group                                     |  |  | Total            |
|--|---|--|--|------------------|
|  | Financial assets and liabilities at FVOCI | Financial assets and liabilities at amortised cost | Financial assets and liabilities at FVPL |                  |
| <b>Assets reported in the balance sheet</b>                  |   |  |  |                  |
| Cash and cash equivalents                                    | -   | 226,875  | -  | 226,875          |
| Other non-current securities holdings                        | -   | -  | 3,891                                    | 3,891            |
| Other non-current receivables                                | -   | 2,923  | -  | 2,923            |
| Accounts receivable - trade                                  | -   | 492,823  | -  | 492,823          |
| <b>Total</b>   | <b>-</b>                                  | <b>722,621</b>                                     | <b>3,891</b>                             | <b>726,512</b>   |
| <b>Liabilities reported in the balance sheet</b>             |   |  |  |                  |
| Bonds issued   | -   | 1,232,699  | -  | 1,232,699        |
| Liabilities to credit institutions (non-current and current) | -   | 5,049  | -  | 5,049            |
| Other non-current liabilities                                | -   | 111  | -  | 111              |
| Conditional purchase prices                                  | -   | -  | 479,628                                  | 479,628          |
| Other acquisition-related expenses                           | -   | 37,200   | -  | 37,200           |
| Debt to principal shareholder                                | -   | 104,167  | -  | 104,167          |
| Lease liabilities  | -   | 102,006  | -  | 102,006          |
| Bank overdraft facilities                                    | -   | -  | -  | -                |
| Accounts payable - trade                                     | -   | 191,516  | -  | 191,516          |
| Accrued interest   | -   | 21,537   | -  | 21,537           |
| <b>Total</b>   | <b>-</b>                                  | <b>1,694,286</b>                                   | <b>479,628</b>                           | <b>2,173,914</b> |

Conditional purchase prices measured at fair value in the balance sheet are classified at level 3 of the fair value hierarchy. For further information on valuation techniques and changes in fair values see Note 7 and Note 8.

Other non-current securities holdings are classified pursuant to level 2 of the fair value hierarchy based on other observable data for an asset or liability other than quoted prices included in Level 1, either directly (that is, as prices) or indirectly (that is, derived from prices).

Financial assets and liabilities as of December 31, 2022 for the Group.

| Dec 31, 2022,<br>SEK thousand                                | Group                                     |  |  | Total            |
|--|---|--|--|------------------|
|  | Financial assets and liabilities at FVOCI | Financial assets and liabilities at amortised cost | Financial assets and liabilities at FVPL |                  |
| <b>Assets reported in the balance sheet</b>                  |   |  |  |                  |
| Cash and cash equivalents                                    | -   | 188,970  | -  | 188,970          |
| Other non-current securities holdings                        | -   | -  | 4,318                                    | 4,318            |
| Other non-current receivables                                | -   | 774  | -  | 774              |
| Accounts receivable - trade                                  | -   | 372,665  | -  | 372,665          |
| <b>Total</b>   | <b>-</b>                                  | <b>562,409</b>                                     | <b>4,318</b>                             | <b>566,728</b>   |
| <b>Liabilities reported in the balance sheet</b>             |   |  |  |                  |
| Bonds issued   | -   | 938,001  | -  | 938,001          |
| Liabilities to credit institutions (non-current and current) | -   | 9,055  | -  | 9,055            |
| Other non-current liabilities                                | -   | 137  | -  | 137              |
| Conditional purchase prices                                  | -   | -  | 295,948                                  | 295,948          |
| Other acquisition-related expenses                           | -   | 51,811   | -  | 51,811           |
| Debt to principal shareholder                                | -   | 30,000   | -  | 30,000           |
| Lease liabilities  | -   | 74,062   | -  | 74,062           |
| Bank overdraft facilities                                    | -   | 8,588  | -  | 8,588            |
| Accounts payable - trade                                     | -   | 138,329  | -  | 138,329          |
| Accrued interest   | -   | 8,579  | -  | 8,579            |
| <b>Total</b>   | <b>-</b>                                  | <b>1,258,562</b>                                   | <b>295,948</b>                           | <b>1,554,510</b> |

The Group's activities are exposed to various types of financial risks that may affect the results for the year and equity. This is mainly due to changes in interest rates but also due to financing risk, liquidity risk and counterparty risk, see Note 3

## Note 17 Other non-current securities holdings

| Group, SEK thousand                  | 2023<br>Dec 31 | 2022<br>Dec 31 |
|--------------------------------------|----------------|----------------|
| Opening accumulated acquisition cost | 4,318          | 2,895          |
| Acquisition of subsidiaries          | -              | 2,140          |
| Additional holdings                  | 604            | 725            |
| Divested holdings                    | -1,031         | -1,252         |
| Holdings divested through sale       | -              | -190           |
| Closing accumulated acquisition cost | 3,891          | 4,318          |
| <b>Carrying amount</b>               | <b>3,891</b>   | <b>4,318</b>   |

## Note 18 Other non-current receivables

| Group, SEK thousand                         | Dec 31, 2023 | Dec 31, 2022 |
|---|--------------|--------------|
| Opening accumulated acquisition cost        | 774          | 377          |
| Acquisition of subsidiaries                 | -172         | 5,400        |
| Additional holdings                         | 2,331        | 125          |
| Divested holdings                           | -7           | -2,314       |
| Holdings divested through sale of companies | -            | -2,817       |
| Exchange-rate differences                   | -3           | 3            |
| Closing accumulated acquisition cost        | 2,923        | 774          |
| <b>Carrying amount</b>                      | <b>2,923</b> | <b>774</b>   |

## Note 19 Accounts receivable – trade

Age specification of accounts receivables and ECLs on impaired receivables.

| Group, SEK thousand                                      | Dec 31, 2023       | Dec 31, 2022       |
|--|--------------------|--------------------|
| Accounts receivable – trade, gross                       | 499,093            | 376,023            |
| Loss allowance for ECLs                                  | -6,270             | -3,358             |
| <b>Accounts receivable – trade</b>                       | <b>492,823</b>     | <b>372,665</b>     |
| <b>Group</b>   | <b>Dec 31 2023</b> | <b>Dec 31 2022</b> |
| Accounts receivable – trade, current                     | 384,460            | 309,048            |
| Accounts receivable – trade, past due 0–3 months         | 97,209             | 37,149             |
| Accounts receivable – trade, past due 4–6 months         | 6,738              | 24,671             |
| Accounts receivable – trade, more than 6 months past due | 10,685             | 5,165              |
| Expected credit losses                                   | -6,270             | -3,358             |
| <b>Total</b>   | <b>492,823</b>     | <b>372,665</b>     |

Changes in the loss allowance for impaired receivables in the Group is as follows:

| Group, SEK thousand                                      | Dec 31, 2023 | Dec 31, 2022 |
|--|--------------|--------------|
| <b>As of 1 January</b>                                   | <b>3,358</b> | <b>441</b>   |
| Impaired accounts receivable acquired                    | -            | 1,509        |
| Loss allowance for impaired accounts receivable          | 4,511        | 2,006        |
| Receivables written off during the year as uncollectible | -1,461       | -153         |
| Unused amounts reversed                                  | -137         | -            |
| Exchange-rate differences                                | -1           | -3           |
| <b>As of December 31</b>                                 | <b>6,270</b> | <b>3,358</b> |

| Carrying amount per currency, SEK thousand | Dec 31, 2023 | Dec 31, 2022 |
|--|--------------|--------------|
| SEK  | 276,364      | 278,671      |
| DKK  | 114,999      | 62,389       |
| EUR  | 2,052        | 695          |
| USD  | 1,745        | -            |

## Note 20 Contract assets and contract liabilities

| Group, SEK thousand                                | Dec 31, 2023   | Dec 31, 2022  |
|--|----------------|---------------|
| Contract assets – receivables with principals      | 172,702        | 83,617        |
| Contract liabilities – liabilities with principals | -21,824        | -11,224       |
| <b>Net amount reported in the balance sheet</b>    | <b>150,878</b> | <b>72,392</b> |

Contract assets pertain, primarily, to the Group's right to compensation for executed but non-invoiced work as of balance-sheet date. Contract assets are transferred to accounts receivable when the right to invoice is in effect. The year-on-year increase in contract assets essentially comprises new acquisitions.

Contract liabilities pertain primarily to advance payments received from customers for forthcoming assignments and where the revenue is recognised over time.

Most of the performance obligations that were not satisfied at year end are expected to be satisfied in the following year. The assessment is that any portion that is not expected to be met within one year is not material.

## Note 21 Prepayments and accrued income

| SEK thousand               | Group         |               | Parent Company |              |
|----------------------------|---------------|---------------|----------------|--------------|
|                            | Dec 31, 2023  | Dec 31, 2022  | Dec 31, 2023   | Dec 31, 2022 |
| Prepaid IPO costs          | 19,871        | -             | 19,871         | -            |
| Prepaid insurance premiums | 2,723         | 1,764         | 44             | 28           |
| Accrued income             | 12,438        | 6,926         | 3,714          | 114          |
| Other items                | 15,626        | 3,191         | 2,240          | 55           |
| <b>Total</b>               | <b>50,658</b> | <b>11,880</b> | <b>25,867</b>  | <b>197</b>   |

## Note 22 Cash and cash equivalents

The following sub-components are included in cash and cash equivalents:

| SEK thousand  | Group          |                | Parent Company |              |
|---------------|----------------|----------------|----------------|--------------|
|               | Dec 31, 2023   | Dec 31, 2022   | Dec 31, 2023   | Dec 31, 2022 |
| Bank balances | 226,875        | 188,970        | 21,938         | 1,134        |
| <b>Total</b>  | <b>226,875</b> | <b>188,970</b> | <b>21,938</b>  | <b>1,134</b> |

## Note 23 Equity – Share capital

| SEK                             | Number of shares  | Share capital | Other contributed capital |
|---------------------------------|-------------------|---------------|---------------------------|
| <b>As per January 1, 2023</b>   | <b>30,960</b>     | <b>552</b>    | <b>17.83</b>              |
| <b>As per December 31, 2023</b> | <b>15,480,000</b> | <b>552</b>    | <b>0.04</b>               |

Novedo Holding AB (publ) has one class of shares. On September 21, 2023, an EGM was held which, among other things, resolved to amend the articles of association and to increase the number of shares by dividing all shares into 500 (share split 500:1). As of December 31, 2023, the share capital amounted to SEK 551,970 (551,970) divided into 15,480,000 (30,960) shares, which gives a quota value of approximately SEK 0.04.

Owners of companies that Novedo has acquired have chosen to become partners in the Novedo Group through preference shares in the subsidiary Novedo AB (wholly owned subsidiary of Novedo Holding AB (publ)). In Novedo AB there are 16,554 preference shares. Owners of preference shares have the right to have their preference shares in Novedo AB converted into ordinary shares in Novedo Holding AB (publ). If all current preference shares are converted to ordinary shares, these would correspond to a total of 9.9 percent of all ordinary shares as of December 31, 2023, provided that performance is in line with the shareholder agreements. At the time of submission of the annual report, the repurchase value has not been determined whereby it is recognized as a non-controlling interest.

