

NOVEDO

Interim Report January–September

2022

Novedo is an industrial group comprising prominent entrepreneurial SMEs within Industry, Infrastructure, and Installation & Services.



Good growth and earnings development

Third quarter (July–September 2022)

- Net sales increased 346 percent to SEK 457.2 million (102.6), of which organic growth amounted to 11.7 percent.
- EBITA increased to SEK 49.5 million (7.4), corresponding to an EBITA margin of 10.8 percent (7.2).
- Profit (loss) for the quarter amounted to SEK 0.1 million (-0.6).
- Cash flow from operating activities amounted to SEK -2.9 million (14.4).
- 3 companies were consolidated, of which 2 also were acquired, with a combined annual turnover for the companies' last twelve months of SEK 260.7 million.
- SEK 250 million was issued within the framework of the company's existing bond 2021/2024.

The period (January–September 2022)

- Net sales increased 600 percent to SEK 1,170.4 million (167.1), organic growth is not reported due to few comparable companies for the period.
- EBITA increased to SEK 92.9 million (11.0), corresponding to an EBITA margin of 7.9 percent (6.6).
- Loss for the period amounted to SEK -28.7 million (-0.9).
- Cash flow from operating activities amounted to SEK 15.2 million (24.5).
- 10 companies were consolidated with a combined annual turnover for the companies' last twelve months of SEK 1,096.6 million.

Significant events after the balance-sheet date

- Novedo's outstanding bonds were admitted to trade on Nasdaq Stockholm's corporate bond list on 28 October 2022. On November 30 2022, the bonds will be delisted from the Frankfurt Stock Exchange (Open Market).
- The first Nordic acquisition outside of Sweden was completed on 11 November 2022 through the acquisition of the Danish company Nordkabel A/S with about 200 employees. Nordkabel is active in installations and service work, primarily in electricity networks, fiber and water with sales of DKK 215 million and EBITA of DKK 32.5 million for the financial year ended June 30, 2022. Closing is expected in Q4 2022.

Growth in net sales

346%

Jul-Sep 2022

Organic growth

11.7%

Jul-Sep 2022

EBITA margin

10.8%

Jul-Sep 2022

Financial overview

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2020/2021 Jul-Dec ¹⁾	2020/2021 Oct-Sep ²⁾
Net sales	457.2	102.6	1,170.4	167.1	370.9	2,337.2
EBITA	49.5	7.4	92.9	11.0	31.0	245.4
EBITA margin, %	10.8%	7.2%	7.9%	6.6%	8.4%	10.5%
EBIT	43.2	4.4	75.0	6.8	23.3	-
EBIT margin, %	9.4%	4.3%	6.4%	4.1%	6.3%	-
Profit/loss for the period	0.1	-0.6	-28.7	-0.9	0.5	-
Cash flow from operating activities	-2.9	14.4	15.2	24.5	55.0	-
Net interest-bearing debt/EBITDA, multiple	1.3	0.6	1.3	0.6	0.6	-
Equity/assets ratio, %	22.5%	30.0%	22.5%	30.0%	25.6%	-
Earnings per share before/after dilution, SEK	2.65	-23.40	-920.09	-37.32	18.44	-

¹⁾ Actual outcome for the extended financial year of July 2020 to December 2021. The Group acquired its first company in January 2021.

²⁾ The pro-forma information encompasses the period from October 2021 until September 2022 and includes all companies acquired as of the publication date of the Q3 report for 2022. The calculation has been conducted as if Novedo had owned the companies for the entire period. Some balance-sheet items are excluded as a result of discrepancies between acquired and consolidated companies.



Novedo's broad and well-managed niche companies – which have been around for a long time – provide a good platform for long-term good growth and profitability.

Novedo's focused company portfolio in Industry, Infrastructure, and Installation & Services has had good growth since the first acquisition in 2021. Overall, Novedo's pro forma annual sales amounted to SEK 2 337.2 million and pro forma EBITA totalled SEK 245.4 million following the Group's latest acquisition of the Danish company Nordkabel A/S.

Nordkabel, Nordsign, BATAB and Elektronik Mekanik welcomed into Novedo's focused industrial group

Freely translated from Latin, Novedo means “a new, old house.” In Novedo, we see that our industrial group is becoming a new house for well-established entrepreneurial companies that want to continue to develop their operations and see the benefit and opportunity to do so by joining a decentralised and focused industrial group.