## Note 24 Provisions

All provisions in the following table pertain to a pension solution in the form of endowment insurance.

| SEK thousand                             | Group        |
|--|--------------|
| As of January 1, 2022                    | 3,113        |
| Additional provisions                    | 2,532        |
| <b>Carrying amount December 31, 2022</b> | <b>5,645</b> |
| Disposal of provisions                   | -613         |
| <b>Carrying amount December 31, 2023</b> | <b>5,033</b> |

Provisions reported as of the acquisition date in a business combination are included in "Additional provisions" above. Other provisions amounting to SEK 2,347 thousand pertain to provisions for warranties arising from construction contracts with customers.

## Note 25 Deferred tax

Deferred tax assets and deferred tax liabilities are as follows:

| SEK thousand                              | Dec 31, 2023        |                          | Dec 31, 2022        |                          |
|---|---------------------|--------------------------|---------------------|--------------------------|
|   | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Intangible assets                         | -                   | -50,741                  | -                   | -50,331                  |
| Tangible assets                           | -                   | -1,293                   | -                   | -2,525                   |
| Inventories                               | -                   | -543                     | -                   | -1,240                   |
| Right-of-use assets/<br>lease liabilities | -                   | 379                      | -                   | 189                      |
| Untaxed reserves                          | -                   | -28,413                  | -                   | -14,728                  |
| Unutilised carried-forward tax losses     | 37,354              | -15                      | -                   | -                        |
| Project provisions                        | -                   | -13,727                  | -                   | -8,813                   |
| Provisions for warranties                 | -                   | 524                      | -                   | 826                      |
| <b>Total</b>                              | <b>37,354</b>       | <b>-93,830</b>           | <b>-</b>            | <b>-76,622</b>           |
| <b>Tax assets/<br/>liabilities, net</b>   | <b>-</b>            | <b>-54,476</b>           | <b>-</b>            | <b>-76,622</b>           |

| Change during the year, SEK thousand      | Jan 1, 2023    | Recognised in profit or loss | Added through acquisitions/<br>divestments | Exchange rate differences | Dec 31 2023    |
|---|----------------|------------------------------|--|---------------------------|----------------|
|   |                |                              |  |                           |                |
| Tangible assets                           | -2,525         | 1,264                        | -32  | -                         | -1,293         |
| Inventories                               | -1,240         | 1,544                        | -748                                       | -99                       | -543           |
| Right-of-use assets/<br>lease liabilities | 189            | 190                          | -  | -                         | 379            |
| Untaxed reserves                          | -14,728        | -13,135                      | -550                                       | -                         | -28,413        |
| Unutilised carried-forward tax losses     | -              | 37,354                       | -15  | -                         | 37,339         |
| Project provisions                        | 8,813          | 1,473                        | -6,388                                     | -                         | -13,727        |
| Provisions for warranties                 | 826            | -300                         | -2   | -                         | 524            |
| <b>Total</b>                              | <b>-76,622</b> | <b>39,109</b>                | <b>-19,111</b>                             | <b>148</b>                | <b>-56,476</b> |

| Change during the year, SEK thousand      | Jan 1, 2022    | Recognised in profit or loss | Added through acquisitions/<br>divestments | Exchange rate differences | Dec 31 2022    |
|---|----------------|------------------------------|--|---------------------------|----------------|
|   |                |                              |  |                           |                |
| Tangible assets                           | -              | -                            | -2,525                                     | -                         | -2,525         |
| Inventories                               | -              | -                            | -1,240                                     | -                         | -1,240         |
| Right-of-use assets/<br>lease liabilities | 126            | 63                           | 0  | -                         | 189            |
| Untaxed reserves                          | -4,106         | -6,334                       | -4,288                                     | -                         | -14,728        |
| Unutilised carried-forward tax losses     | 2,365          | -2,365                       | -  | -                         | -              |
| Project provisions                        | -              | -                            | -8,813                                     | -                         | -8,813         |
| Provisions for warranties                 | -              | -                            | 826  | -                         | 826            |
| <b>Total</b>                              | <b>-20,017</b> | <b>-2,323</b>                | <b>-54,281</b>                             | <b>-</b>                  | <b>-76,622</b> |

## Note 26 Bonds issued and liabilities to credit institutions

| SEK thousand                   | Group            |                | Parent Company   |                |
|--------------------------------|------------------|----------------|------------------|----------------|
|                                | Dec 31, 2023     | Dec 31, 2022   | Dec 31, 2023     | Dec 31, 2022   |
| Opening carrying amount        | 947,056          | 745,652        | 938,001          | 737,419        |
| Acquired borrowings            | 3,461            | 34,777         | -                | -              |
| Borrowings for the year        | 276,636          | 199,398        | 276,624          | 200,582        |
| Accrual of borrowing costs     | 18,074           | 5,975          | 18,074           | -              |
| Amortisation for the year      | -7,484           | -38,746        | -                | -              |
| Exchange-rate differences      | 5                | -              | -                | -              |
| <b>Closing carrying amount</b> | <b>1,237,748</b> | <b>947,056</b> | <b>1,232,699</b> | <b>938,001</b> |

| Borrowings on Dec 31, 2023, SEK thousand | Interest rate, % | Year of maturity | Nominal value    | Carrying amount  |
|--|------------------|------------------|------------------|------------------|
| Bonds issued                             | STIBOR +6.5%     | 2024             | 1,250,000        | 1,232,699        |
| Liabilities to credit institutions       | 0.8-4%           | 2023-2026        | 5,049            | 5,049            |
| <b>Closing carrying amount</b>           |                  |                  | <b>1,255,049</b> | <b>1,237,748</b> |

| Borrowings on Dec 31, 2022, SEK thousand | Interest rate, % | Year of maturity | Nominal value  | Carrying amount |
|--|------------------|------------------|----------------|-----------------|
| Bonds issued                             | STIBOR +6.5%     | 2024             | 956,250        | 938,001         |
| Liabilities to credit institutions       | 0.8-4%           | 2023-2026        | 9,055          | 9,055           |
| <b>Closing carrying amount</b>           |                  |                  | <b>965,305</b> | <b>947,056</b>  |

## Note 27 Current liabilities

| SEK thousand              | Group         |               | Parent Company |              |
|---------------------------|---------------|---------------|----------------|--------------|
|                           | Dec 31, 2023  | Dec 31, 2022  | Dec 31, 2023   | Dec 31, 2022 |
| VAT                       | 25,678        | 24,791        | -              | -            |
| Employee-related items    | 29,007        | 23,616        | 673            | 420          |
| Other current liabilities | 12,060        | 9,121         | 1              | -            |
| <b>Total</b>              | <b>66,836</b> | <b>57,529</b> | <b>674</b>     | <b>420</b>   |

**Note 28** Accrued expenses and deferred income

| SEK thousand           | Group          |                | Parent Company |               |
|------------------------|----------------|----------------|----------------|---------------|
|                        | Dec 31, 2023   | Dec 31, 2022   | Dec 31, 2023   | Dec 31, 2022  |
| Employee-related items | 118,149        | 91,335         | 7,303          | 954           |
| Accrued interest       | 21,357         | 8,579          | 21,684         | 8,836         |
| Other                  | 14,156         | 9,140          | 300            | 625           |
| <b>Total</b>           | <b>153,663</b> | <b>109,054</b> | <b>29,287</b>  | <b>10,415</b> |

**Note 29** Adjustments for non-cash items

| SEK thousand                                  | Group          |               | Parent Company |              |
|---|----------------|---------------|----------------|--------------|
|   | 2023 Jan-Dec   | 2022 Jan-Dec  | 2023 Jan-Dec   | 2022 Jan-Dec |
| Depreciation, equipment                       | 26,094         | 10,266        | -              | -            |
| Amortisation, intangible assets               | 53,645         | 31,043        | -              | -            |
| Depreciation, right-of-use assets             | 41,444         | 28,342        | -              | -            |
| Gain/loss on other securities and receivables | 1,373          | 863           | -              | -            |
| Disposals of tangible fixed assets            | -5,062         | 851           | -              | -            |
| Change in provisions                          | -511           | -45           | -              | -            |
| Exchange-rate differences                     | 3,426          | 1,743         | 1              | -            |
| <b>Total</b>                                  | <b>120,409</b> | <b>73,063</b> | <b>1</b>       | <b>-</b>     |

**Note 30** Changes in liabilities pertaining to financing activities

| SEK thousand                         | Jan 1, 2023      | Cash inflow    | Cash outflow   | Non-cash items |                |                |          | Other         | Dec 31, 2023     |
|--------------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------|---------------|------------------|
|                                      |                  |                |                | New leases     | Acquisition    | Revaluation    |          |               |                  |
| Bonds issued                         | 938,001          | 276,624        | -              | -              | -              | -              | -        | 18,074        | 1,232,699        |
| Liabilities to credit institutions   | 9,055            | 115            | -7,484         | -              | 3,393          | -36            | -        | 5             | 5,049            |
| Liabilities to principal shareholder | 30,000           | 115,000        | -45,000        | -              | -              | -              | -        | 4,167         | 104,167          |
| Other non-current liabilities        | 137              | -              | -7,576         | -              | 7,479          | 36             | -        | 35            | 111              |
| Conditional purchase prices          | 295,948          | -              | -20,000        | -              | 60,476         | 143,794        | -        | -591          | 479,628          |
| Acquisition-related liabilities      | 51,811           | -              | -14,611        | -              | -              | -              | -        | -             | 37,200           |
| Lease liabilities                    | 74,062           | -              | -31,117        | 22,939         | 36,192         | -              | -        | -70           | 102,006          |
| <b>Total</b>                         | <b>1,369,014</b> | <b>276,740</b> | <b>-80,788</b> | <b>22,939</b>  | <b>107,540</b> | <b>143,794</b> | <b>-</b> | <b>17,453</b> | <b>1,856,691</b> |

| SEK thousand                         | Jan 1, 2022    | Cash inflow    | Cash outflow   | Non-cash items |                |               |          | Other          | Dec 31, 2022     |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|----------|----------------|------------------|
|                                      |                |                |                | New leases     | Acquisition    | Revaluation   |          |                |                  |
| Bonds issued                         | 737,419        | 206,250        | -              | -              | -              | -             | -        | -5,668         | 938,001          |
| Liabilities to credit institutions   | 8,232          | 3,096          | -35,707        | -              | 33,306         | -             | -        | 128            | 9,055            |
| Liabilities to principal shareholder | -              | 30,000         | -              | -              | -              | -             | -        | -              | 30,000           |
| Other non-current liabilities        | 128            | -              | -              | -              | -              | -             | -        | 9              | 137              |
| Conditional purchase prices          | 55,562         | -              | -              | -              | 184,389        | 55,997        | -        | -              | 295,948          |
| Acquisition-related liabilities      | 74,496         | -              | -37,296        | -              | 14,611         | -             | -        | -              | 51,811           |
| Lease liabilities                    | 54,126         | -              | -24,779        | 23,494         | 28,046         | -             | -        | -6,825         | 74,062           |
| <b>Total</b>                         | <b>929,963</b> | <b>209,346</b> | <b>-97,782</b> | <b>23,494</b>  | <b>260,352</b> | <b>55,997</b> | <b>-</b> | <b>-12,356</b> | <b>1,369,014</b> |

**Note 31** Parent Company purchases from, and sales to, Group companies

Sales to Group companies amounted to 100 percent (100) in 2023. No purchases were made from Group companies in 2023 or 2022.



## Note 32 Investments in subsidiaries

| Name of company                                  | Segment                 | Consolidated | Country of registration and country of operation | Corp. ID No. | Proportion of ordinary shares/votes owned by the Group, % |
|--|-------------------------|--------------|--|--------------|---|
| <b>Novedo AB</b>                                 | -                       | -            | Sweden   | 559264-9841  | 100   |
| <b>Novedo Danmark OpCo ApS</b>                   | -                       | -            | Denmark  | 43529374     | 100   |
| <b>Novedo OpCo Germany GmbH</b>                  | -                       | -            | Germany  | HRB 131390   | 100   |
| <b>Novedo OpCo AB</b>                            | -                       | -            | Sweden   | 559334-8344  | 100   |
| <b>BATAB Bygg &amp; Akustikteknik AB</b>         | Installation & Services | Jul 2022     | Sweden   | 556133-7642  | 100   |
| <b>Elarbeten Helsingborg AB</b>                  | Installation & Services | Jan 2022     | Sweden   | 556464-1354  | 100   |
| <b>Elforum Göteborg AB</b>                       | Installation & Services | Aug 2021     | Sweden   | 559133-4031  | 100   |
| <b>Elinzity AB</b>                               | Installation & Services | Jan 2022     | Sweden   | 556694-5878  | 100   |
| Elinzity Förstärkning AB                         | Installation & Services | Jan 2022     | Sweden   | 556187-5088  | 100   |
| <b>Hansson &amp; Ekman Isolerings Aktiebolag</b> | Installation & Services | Sep 2021     | Sweden   | 556459-0379  | 100   |
| <b>Helsingborgs Byggplåt AB</b>                  | Installation & Services | Mar 2023     | Sweden   | 556722-7532  | 100   |
| Bra Tak Entreprenad Skåne AB                     | Installation & Services | Mar 2023     | Sweden   | 556889-9362  | 100   |
| <b>Kulturmålarerna i Linköping Aktiebolag</b>    | Installation & Services | Sep 2021     | Sweden   | 559203-8177  | 100   |
| <b>Kulturmålarerna i Norrköping Aktiebolag</b>   | Installation & Services | Sep 2021     | Sweden   | 556435-2887  | 100   |
| <b>Nordsign Aktiebolag</b>                       | Installation & Services | Sep 2022     | Sweden   | 556699-2706  | 100   |
| <b>Olle Timblads Målerifirma AB</b>              | Installation & Services | Sep 2021     | Sweden   | 556688-5488  | 100   |
| Tyresö Målericentral AB                          | Installation & Services | Sep 2021     | Sweden   | 556909-8725  | 100   |
| <b>Sentexa AB</b>                                | Installation & Services | May 2022     | Sweden   | 556637-4921  | 100   |
| <b>Skanstulls Måleri Aktiebolag</b>              | Installation & Services | Jan 2021     | Sweden   | 556543-8974  | 100   |
| <b>Total Fasad Stockholm AB</b>                  | Installation & Services | Jun 2022     | Sweden   | 559004-4375  | 100   |
| Total Fönsterrenovering Stockholm AB             | Installation & Services | Jun 2022     | Sweden   | 559133-9444  | 100   |
| <b>Uni-Vent Rör AB</b>                           | Installation & Services | May 2021     | Sweden   | 556665-6889  | 100   |
| <b>Ventilationskontroll Aeolus Aktiebolag</b>    | Installation & Services | Jan 2022     | Sweden   | 556211-1343  | 100   |
| RC EI & Styrinstallationer Zeus AB               | Installation & Services | Jan 2022     | Sweden   | 556310-2010  | 100   |
| CX Ventilation AB                                | Installation & Services | Jan 2022     | Sweden   | 556846-1882  | 100   |
| KG Vent AB                                       | Installation & Services | Sep 2022     | Sweden   | 559000-5921  | 100   |
| Ekoion AB  | Installation & Services | Jan 2022     | Sweden   | 556700-0814  | 100   |
| Ventera i Göteborg AB                            | Installation & Services | Oct 2023     | Sweden   | 559453-8489  | 100   |
| <b>Deramont Entreprenad AB</b>                   | Infrastructure          | Sep 2021     | Sweden   | 556803-5421  | 100   |
| <b>GBB Holding AB</b>                            | Infrastructure          | Apr 2022     | Sweden   | 556910-5652  | 100   |

| Name of company                           | Segment        | Consolidated | Country of registration and country of operation | Corp. ID No. | Proportion of ordinary shares/votes owned by the Group, % |
|---|----------------|--------------|--|--------------|---|
| Gnesta Bergbyggare AB                     | Infrastructure | Apr 2022     | Sweden   | 556599-9355  | 100   |
| AO Entreprenadtjänst i Stockholm AB       | Infrastructure | Apr 2022     | Sweden   | 556995-2269  | 100   |
| Borrspecialisten i Stockholm AB           | Infrastructure | Apr 2022     | Sweden   | 556929-2591  | 100   |
| GBB Syd AB                                | Infrastructure | Apr 2022     | Sweden   | 559234-7297  | 100   |
| IMPAB DUNDERTECH AB                       | Infrastructure | Apr 2022     | Sweden   | 556718-1069  | 100   |
| Impab International AB                    | Infrastructure | Apr 2022     | Sweden   | 556881-7547  | 100   |
| Dundertech AB                             | Infrastructure | Apr 2023     | Sweden   | 559181-4602  | 100   |
| <b>Nordkabel A/S</b>                      | Infrastructure | Dec 2022     | Denmark  | 28851782     | 100   |
| <b>Nørgaard Anlaeg Holding ApS</b>        | Infrastructure | Dec 2023     | Denmark  | 37418226     | 100   |
| Nørgaard Anlaeg ApS                       | Infrastructure | Dec 2023     | Denmark  | 14546294     | 100   |
| Nørgaard Anlaeg Maskinudlejning ApS       | Infrastructure | Dec 2023     | Denmark  | 36507063     | 100   |
| Sydvestjyllands Miljø og Genbrug ApS      | Infrastruktur  | Dec 2023     | Denmark  | 37523763     | 100   |
| Nørgaard Anlaeg Miljø ApS                 | Infrastruktur  | Dec 2023     | Denmark  | 37638846     | 100   |
| <b>Valter Eklund Stenentreprenader AB</b> | Infrastructure | May 2021     | Sweden   | 556071-7463  | 100   |
| <b>VE Sten AB</b>                         | Infrastructure | May 2021     | Sweden   | 556143-4126  | 100   |
| <b>ProvideU AB</b>                        | Industry       | Jan 2022     | Sweden   | 556754-0231  | 100   |
| ProvideU Assembly OÜ                      | Industry       | Jan 2022     | Estonia  | 11066054     | 100   |
| ProvideU Electronics AB                   | Industry       | Sep 2022     | Sweden   | 556506-1560  | 100   |
| <b>Stantraek A/S</b>                      | Industry       | Mar 2023     | Denmark  | 12630077     | 100   |

### Note 33 Participations in Group companies

| Parent Company                              | Dec 31, 2023     | Dec 31, 2022     |
|---|------------------|------------------|
| Opening acquisition cost                    | 1,033,927        | 191,155          |
| Shareholders' contribution paid             | 224,321          | 843,772          |
| <b>Closing accumulated acquisition cost</b> | <b>1,258,248</b> | <b>1,033,927</b> |

#### Parent Company participations in Group companies as per December 31, 2023

| Name of company | Corp. ID No. | Registered offices | No. of participations | Share of equity,% | Book value       |
|-----------------|--------------|--------------------|-----------------------|-------------------|------------------|
| Novedo AB       | 559334-8344  | Stockholm          | 279,290               | 100               | 1,258,248        |
| <b>Total</b>    |              |                    | <b>279,290</b>        | <b>100</b>        | <b>1,258,248</b> |

A total of 295,844 shares are in issue for Novedo AB. All 279,290 ordinary shares are held by Novedo Holding AB (publ). The remaining 15,402 shares comprise preference shares which are held by the vendors of acquired companies. The number of preference shares has no connection to the value of the preference shares in the event of a future conversion to ordinary shares in Novedo Holding AB (publ). The legal value of the preference share in the event of liquidation is tied to the subscription price of the preference shares.

### Note 34 Proposed appropriation of profits

The following profits are at the disposal of the annual general meeting:

| SEK                         |                    |
|-----------------------------|--------------------|
| Profit/loss brought forward | -60,185,405        |
| Share premium reserve       | 143,934,105        |
| Profit/loss for the year    | 73,769,275         |
| <b>Total</b>                | <b>157,517,975</b> |

The Board of Directors proposes that the profits be appropriated as follows:

|                    |                    |
|--------------------|--------------------|
| be carried forward | 157,517,975        |
| <b>Total</b>       | <b>157,517,975</b> |

### Note 35 Earnings per share

| SEK                                | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
|------------------------------------|-----------------|-----------------|
| Earnings per share before dilution | -6.53           | -1,909.42       |
| Diluted earnings per share         | -6.53           | -1,909.42       |

Amounts used in the numerator are consistent with the Group's profit for the period. Amounts used in the denominator are presented below. The weighted average number of shares before dilution amounted to 15,480,000 for 2023. The weighted average number of shares before and after dilution amounted to 30,960 for 2022. On September 21, an EGM was held which, among other things, decided to increase the number of shares by dividing all shares into 500 (500:1 share split). The number of outstanding shares at the end of the period was 15,480,000 shares.

### Note 36 Related-party transactions

In addition to salaries and other remuneration, a subordinated shareholder loan from the principal owner was raised for SEK 104.2 million during the year. Interest expenses attributable to loans from principal owners amount to SEK 12.0 million. Previous shareholder loans have been amortized in full. Board member Mona Öljansdotter Johansson received SEK 285 thousand through non-board-related consulting services via Stockholm Miami Home AB.

### Note 37 Pledged assets

| SEK thousand                           | Group            |                |
|--|------------------|----------------|
|  | Dec 31, 2023     | Dec 31, 2022   |
| Floating charge                        | 50,031           | 40,497         |
| Assets with retention of title         | 15,393           | 18,922         |
| Assets pledged for pension commitments | 2,169            | -              |
| Notes of lien in real property         | 5,257            | 5,284          |
| Shares in Group companies              | 1,467,090        | 537,267        |
| <b>Total</b>                           | <b>1,539,939</b> | <b>601,970</b> |

### Note 38 Contingent liabilities

| SEK thousand           | Group         |               |
|------------------------|---------------|---------------|
|                        | Dec 31, 2023  | Dec 31, 2022  |
| Performance guarantees | 65,853        | 18,424        |
| Guarantee commitments  | 5,289         | 5,249         |
| <b>Total</b>           | <b>22,986</b> | <b>23,673</b> |

Some of the Group's subsidiaries have performance guarantees related to the projects. The amounts indicated are the potential amount that may have to be paid in case the projects cannot be completed.