Interest in becoming part of Novedo is high among entrepreneur-driven SMEs. At the beginning of 2021, we completed our first company acquisition and since then we have had continuously good growth. As of end of September 2022, the Group consisted of approximately 900 employees, operating in companies with a sound corporate culture, developed niche positions and proven business models.

In the period of January–September 2022, ten directly owned portfolio companies were consolidated, including Nordsign AB, a Swedish Leksand-based product and installation company that delivers tailor-made and complete commercial sign solutions to B2B customers with strong brands throughout the Nordic countries,

and BATAB Bygg- & Akustikteknik, with operations in suspended ceilings and acoustics, which was consolidated in the third quarter. During the quarter, the portfolio company ProvideU AB also acquired and consolidated Elektronik Mekanik i Västerås AB, an industrial company active in the manufacture and assembly of printed circuit boards. I see good opportunities for strategic cooperation and long-term value creation within the framework of this bolt-on acquisition. Novedo has an active Nordic acquisition strategy and it was therefore particularly pleasing to welcome Nordkabel A/S to Novedo in November 2022. Nordkabel is a prominent Danish company founded in 1988 and is currently active in eight Jutish locations with about 200 employees. Nordkabel, which will be part of our infrastructure segment, performs installations and service work, primarily in electricity networks, fiber and water and has a strong and stable customer base exclusively in B2B consisting of long-term customer relationships, often framework agreements, and close collaborations with municipalities, private and public energy companies and telecom companies. The company's sales for the last financial year amounted to approximately SEK 315 million.

Good sales and organic growth

Net sales more than tripled during the quarter at year-on-year comparison and amounted to SEK 457.2 million (102.6) and for the 9-month period sales increased to SEK 1,170.4 million (167.1). The market situation during the quarter remains stable for the portfolio companies, which resulted in an organic growth of 11.7 percent for the quarter. Organic growth for the aggregate period, we intend to report going forward when more companies have been part of the Group throughout the comparison period.

EBITA increased from SEK 7.4 million to SEK 49.5 million for the quarter and for the 9-month period EBITA increased from SEK 11.0 million to SEK 92.9 million, corresponding to a margin of 10.8 percent for the current quarter and 7.9 percent for the current period. Margin improvements were mainly driven by positive effects from acquisitions and organic growth.

As previously communicated, Novedo is preparing the organisation for an IPO in 2023, given that the market conditions are right. IPO-related activities have affected the 9-month period with non-recurring items of approximately SEK -6.6 million (0). During the quarter, Novedo issued an additional SEK 250 million within the existing bond loan, after which the outstanding volume amounts to SEK 1,000 million within a framework of a total of SEK 1,500 million. The proceeds from the bond issue will be used to finance further acquisitions. There is great interest in Novedo's business and focused acquisition strategy, which was also confirmed by the high number of Nordic institutional investors who participated in the emission. As of October 28 2022, the bond is also admitted to trading on the corporate bond list of Nasdaq Stockholm. The company's balance sheet is stable and our net interest-bearing debt in relation to pro forma EBITDA amounts to 2.4 times, which is well below the company's financial target of 3.5 times.

Value-creating business model – stronger together

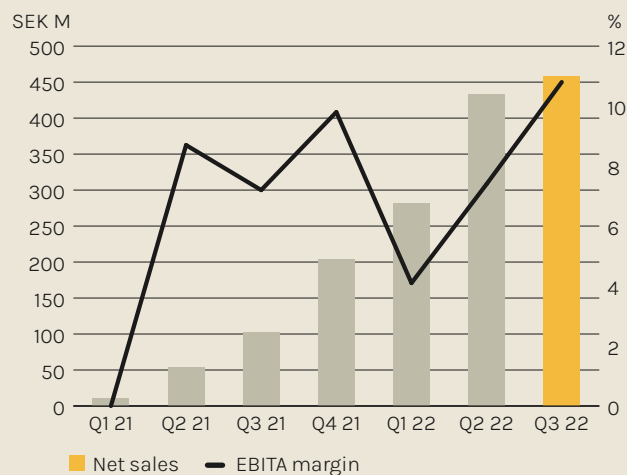
Central to Novedo's value-creating business model are the well-run portfolio companies that are being operated as previously but are also provided with the opportunity to reap the benefits of the Group's collective competence, experience and resources. In other words, we become stronger together. As such, it was with great enthusiasm that the companies' entrepreneurs met for a few days in Båstad at the start of September. Focus for the days centred on getting to know one another, the exchange of knowledge, leadership and discussions around tangible business partnerships. We are continuing to invest in our operations and, during the autumn, a joint leadership program has also commenced.