### Note 39 Significant events after the balance-sheet date

No significant events after the balance-sheet date has occurred.

### Note 40 Changes in 2022 Annual Report

During 2023, a final acquisition analyse for Nordkabel A/S has been prepared, resulting in changes in Consolidated Balance Sheet as per December 31, 2022. Customer relationships have increased SEK 38,016 thousand and trademarks have increased SEK 8,478 thousand. Deferred tax liabilities have increased SEK -9,578 thousand and goodwill have decreased SEK -36,916 thousand.

### Note 41 Quarterly data

|  | 2023      | 2023      | 2023      | 2023      | 2022    | 2022    | 2022    | 2022    | 2021    | 2021    | 2021   | 2021    |
|--|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|--------|---------|
| SEK thousand                                 | Q4        | Q3        | Q2        | Q1        | Q4      | Q3      | Q2      | Q1      | Q4      | Q3      | Q2     | Q1      |
| Net sales                                    | 766,111   | 631,393   | 721,469   | 589,255   | 602,982 | 457,224 | 432,454 | 280,691 | 203,655 | 102,596 | 54,082 | 10,424  |
| Net sales growth, %                          | 27.1      | 38.1      | 66.8      | 109.9     | 196.1   | 345.7   | 699.6   | 2592.7  | n.a     | n.a     | n.a    | n.a     |
| EBIT   | 71,764    | 37,033    | 75,734    | 34,112    | 50,883  | 40,294  | 25,095  | 6,257   | 16,429  | 4,382   | 3,777  | -1,311  |
| EBIT margin, %                               | 9.4       | 5.9       | 10.5      | 5.8       | 8.4     | 8.8     | 5.8     | 2.2     | 8.1     | 4.3     | 7.0    | -12.6   |
| EBITA  | 85,484    | 50,473    | 89,803    | 46,518    | 60,747  | 49,357  | 31,874  | 11,576  | 19,961  | 7,356   | 4,726  | -1,065  |
| EBITA margin, %                              | 11.2      | 8.0       | 12.4      | 7.9       | 10.1    | 10.8    | 7.4     | 4.1     | 9.8     | 7.2     | 8.7    | -10.2   |
| EBITDA                                       | 104,862   | 67,398    | 105,982   | 61,583    | 76,015  | 57,383  | 41,186  | 17,596  | 24,582  | 10,154  | 5,806  | -952    |
| EBITDA margin, %                             | 13.7      | 10.7      | 14.7      | 10.5      | 12.6    | 12.6    | 9.5     | 6.3     | 12.1    | 9.9     | 10.7   | -9.1    |
| Pre-tax profit/loss                          | -10,392   | -25,304   | -11,161   | -33,595   | -9,336  | 224     | -5,982  | -16,436 | 6,256   | 131     | 2,100  | -1,784  |
| Profit/loss for the period                   | -16,978   | -30,465   | -16,328   | -33,642   | -25,591 | -2,227  | -11,180 | -17,943 | 1,414   | -604    | 1,353  | -1,637  |
| Net interest-bearing debt                    | 1,215,525 | 1,121,348 | 1,091,056 | 1,067,224 | 873,222 | 605,802 | 418,224 | 136,172 | -25,376 | 143,965 | 37,714 | -32,937 |
| Net debt/equity ratio                        | 3.3       | 2.7       | 2.4       | 2.4       | 1.9     | 1.3     | 0.9     | 0.3     | -0.1    | 0.6     | 0.4    | -0.6    |
| Equity/assets ratio, %                       | 12.6      | 16.1      | 15.2      | 16.2      | 20.4    | 22.5    | 24.7    | 25.4    | 25.9    | 30.0    | 33.0   | 52.5    |
| Return on equity, %                          | -4.5      | -7.5      | -3.6      | -7.4      | -5.5    | -0.5    | -2.5    | -4.2    | 0.6     | -0.3    | 1.5    | -3.0    |
| Number of employees at the end of the period | 1,304     | 1,284     | 1,282     | 1,299     | 1,122   | 904     | 890     | 769     | 521     | 521     | 160    | 74      |

**Note 42 Performance measures not defined pursuant to IFRS**

|   | 2023           | 2023           | 2023           | 2023           | 2022           | 2022           | 2022           | 2022           | 2021           | 2021           | 2021          | 2021          |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| SEK thousand  | Q4             | Q3             | Q2             | Q1             | Q4             | Q3             | Q2             | Q1             | Q4             | Q3             | Q2            | Q1            |
| <b>(A) Operating profit/loss (EBIT)</b>                               | <b>71,764</b>  | <b>37,033</b>  | <b>75,734</b>  | <b>34,112</b>  | <b>50,883</b>  | <b>40,294</b>  | <b>25,095</b>  | <b>6,257</b>   | <b>16,429</b>  | <b>4,382</b>   | <b>3,777</b>  | <b>-1,311</b> |
| Amortisation of acquisition-related intangible assets                 | 13,720         | 13,440         | 14,069         | 12,406         | 9,864          | 9,063          | 6,779          | 5,319          | 3,532          | 2,974          | 949           | 246           |
| <b>(B) EBITA</b>  | <b>85,484</b>  | <b>50,473</b>  | <b>89,803</b>  | <b>46,518</b>  | <b>60,747</b>  | <b>49,357</b>  | <b>31,874</b>  | <b>11,576</b>  | <b>19,961</b>  | <b>7,356</b>   | <b>4,726</b>  | <b>-1,065</b> |
| Depreciation and amortisation of other tangible and intangible assets | 19,378         | 16,925         | 16,179         | 15,065         | 15,268         | 8,026          | 9,311          | 6,021          | 4,621          | 2,798          | 1,080         | 113           |
| <b>(C) EBITDA</b>   | <b>104,862</b> | <b>67,398</b>  | <b>105,982</b> | <b>61,583</b>  | <b>76,015</b>  | <b>57,383</b>  | <b>41,185</b>  | <b>17,597</b>  | <b>24,582</b>  | <b>10,154</b>  | <b>5,806</b>  | <b>-952</b>   |
| <b>Acquisition-related items</b>                                      |                |                |                |                |                |                |                |                |                |                |               |               |
| Acquisition expenses  | 1,863          | -              | -              | 7,073          | 8,074          | 1,351          | 2,137          | 2,170          | -              | 2,239          | 887           | 825           |
| Non-recurring items   | -              | -              | -2,155         | 2,155          | 7,958          | 2,048          | 3,520          | 748            | -              | -              | -             | -             |
| <b>(D) Adjusted EBITA</b>   | <b>87,347</b>  | <b>50,473</b>  | <b>87,648</b>  | <b>55,746</b>  | <b>76,779</b>  | <b>52,756</b>  | <b>37,531</b>  | <b>14,494</b>  | <b>19,961</b>  | <b>9,595</b>   | <b>5,613</b>  | <b>-240</b>   |
| <b>(E) Adjusted EBITDA</b>  | <b>106,725</b> | <b>67,398</b>  | <b>103,827</b> | <b>70,811</b>  | <b>92,047</b>  | <b>60,782</b>  | <b>46,842</b>  | <b>20,515</b>  | <b>24,582</b>  | <b>12,393</b>  | <b>6,693</b>  | <b>-127</b>   |
| <b>(F) Net sales</b>  | <b>766,111</b> | <b>631,393</b> | <b>721,469</b> | <b>589,255</b> | <b>602,982</b> | <b>457,224</b> | <b>432,454</b> | <b>280,691</b> | <b>203,655</b> | <b>102,596</b> | <b>54,082</b> | <b>10,424</b> |
| (A/F) EBIT margin, %  | 9.4            | 5.9            | 10.5           | 5.8            | 8.4            | 8.8            | 5.8            | 2.2            | 8.1            | 4.3            | 7.0           | -12.6         |
| (B/F) EBITA margin, %   | 11.2           | 8.0            | 12.4           | 7.9            | 10.1           | 10.8           | 7.4            | 4.1            | 9.8            | 7.2            | 8.7           | -10.2         |
| (C/F) EBITDA margin, %  | 13.7           | 10.7           | 14.7           | 10.5           | 12.6           | 12.6           | 9.5            | 6.3            | 12.1           | 9.9            | 10.7          | -9.1          |
| (D/F) Adjusted EBITA margin, %  | 11.4           | 8.0            | 12.1           | 9.5            | 12.7           | 11.5           | 8.7            | 4.9            | 9.8            | 9.4            | 10.4          | -2.3          |
| (E/F) Adjusted EBITDA margin, %                                       | 13.9           | 10.7           | 14.4           | 12.0           | 15.3           | 13.3           | 10.8           | 7.0            | 12.1           | 12.1           | 12.4          | -1.2          |

# Board of Directors' Assurance statement

The Board of Directors and the President & CEO certify that the consolidated financial statements and the annual accounts have been prepared in accordance with IFRS and generally accepted accounting policies in Sweden and provide a true and fair view of the company's and the Group's operations, financial positions and results of operations. Furthermore, the annual accounts describe significant risks and uncertainties facing the company and its subsidiaries.

Stockholm, April 22, 2024

Novedo Holding AB (publ)

Jan Johansson  
*Chairman of the Board*

Mouna Esmaeilzadeh  
*Board member*

Saeid Esmaeilzadeh  
*Board member*

Christer Hellström  
*Board member*

Mona Öljansdotter Johansson  
*Board member*

Erik Rune  
*Board member*

Per-Johan Dahlgren  
*President & CEO*

Our auditor's report was submitted on April 22, 2024

Öhrlings PricewaterhouseCoopers AB

Victor Lindhall  
*Authorised Public Accountant*

# Auditor's report

Unofficial translation

To the general meeting of the shareholders of Novedo Holding AB, corporate identity number 59334-4202.

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Novedo Holding AB for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 33-68 and 73 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of December 31, 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the consolidated statement of comprehensive income and the consolidated balance sheet for the group and the statement of comprehensive income and balance sheet for the parent company.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Emphasis of matter

Without affecting our opinions above, we would like to draw attention to the section "Financial Position" in the management report. In this section, the board explains that the bond loan of 1,250 million SEK is due

for repayment in November 2024. It is also stated that the board and management view the possibility of refinancing the bond loan positively and are in the process of evaluating and selecting among various financing options, such as bank loans, direct loans, or a new bond issuance. Furthermore, it is mentioned that there is a so-called dual track process where the company is also prepared for an IPO as an additional potential platform for future capital raising.

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

## Auditor's report

### Key audit matters

### How our audit addressed the Key audit matter

#### **Valuation of goodwill, customer relations and brand names**

In the group's balance sheet, intangible assets of SEK 1,525 million attributable to business acquisitions are reported, which corresponds to 51 percent of total assets in the group. The items goodwill and intangible assets are thus material in terms of size for Novedo's balance sheet. In addition to this, the valuation of intangible assets is associated with management's assessments. All in all, this means that we have considered the valuation of goodwill, customer relations and brands as a particularly significant area in our audit.

The company management performs an annual impairment test of goodwill and other intangible assets to test whether there is a need for impairment or not for each segment. Assumptions and assessments include forecasts regarding growth and operating margin, investment needs and applied discount rate. If the future development deviates negatively from applied assumptions and assessments, a write-down may arise.

*Refer to the sections; "Impairment of non-financial assets and goodwill" in note 2 Important accounting estimates and judgments, and note 13 Intangible fixed assets.*

With the support of PwC's internal valuation specialists, we have tested the group's model for impairment testing as well as evaluated and sensitivity tested the essential assumptions used to determine forecasted cash flows and discount rates when calculating the assets' values in use for each operating segment. In the evaluation, we have compared with the operations' history, the group's forecasts and strategic planning, as well as with external data sources where possible and relevant.

We have verified the provided note information against the group's model for impairment testing, bookkeeping and other accounting information.

### Key audit matters

### How our audit addressed the Key audit matter

#### **Purchase price allocation**

The total revenues for Novedo in 2023, recognized over time, amount to approximately 2,333 (1,597) million SEK. A significant portion of these revenues relates to construction contracts and is recognized over time using the percentage of completion method. This means that the recognized revenues and costs in construction projects are based on assumptions and judgments about future outcomes documented in the projects' final forecasts. The forecasts include assessments of costs such as labor, materials, subcontractors, and warranty obligations. In some cases, assessments of customer claims for changes, additional work, and inadequate bidding conditions are also included. The inclusion of assumptions and judgments means that the final results may differ from those currently reported. Given the significant reliance on estimates and judgments, this represents an area of particular importance for the audit.

*Refer to the sections; "Business combinations and fair value measurements" in Note 2 and information on Business Combinations in Note 7.*

With the support of PwC's internal valuation specialists, we have evaluated whether the acquisition analyzes for the acquisitions in 2023 as well as the established acquisition analyzes from acquisitions in 2021 meet the requirements according to IFRS and have been prepared in accordance with accepted valuation models, as well as assessed whether significant assumptions were used to determine the values of acquired assets are reasonable.

On a sample basis, we have evaluated Novedo's assumptions regarding conditional purchase prices in connection with the assessment of the total purchase price as well as evaluated the board's assessment of the outcome at the end of 2023.

We have also verified the provided note information against bookkeeping and other accounting information.

## Auditor's report

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-32 and 74-87. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated

accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of

users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### Report on other legal and regulatory requirements

#### The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

##### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Novedo Holding AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

##### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our respon-

sibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and



## Auditor's report

among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Novedo Holding AB by the general meeting of the shareholders on the May 12, 2023 and has been the company's auditor since the October 21, 2021.

Stockholm, April 22, 2024

Öhrlings PricewaterhouseCoopers AB

### **Victor Lindhall**

Authorized Public Accountant

# Definitions

| <b>IFRS measure</b>                     | <b>Definition/Calculation</b>  |
|---|--|
| Earnings per share                      | Profit/loss for the period divided by the average number of shares.  |
| <b>Alternative performance measures</b> |  |
| <b>Alternative performance measures</b> | <b>Definition/Calculation</b>  |
| Adjusted EBITA                          | EBITA adjusted for acquisition-related items and non-recurring items.  |
| Adjusted EBITA margin, %                | EBITA adjusted for acquisition-related items and non-recurring items, as a percentage of net sales.  |
| Adjusted EBITDA                         | EBITDA adjusted for acquisition-related items and non-recurring items.   |
| Adjusted EBITDA margin, %               | EBITDA adjusted for acquisition-related items and non-recurring items, as a percentage of net sales.   |
| EBITA                                   | EBIT before amortisation and impairment of acquisition-related intangible assets.  |
| EBITA margin, %                         | EBITA in relation to net sales.  |
| EBITDA                                  | Operating profit (EBIT) according to income statement before depreciation of right-of-use assets and amortisation, depreciation and impairment of intangible and tangible assets.                                  |
| EBITDA margin, %                        | EBITDA as a percentage of net sales.   |
| Equity/assets ratio, %                  | Equity at the end of the period as a percentage of total assets at the end of the period.  |
| Net debt/equity ratio, multiple         | Net interest-bearing debt in relation to equity including non-controlling interests.   |
| Net interest-bearing debt               | Current and non-current interest-bearing liabilities, less cash and cash equivalents at the end of the period.   |
| Net sales growth, %                     | Change in sales compared with total net sales in the preceding period.   |
| Operating margin (EBIT), %              | EBIT in relation to net sales.   |
| Operating profit/loss (EBIT)            | Profit/loss before financial items and tax.  |
| Pro forma organic growth                | Organic growth calculated as if all consolidated companies had been owned for the entire period in question.   |
| Pro forma                               | Pro forma refers to companies that Novedo has been acquired and taken over during the current period, and has been recalculated to show the results as if Novedo had owned the companies during the entire period. |
| Return on capital employed, %           | EBITA for the period as a percentage of, total assets less operational liabilities less cash and cash equivalents at the end of the period.  |
| Return on equity, %                     | Profit/loss for the period as a percentage of equity at the end of the period.   |
| Working capital                         | Current assets, excluding cash and cash equivalents and tax assets, less current liabilities of a non-financial nature excluding tax liabilities.  |

# Corporate governance report

## **CORPORATE GOVERNANCE REPORT**

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At Novedo, corporate governance aims to create long-term, sustainable value for shareholders and other stakeholders. Governance encompasses the establishment of an effective organisational structure, systems for risk management and internal control, transparent internal and external reporting, and regulatory compliance.

Novedo Holding AB (publ) ("Novedo"), Corp. ID No. 559334-4202, is a Swedish limited liability company with registered offices in Stockholm, Sweden. The company's bond (ISIN: SE0017070980) has been admitted to trading on Nasdaq Stockholm's list for corporate bonds since October 28, 2022. In the period from November 26, 2021 until November 30, 2022, Novedo's bond was listed for trading on the Frankfurt Stock Exchange Open Market. In 2022, Novedo began work with the aim of preparing the company for a listing of its shares on Nasdaq Stockholm, a process that continued in 2023. Following the above, Novedo has prepared a statutory Corporate Governance Report for 2023 pursuant to the Annual Accounts Act and applies the Swedish Corporate Governance Code (the "Code"). Any deviations from the Code is reported. The Corporate Governance Report is an integral part of the company's 2023 Annual and Sustainability Report and has been reviewed by the company's auditor.



Martin Elm, COO at Novedo, gave a presentation during the Novedo Days 2023



Peter Hansson, co-founder of Hansson & Ekman Isolerings AB



Participants at Novedo Days 2023

### Corporate governance structure

Through its subsidiaries, Novedo conducts operations focused on Industry, Infrastructure, and Installation & Services. Responsibility for Novedo's management and control is divided between the shareholders, the Board of Directors and the CEO. Governance of Novedo is based on external and internal governance instruments. The framework for the external governance instruments comprises the Swedish Companies Act, the Annual Accounts Act and the Code as well as other applicable laws and regulations in Sweden and abroad. Internal binding governance instruments comprise, inter alia, the Articles of Association, board work's rules of procedure, instructions for Board committees and instructions for the CEO, Code of Conduct, finance policy, risk policy, framework for internal control, communication policy, insider policy, IT policy and authorisation instructions.

### Shareholders

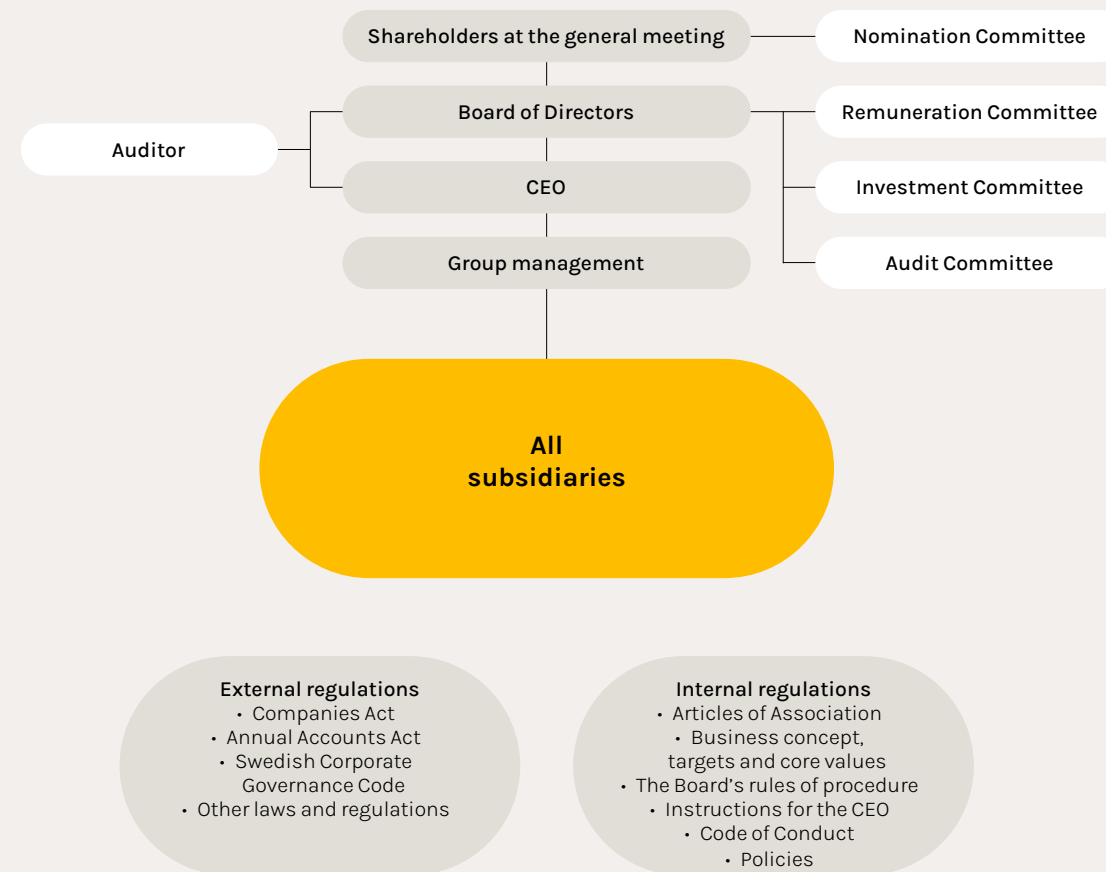
Novedo is a private company with one class of shares. As of December 31, 2023, the Company has a share capital of SEK 551,970 (551,970) divided into 15,480,000 (30,960) shares, the change follows from a 500:1 share split carried out during the year. All shares are entitled to an equal share of assets and profits as well as equal dividends. At year-end, the ten largest shareholders represented 92.7 (91.5) percent of the share capital and votes in the company. Esmaeilzadeh Holding AB was the largest shareholder with 68.0 percent of the votes and capital and F Holmström PE 3 AB has a holding of 12.7 percent at year-end. No other shareholder owns over ten percent of the company's shares.

### General meeting of shareholders and Articles of Association

Shareholders exercise their influence through participation in the general meeting, which is Novedo's highest decision-making body. At the general meeting, which is the scheduled Annual General Meeting (AGM), the shareholders resolve on the Articles of Association, elects Board members, the Chairman and auditors, and decides on their fees. Furthermore, the AGM resolves on the adoption of the income statement and the balance sheet, appropriation of the company's profit and discharge from liability for the Board members and CEO in relation to the company. The AGM also resolves on the composition and the framework for the work of the Nomination Committee, and resolves on principles for remuneration and other employment conditions for the CEO and other senior executives. Novedo's AGM is held in Stockholm prior to the end of June each calendar year. Extraordinary General Meetings (EGM) can be convened when required.

Notice of AGMs and EGMs convened to address amendments to the Articles of Association must be issued not earlier than six weeks and not later than four weeks prior to the meeting. Notices of EGMs is issued not earlier than six weeks and not later than two weeks prior to the meeting. Notice is to be given through an advertisement in Post- och Inrikes Tidningar (Official Swedish Gazette) and on the company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Dagens Industri.

### Organisational structure



### Extraordinary General Meeting 2023

At the EGM in Stockholm on January 12, 2023, the following resolutions were passed:

- To increase the Board from six to seven members.
- To elect Jan Johansson as a new Board member and to elect Jan Johansson as the new Chairman of the Board for Novedo. Former Chairman Christer Hellström remains as an ordinary member of the Board.
- To increase total Board fees until the end of the next AGM as a result of the increased number of Board members.

### Annual General Meeting 2023

The AGM 2023 was held on May 12, 2023 in Stockholm. Notice of the AGM was given in a press release on April 5, 2023. Shareholders representing 80.6 (76.6) percent of the number of shares and votes outstanding were in attendance at the AGM. Some of the AGM resolutions were as follows:

- Adoption of the income statements and balance sheets for 2022.
- That no dividend shall be distributed to the shareholders and to carry forward the funds at the disposal of the AGM.
- Discharge from liability for the Board of Directors and the CEO.
- Re-election of Jan Johansson, Mouna Esmaeilzadeh, Saeid Esmaeilzadeh, Christer Hellström, Mona Öljansdotter Johansson, Fredrik Lidjan and Erik Rune. Re-election of Jan Johansson as Board Chairman.
- Re-election of PricewaterhouseCoopers as auditors with Victor Lindhall as auditor-in-charge to serve for the period until the end of the AGM 2024.
- The fees to the Board of Directors and auditors.
- Amendment of the Articles of Association.

- Principles for the appointment of the Nomination Committee.
- Guidelines for remuneration to senior executives.
- Authorisation of the Board of Directors, on one or more occasion during the period until the next AGM, to decide on the issue of shares, convertibles and/ or share options corresponding to not more than 25 percent of the shares issued in the company. The authorisation is primarily to be used for the purpose of conducting acquisitions or arranging financing thereof.

### Extraordinary General Meeting 2023

An EGM was held on September 21, 2023, in Stockholm, whereby 80.7 percent of the number of outstanding shares and votes were represented. Among other things, the EGM resolved on:

- Amendment of the Articles of Association and share split 500:1.
- Authorization for the Board of Directors to decide on new share issues and directed issues of shares.

In connection with the EGM Fredrik Lidjan resigned from the Board of Directors.

### Annual General Meeting 2024

Novedo's AGM 2024 will be held on May 16, 2023 in Stockholm. For more information about the AGM, see page 86.

### Nomination Committee

The Nomination Committee represents the company's shareholders and is tasked with submitting proposals to the general meeting for the election of the Chairman of the Meeting, members of the Board of Directors, the Chairman of the Board and the auditor

as well as proposals for fees to the Board and the auditor, and to the extent deemed necessary, proposed amendments to the instruction for the Nomination Committee. The Nomination Committee is to discharge its duties under the Swedish Corporate Governance Code and follow the guidelines stipulated in section 4.1 of the Code on diversity policy as regards the composition of the Board. The proposals are motivated with the background that the Board has a composition that is appropriate based on the company's needs, characterised by diversity and breadth. The Chairman of the Board is the convenor of the Nomination Committee.

The company's Nomination Committee is to comprise members appointed by the three largest shareholders in the company in terms of votes according to the shareholders' register maintained by Euroclear Sweden AB on September 30 each year. In the event that any of the three largest shareholders should refrain from appointing a representative to the Nomination Committee, the right shall pass to the shareholder who, after these three shareholders, has the largest shareholding in the company.

The Nomination Committee's term of office extends until such time as a new Nomination Committee is appointed. Unless otherwise agreed by the members of the Nomination Committee, the Chairman of the Nomination Committee is the member who represents the largest shareholders based on the number of votes, subject to the prerequisite that said member is also a Board member of Novedo. In the event that one of the shareholders should cease to be one of the three largest shareholders by number of votes during the Nomination Committee's term of office, the representative appointed by the shareholder in question is to resign and the shareholder that has become one of

the three largest shareholders by number of votes is to appoint a representative. Such a change is not necessary if the change in votes is marginal or if it occurs later than three months prior to the AGM unless there are special reasons for so doing. The composition of the Nomination Committee must be announced no later than six months prior to the AGM.

### Nomination Committee ahead of the AGM 2024

The Nomination Committee for the 2024 AGM consists of three members appointed by the three largest shareholders as of September 30, 2023; Mouna Esmaeilzadeh appointed by Esmaeilzadeh Holding AB, Fredrik Holmström appointed by Fredrik Holmström and companies controlled by him and Marc Cameras appointed by Cambo Holding AB. The Nomination Committee has appointed Fredrik Holmström as Chairman of the Nomination Committee. The Nomination Committee was appointed and communicated via a press release on November 16, 2023.

It is the Nomination Committee's opinion that the Board of Directors is composed of persons with competencies that will meet the strategic and operational requirements placed on the company and that the work of the Board is conducted professionally and efficiently.

The Nomination Committee's proposals will be presented at the AGM 2024 and is available on [www.novedo.se](http://www.novedo.se). The website also contains the Nomination Committee's reasoned statement, a report on its work, and a presentation of all proposed Board members. Ahead of the AGM 2024, no proposals have been received from shareholders to the Nomination Committee.

### Board of Directors

The Board of Directors is responsible for Novedo's organization and management of the company's affairs. According to the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of ten members. The members of the Board of Directors are elected annually at the AGM for the period until the end of the next AGM.

### Composition of the Board in 2023

At an EGM on January 12, 2023, Jan Johansson was elected as a new member of the Board of Directors and Chairman of the Board. The Board of Directors was thus increased from six to seven members. At the AGM 2023, all seven Board members and the Chairman were re-elected. The CEO and the Group's CFO participate in Board meetings. The secretary of the Board of Directors is the Group's CFO. Other officials participate in the meetings of the Board of Directors as necessary to present reports. A detailed presentation of the members of the Board of Directors can be found on page 83.

### Independence

None of the Board members elected by the general meeting are employees of the Novedo Group and all are assessed to be independent in relation to the company and the company's senior executives. Three of the Board members who were members of the Board as of December 31, 2023 are independent in relation to the company and its senior executives, and are also independent in relation to the company's major shareholders.

### Work of the Board of Directors

The duties of the Board are regulated in the Swedish Companies Act, Novedo's Articles of Association and the Code. The work and procedures of the Board are established each year in written rules of procedure. These rules govern the distribution of work and responsibilities among Board members, the Chairman of the Board and the CEO, and also the routines for financial reporting. The Board also adopts instructions for the Board's committees.

Board duties include appointing the CEO, adopting strategies, business plans, budgets, interim reports, year-end accounts and annual reports as well as adopting instructions and guidelines. The Board also monitors the financial performance of the Group, ensures the quality of financial reporting and internal control, and evaluates the operations in relation to the objectives and guidelines adopted by the Board. Furthermore, the Board also resolves whether significant investments or changes in the Group's organisation and operations should be made.

The Chairman of the Board is responsible for managing the board work, including ensuring that it is conducted efficiently and fulfils its obligations in accordance with applicable laws and regulations. The Chairman also works with the CEO to monitor the Group's performance and prepare and lead board meetings. The Chairman is also responsible for ensuring that the Board evaluates its work annually and that it continuously receives the information necessary to perform its work effectively. The Chairman represents the Group toward the shareholders and is the Board's spokesperson.

### Board committees

The Board of Directors has adopted guidelines for the Remuneration and Audit Committee and for the Investment Committee. The Remuneration and Audit Committees were composed of the entire Board of Directors in 2023. The Investment Committee has consisted of the Chairman, Board member Christer Hellström, and the CEO.

### Remuneration Committee

The Remuneration Committee prepares questions pertaining to remuneration principles, salaries, benefits and remuneration to the CEO and senior executives who report to the CEO. Furthermore, the task of the Remuneration Committee is to monitor and evaluate the outcome of variable remuneration programmes, and the company's compliance with the

remuneration guidelines adopted by the general meeting.

The Remuneration Committee is to consist of at least two Board members. The Chairman of the Board may also chair the Committee. The other committee members shall be independent in relation to the company and its senior executives. The Remuneration Committee comprised the entire Board of Directors in 2023.

### Audit Committee

The Audit Committee prepares the Board on matters involving risk assessments, internal control, the internal audit, accounting, financial reporting and audits. The Committee aims to ensure compliance with the adopted principles for financial reporting and internal control and that the Group's relationship with

| Board members               | Position     | Year of election | Board meeting attendance | Independent in relation to the company and its management | Independent in relation to the company's major shareholders | Remuneration in 2023, SEK |
|-----------------------------|--------------|------------------|--------------------------|---|---|---------------------------|
| Jan Johansson               | Chairman     | 2023             | 17 (17)                  | Yes   | Yes   | 250                       |
| Mouna Esmaeilzadeh          | Board member | 2021             | 15 (17)                  | Yes   | No  | 150                       |
| Saeid Esmaeilzadeh          | Board member | 2021             | 16 (17)                  | Yes   | No  | 150                       |
| Christer Hellström          | Board member | 2021             | 16 (17)                  | Yes   | Yes   | 175                       |
| Mona ÖRJANSdotter Johansson | Board member | 2021             | 17 (17)                  | Yes   | Yes   | 150                       |
| Fredrik Lidjan              | Board member | 2021             | 12 (13)                  | Yes   | Yes   | 113                       |
| Erik Rune                   | Board member | 2021             | 17 (17)                  | Yes   | No  | 150                       |

At the EGM on January 12, 2023, Jan Johansson was elected as a new member of the Board of Directors and a new Chairman of the Board. Christer Hellström then moved from Chairman to Board member. Fredrik Lidjan resigned from the Board in connection with an EGM in September 2023. During the year, Mona ÖRJANSdotter Johansson received compensation of SEK 285 thousand for consultancy services not related to the work of the Board of Directors.

its auditors is fit for purpose. The Audit Committee also evaluates the audit and reports its findings to the Nomination Committee. The Committee also submits proposals for auditors to the Nomination Committee. In addition, the Audit Committee follows up and comments on non-auditing related services that Novedo procures from the Group's auditor.

The Audit Committee is to consist of at least three members. The majority shall be independent in relation to the company and senior executives, and at least one shall be independent in relation to the company, the company's senior executives and the company's major shareholders and have auditing or

accounting experience. The Audit Committee comprised the entire Board of Directors in 2023. The requirements of the Swedish Companies Act regarding independence and accounting or auditing expertise are thus satisfied.

**Investment committee**

In 2023, Novedo had an Investment Committee that prepared and evaluated investment proposals. The Committee has consisted of the Chairman of the Board, Board member Christer Hellström and the CEO..

**Board work during the year**

In 2023, 17 (9) Board meetings were held, of which nine per capsulam. The Board of Directors has dealt with issues relating to strategy, acquisitions of companies, financing, financial reporting, recruitment, and policies. The Board's work has also included IPO preparatory activities.

**Evaluation of board work**

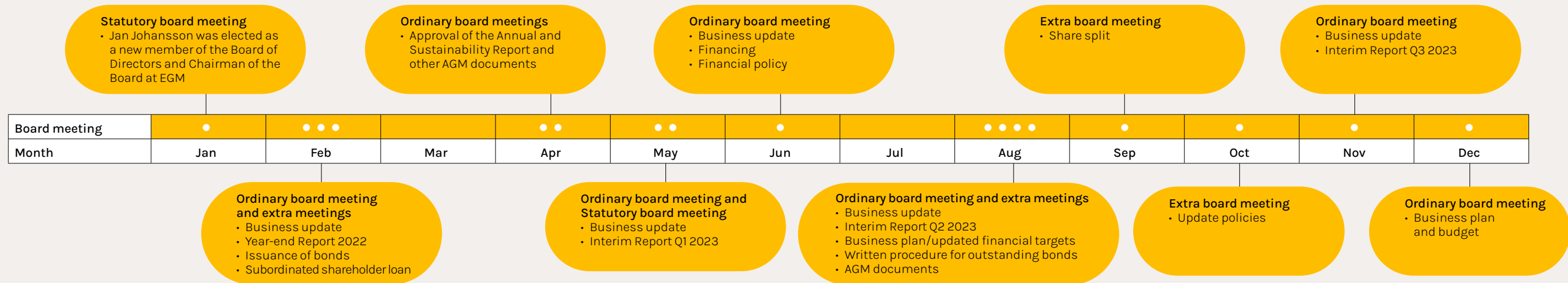
The Chairman of the Board is responsible for evaluating the work of the Board. During the year, the Board has conducted an active dialogue on the quality and effectiveness of the Board's work, but no systematic

and structured evaluation of the Board's work has taken place, which is a deviation from the Code.

**Auditors**

PricewaterhouseCoopers has been the company's auditor since 2021. At the AGM held on May 12, 2023, PricewaterhouseCoopers was re-elected as auditor with the authorised public accountant Victor Lindhall as Auditor-in-Charge for the period until the end of the AGM 2024. The auditor participated in two Board meetings in 2023 and presented his observations to the Board where no one from the management was present. The Board of Directors annually evaluates the

**Overview of board work's meetings in 2023**



At each ordinary board meeting, the Group's performance and financial position were presented as was the outlook for the coming quarters.



work and independence of the auditors. The auditor receives remuneration for his or her work following the resolution of the AGM. Information on fees to the auditors can be found in Note 10 on page 57 of Novedo's Annual and Sustainability Report.

### Group management

Novedo's Group management consists of the CEO and two senior executives: the Group's CFO and the COO (Chief Operating Officer). In December 2023, an interim CFO was appointed and a recruitment process for a new CFO was initiated. See page 84 for more detailed information about Group management.

The CEO's responsibilities and powers are regulated by the Board's rules of procedure and instructions to the CEO. The CEO is responsible for ensuring that Novedo's strategy, business plans, and other decisions are communicated and implemented in the organization. The CEO is also ultimately responsible for ensuring that governance, organization, risk management, internal processes, and IT infrastructure are satisfactory. Group functions are also responsible for the development of Group-wide policies, guidelines, and working methods, as well as for following up and ensuring that the Group's operations are conducted following established policies and guidelines.

Group management meets monthly to discuss and follow up on issues relating to strategy, company acquisitions, performance monitoring, forecasts, succession planning, and the development of the business, which also includes sustainability-related issues.

### Operational governance

The Group's operational activities are conducted in subsidiaries of Novedo AB. Active board work is conducted under the leadership of Novedo's Group management in all subsidiaries. The subsidiaries' boards monitor ongoing operations and establish business plans. Business activities are pursued according to the rules and policies established by Novedo's Board of Directors and the guidelines established by Novedo's Group management. The subsidiaries' CEOs are responsible for the results of their respective companies and for ensuring growth and development within their respective companies. Operational management establishes consensus and objectives in a decentralised organisation, where decisions are made close to the market, the customer and the employees.

### Sustainability

Understanding and committing to challenges such as climate change, creating ethical and safe workplaces and being a responsible purchasing party are of major importance to the Group. In these contexts, Novedo's primary governance document comprises the Code of Conduct. The Board of Directors has a shared responsibility for sustainability. In the Group management, work with sustainability has been delegated to the heads of each function: the COO is responsible for the Code of Conduct, supply chain control and matters pertaining to labour law; and the CFO for anti-corruption, GDPR compliance and reporting of ESG information. Sustainability is an integrated

component of Novedo's governance and reporting. Novedo has also established an external whistleblower function at [www.novedo.se](http://www.novedo.se) that allows external individuals as well as employees to report suspicions of serious improprieties.

### Significant events for Group management during the year

The year was characterized by four company acquisitions and financing issues. The company's management has also continued to make the organization's processes and procedures ready for listing the company's shares on Nasdaq Stockholm, if the right conditions exist.

### Guidelines for remuneration to the CEO and other senior executives

The 2023 AGM adopted guidelines for remuneration to senior executives to apply until further notice. The purpose of the guidelines is to provide a clear framework for remuneration and to provide the degree of flexibility deemed appropriate based on the level and design of the remuneration and shall promote the company's business strategy, and long-term interests, including long-term shareholder value creation and sustainability. The guidelines can be read in their entirety on [www.novedo.se](http://www.novedo.se). No deviations from the guidelines were made in 2023.

### Remuneration

For information on remuneration to the CEO and senior executives, see Note 9 on page 56 in Novedo's Annual and Sustainability Report 2023.

### Long-term incentive programme

Each year, the Board of Directors evaluates whether or not to introduce a long-term incentive programme. At present, Novedo has no long-term incentive programme and no such programme has been proposed to the AGM 2024.

# Board's report on internal control

## Board's report on internal control regarding the financial reporting

Under the Swedish Companies Act, the Board of Directors is responsible for the internal control. This description has been prepared pursuant to the Annual Accounts Act and the Code and is thus limited to internal control regarding the financial reporting. The report has been reviewed by the company's auditor.

### Actions taken in 2023

According to the Swedish Companies Act and the Code, the Board is responsible for ensuring that internal control mechanisms are developed, communicated to and understood by the employees of the Novedo Group who carry out individual control measures, and for ensuring that such control measures are carried out, monitored, updated and maintained. Executives at all levels are responsible for ensuring that internal control procedures are established in their respective areas and that these controls achieve the desired results. Novedo's CFO is ultimately responsible for ensuring that the monitoring of and the work on Novedo's internal control is conducted in the format determined by the Board. Novedo's structure for internal control is based on the COSO model, the framework of which is applied to Novedo's operations and conditions. The COSO model entails conducting a review and assessment within the areas of control environment, risk assessment, control activities, information and communication, and monitoring activities. Based on this review, certain areas of development are identified and prioritised in the ongoing work with internal control.

The procedures for internal control, risk assessment, control activities and monitoring of financial reporting have been designed to ensure reliable and relevant reporting and external financial reporting in accordance with IFRS, applicable laws and regulations, and other requirements that are to be applied by companies listed on Nasdaq Stockholm, which also comprises part of Novedo's IPO preparation activities. This work involves the Board, the senior executives and other employees. The way the Board monitors and ensures the quality of internal control is documented in the adopted rules of procedure for the Board and the instructions for the Audit Commit-

tee. One of the Audit Committee's duties includes evaluating the company's structure and guidelines for internal control.

Financial reporting to the Board is carried out monthly according to a format described in the CEO's instructions for financial reporting. Furthermore, the company's CFO also reviews the financial performance and latest forecast for the current year at each scheduled board meeting. Drafts of interim reports are presented to the Audit Committee, which comprised the entire Board in 2023, for discussion and consideration at a committee meeting prior to presentation to the Board for approval.

The internal financial reporting complies with a standardised format where a common set of definitions and key ratios is used for all subsidiaries. Financial performance is monitored through monthly reports from the subsidiaries and biannual reviews where members of the Group management, the central finance department and the respective company management teams participate. Detailed follow-up of key metrics for the subsidiaries provides information quickly on deviations in operating margins and operating profit compared with expected outcomes. This detailed follow-up procedure is an important tool for ensuring internal control.

### Control environment

The control environment comprises the basis of internal control over the financial reporting. One key element of this environment is that channels for decision-making, authority and responsibility are clearly defined and communicated between the

Novedo has prepared the company for a possible listing of its shares on Nasdaq Stockholm. Within the framework of these preparations, extensive work has been carried out on the company's internal control. Risks and their risk management have been mapped, frameworks for internal control have been developed (ICFR and ITGC) and most of the Group's subsidiaries have mapped material business processes, carried out evaluations and performed activities to remedy any deficiencies. In addition, several governing policies, including the finance policy, risk policy, communication policy, insider policy, information security policy and continuity policy, have been adopted by the Board and associated guidelines by Group management for further implementation in the Group. The company has also prepared a Group-wide accounting manual. The outcome of the Group's evaluation of internal control has been discussed by the Board.



organisation's different levels and that governance documents in the form of internal policies and guidelines are in place. A good control environment is created through communication and training to ensure understanding of and compliance with policies and regulatory frameworks. The control environment is strengthened by a positive corporate culture, and by transparent and relevant monitoring of financial performance and key metrics at all levels in the Group.

**Risk assessment**

Internal control is based on a risk analysis. The risk analysis related to internal control and the risk of errors in the financial reporting form part of the risk analysis performed and presented by the Group management to the Board. This analysis identifies and evaluates risks based on their likelihood of occurring and the potential impact of their occurrence on the Group's operations and financial position. Thereafter, the Group's internal controls and control environment are evaluated and any gaps compared with the desired level of control are identified. An action plan aimed at reducing gaps is established where the value of and possibility to reduce the risk is weighed against the cost of establishing and maintaining internal controls. Based on the risk analysis, control activities are designed to reduce risk at a reasonable cost.

**Control activities**

The internal controls are based on the Group's established channels for decisions and the delegation and

authorisation procedures documented in governing policies and guidelines. Control activities can be IT-based or manual. These activities form an integrated component of defined and documented processes and procedures. A number of control activities that are common to all Group companies have been established. Some are implemented at subsidiary level while others are implemented in the centralised accounting department. Control activities are described in one Group-wide instruction.

**Information and communication**

Novedo's governing documents in the form of policies, guidelines, and manuals, insofar as they relate to financial reporting, are communicated primarily via e-mail and meetings attended by all subsidiaries' financial managers, as well as via the Group's financial handbook. In 2023, all the Group's financial managers met for joint planning and review and to get to know each other. For communication with internal and external parties, there is a communication policy that sets out guidelines for how this communication should take place. The purpose of the policy is to ensure that all information obligations are complied with correctly and completely. The purpose of internal communication is to ensure that every employee understands Novedo's values and business operations. To achieve the purpose of informed employees, the Group uses both physical and digital meetings. Once a year, the leaders of all subsidiaries also gather at the so-called Novedo Days.

**Monitoring**

The Group applies common accounting instructions and Novedo also implemented a new accounting system in 2022. The Board of Directors and Group management receive regular information on the results, financial position and progress of the company. The effectiveness of internal control is evaluated by the company. It is also reviewed by an external auditor. The results of the evaluation form the basis for improvements in processes and controls. Internal control within the subsidiaries is followed up through evaluation and control visits.

- The evaluation is carried out at all subsidiaries and is based on a Group-wide checklist of mandatory and recommended controls.
- Control visits are carried out by the company's operational team and central finance team at several subsidiaries per year. The control visits include testing of the controls on the checklist, spot checks in relevant areas, and a general discussion with the CEO and relevant operational managers to ensure understanding of and compliance with internal control.

The results of the self-assessment and company visits are reported to the subsidiaries' management team and the financial manager. The results are reported to the Board by the Group's CFO, together with reporting on measures taken to improve internal control where the results show that there is a need, at subsidiaries or in general.

**Internal audit**

The Group has a simple operational structure, which mainly encompasses small and medium-sized, stand-alone and independent operations with varying pre-conditions for internal control. Compliance with the Group's established governance and internal control systems is monitored by the companies' boards and by controllers at the Group level. An annual procedure is also in place for evaluating internal control over the financial reporting. Board's assessment is that the current organisation does not need a more extensive review function in the form of an internal audit function. Board re-evaluates the decision taken each year.

# Board of Directors



## Jan Johansson

Board member and Chairman since: 2023

Born: 1954

Nationality: Swedish

Education: Master of Laws, Stockholm University

Current assignments: Chairman OrganoClick AB and Board member of Kährs Holding AB (publ).

Work experience: Vice Chairman of Chinese Vinda, Board member of Svenska Handelsbanken and SSAB AB, President & CEO of SCA AB (publ), Boliden AB (publ) and senior positions within the Shell Group.

Independence: Independent in relation to the company and its management as well as to the company's major shareholders.

Shareholding: No shares.



## Mouna Esmaeilzadeh

Board member since: 2021

Born: 1980

Nationality: Swedish

Education: Doctor of Medicine (neuroscience), Karolinska Institute, Stockholm.

Current assignments: Vice Chairman of the Board for Esmaeilzadeh Holding AB (publ), Board member of Mirovia Nordics AB (publ), Centripetal AB and Lycenna AB.

Work experience: Entrepreneur, founder and CEO of SciLife Clinic.

Independence: Independent in relation to the company and its management but not independent in relation to the company's major shareholders.

Shareholding: No shares.



## Saeid Esmaeilzadeh

Board member since: 2021

Born: 1974

Nationality: Swedish

Education: PhD, Chemistry, Stockholm University.

Current assignments: Chairman of Esmaeilzadeh Holding AB (publ), Board member of Lyvia Group AB (publ), Hidden Dreams AB, Serendipity Group AB, Rebellion Capital AB, Mirovia Nordics AB (publ), Dr. Saeid AB, Eitrium AB, Centripetal AB and Ametalis AB.

Work experience: Entrepreneur.

Independence: Independent in relation to the company and its management but not independent in relation to the company's major shareholders.

Shareholding: 10,815,500 shares (own and related parties).



## Christer Hellström

Board member since: 2021 (Chairman until the EGM on January 12, 2023)

Born: 1964

Nationality: Swedish

Education: M.Sc., Computer Engineering, Chalmers University of Technology, Gothenburg and MBA International Business, University of Gothenburg.

Current assignments: Chairman of the Board of Burt Intelligence AB, Hidden Dreams AB and Mirovia Nordics AB (publ), and Board member of Burt AB, Lyvia Group AB (publ), Third Tier AB and Third Tier Holding AB.

Work experience: Partner Accenture Nordics, CEO Connecta.

Independence: Independent in relation to the company and its management as well as to the company's major shareholders.

Shareholding: 12,700 shares (own and related parties).



## Mona Öljansdotter Johansson

Board member since: 2021

Born: 1969

Nationality: Swedish

Education: Property valuation and analysis, KTH Stockholm, Business studies, FEI Stockholm. Professional board work, Michaël Berglund.

Current assignments: Founder and CEO of Tenzing Invest and Tenzing Industrihus AB, Board member Granit Bostad AB, among others.

Work experience: Head of Marketing & Administration/National Director JLL Norden, Head of Administration/Partner Tenzing AB and Head of Administration Catella Corporate Finance.

Independence: Independent in relation to the company and its management as well as to the company's major shareholders.

Shareholding: 125,000 shares (own and related parties).



## Erik Rune

Board member since: 2021

Born: 1973

Nationality: Swedish

Education: M.Sc. Business and Economics, Stockholm School of Economics.

Current assignments: Chairman WWTR Konsult AB, Board member of Chaintraced AB and Lyvia Group AB.

Work experience: Board member of Magnolia Bostad AB, CEO of F. Holmströmgruppen AB, deputy CEO and COO Magnolia Bostad AB, CFO CBRE Global Investors (Nordics), CEO London & Regional Properties (Nordics).

Independence: Independent in relation to the company and its management but not independent in relation to the company's major shareholders.

Shareholding: 135,000 shares (own and related parties).

# Group management



## Per-Johan Dahlgren

President & CEO since: 2021

Born: 1975

Nationality: Swedish

Education: M.Sc. Industrial Management & Economics, Halmstad University and B.Sc. Mechanical Engineering, Växjö University (now Linnaeus University).

Current assignments: Chairman of Liljas Plast Aktiefbolag.

Work experience: Group CEO S:t Eriks Group AB, President & CEO AQ Group AB, Vice President AQ Group AB, Managing Director AQ Holmbergs Suzhou Co. Ltd (China).

Shareholding: 250 000 shares (own and related parties).



## Martin Elm

COO since: 2021

Born: 1975

Nationality: Swedish

Education: Studies in Business administration, entrepreneurship, Jönköping International Business School; and studies in organisation and management at the School of Engineering in Jönköping.

Work experience: Managing Director Sverull AB, Managing Director assignments at AQ Group; AQ ParkoPrint AB, AQ Enclosure Systems, AQ Holmbergs Suzhou Co. Ltd (China) and Head of Business Area System Products, AQ Group AB.

Shareholding: 36 000 shares (own and related parties).



## Lars Kvarnsund

Interim CFO since: December 2023

Born: 1967

Nationality: Swedish

Education: Studies in Business Administration from the School of Business in Jönköping (JIBS).

Current assignments: Chairman of the Board of P.O. Jansson Industri Aktiefbolag and Board member of Dentalum Group AB and Dentalum Operations AB (publ), FM Mattson AB (publ), Prido AB, United Power AB and LKV Consulting AB.

Work experience: Leading positions in international industrial companies, most recently as President & CEO for Gunnar Johansson Gruppen AB and Gnosjö Konstsmide AB prior to that about 20 years as CFO within GARO AB (publ).

Shareholding: No holdings.

Holding on March 31, 2024

# Auditor's report on the Corporate governance statement

To the general meeting of the shareholders in Novedo Holding AB, corporate identity number 559334-4202

## Engagement and responsibility

The Board of Directors is responsible for the Corporate Governance Report on pages 74–84 for Novedo Holding AB for the financial year 2023 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, April 22, 2024

Öhrlings PricewaterhouseCoopers AB

## Victor Lindhall

Authorized Public Accountant

*This is a literal translation of the Swedish original report included in RevR 16.*

# Annual General Meeting 2024

The shareholders of Novedo, Corp. ID No. 559334-4202, are invited to attend the Annual General Meeting to be held on Thursday May 16, 2024, at 14:00 CEST at Novedo's premises at Linnégatan 18 in Stockholm. Registration opens at 13:30 CEST.

## Registration, etc.

Shareholders who wish to participate in the Annual General Meeting must be recorded in the share register maintained by Euroclear Sweden AB on Tuesday, May 7, 2024, and notify the company of their intention to participate by e-mail to [stamma@novedo.se](mailto:stamma@novedo.se).

Notification must be received by the company no later than Tuesday, May 7, 2024. The notification shall state the shareholder's name, personal/corporate identity number, and telephone number. The notification shall also state the number of assistants (but not more than two) who are to participate in the Annual General Meeting. Shareholders who are represented by proxy must issue a dated and signed power of attorney for the proxy. The original power of attorney and, in the case of a legal entity, a certified copy of the certificate of registration, should be sent to the company at the following address: Novedo Holding AB (publ), Att: Edward af Sandeberg, Linnégatan 18, SE-114 47 Stockholm, Sweden. The power of attorney may not be older than one year unless it states that it is valid

for a longer period, but not more than five years from the date of issue. A proxy form is available on the company's website, [www.novedo.se](http://www.novedo.se). Shareholders whose shares are registered in the name of a nominee (e.g. shares in a custody account with a bank) must temporarily re-register their shares in their name to be entitled to participate in the Annual General Meeting. Such re-registration must be completed at Euroclear Sweden AB no later than Thursday, May 9, 2024. Contact should therefore be made with the nominee well in advance of this date.

## Proposed agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list.
4. Election of one or two persons to verify the minutes
5. Determination of whether the Meeting has been duly convened
6. Approval of the agenda.
7. Presentation of the annual accounts and sustainability report, and the auditor's report together with the consolidated accounts and the auditors' report on the consolidated accounts
8. Resolutions concerning:
  - a) adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet;

b) disposition of the company's earnings in accordance with the adopted balance sheet; and  
 c) the discharge of the members of the Board of Directors and of the CEO from liability;

9. Resolution on the number of Board members
10. Determination of Board and audit fees
11. Election of members of the Board
12. Election of the Chairman of the Board
13. Election of Auditors
14. Resolution concerning authorisation of the Board to issue new shares, convertibles and share options
15. Closing of the Meeting

To read the full notice with appendices, please visit [www.novedo.se](http://www.novedo.se).

Stockholm, April 2024

Novedo Holding AB (publ)

*Board of Directors*

**For more information about the company and investor relations, please contact:**

**Per-Johan Dahlgren**

*President & CEO*

E-mail: [per-johan.dahlgren@novedo.se](mailto:per-johan.dahlgren@novedo.se)

**Lars Kvarnsund**

*Interim CFO*

E-mail: [lars.kvarnsund@novedo.se](mailto:lars.kvarnsund@novedo.se)

**For questions regarding the AGM, please contact:**

**Edward af Sandeberg**

*General Counsel*

E-mail: [edward.af.sandeberg@novedo.se](mailto:edward.af.sandeberg@novedo.se)

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## **Stronger together**

**Novedo comprises prominent entrepreneurial B2B companies  
within Industry, Infrastructure and Installation & Services  
that grow stronger together.**