Structural growth segments for long-term growth and profitability

Novedo's clear growth focus is reflected in the company's financial targets, while we are selective and focused in the three segments Industry, Infrastructure and Installation & Services. The business situation for the first nine months of the year have been stable, which can be explained by the fact that our portfolio companies are focused on B2B customers active in structural growth, such as energy and infrastructure projects. We, as well as the rest of the world, see uncertainty about geopolitics and the economic situation ahead, but all in all, our broad and well-managed niche companies – which have been around for a long time – provide good conditions for long-term growth and profitability.

Per-Johan Dahlgren
President & CEO

Net sales and EBITA margin



Growth in net sales
Jan-Sep 2022

600%

EBITA Jan-Sep 2022

92.9 M SEK

EBITA margin
Jan-Sep 2022

7.9%

Organic growth
Jul-Sep 2022

11.7%

Equity/assets ratio

22.5%

Net interest-bearing
debt ratio/EBITDA, R12

2.4 multiple

Focused industrial group in Industry, Infrastructure, and Installation & Services

Novedo is a privately owned industrial group comprising prominent entrepreneurial SMEs with sound corporate cultures, developed niche positions and proven business models in three focused segments – Industry, Infrastructure, and Installation & Services.

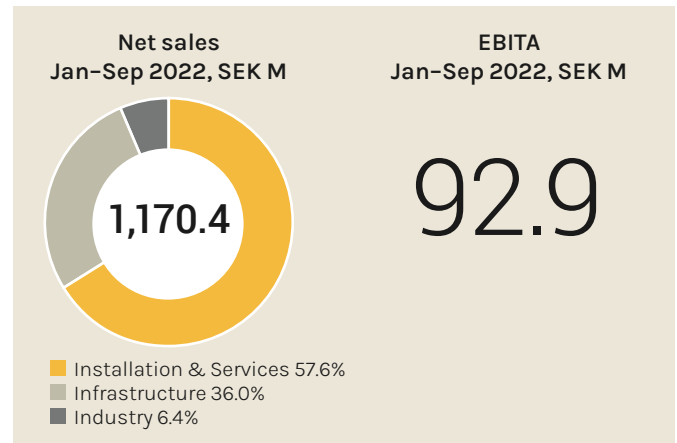
Long-term sustainable value creation with an active Nordic acquisition strategy

Novedo’s vision is to create long-term value by developing a focused and well-balanced industrial group through acquisitions and the development of prominent entrepreneurial-driven B2B companies that grow stronger together and where the entrepreneur wants to run the company further after selling. Novedo has an active Nordic acquisition strategy and the portfolio companies are developed with the support of leadership, skills supply, synergies and bolt-on acquisitions, all embraced by the Group’s core values – business acumen, confidence and operational closeness.

Novedo completed its first acquisition in Q1 2021, and at the end of Q3 2022, the Group consisted of 34 portfolio companies with about 900 employees. Net sales for the period January–September 2022 amounted to SEK 1,170.4 million and EBITA to SEK 92.9 million. Installation & Services is the Group’s largest segment with a net sales for the period of January–September 2022 amounting to SEK 674.4 million, corresponding to about 57.6 percent of consolidated EBITA.

Financial targets

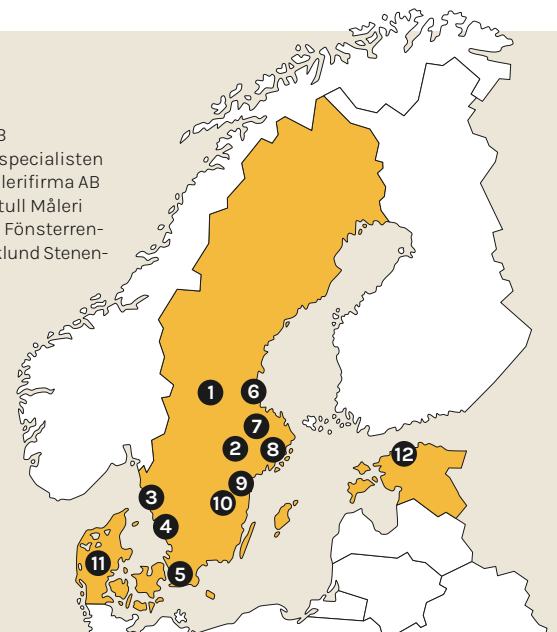
- >50% annual sales growth between 2022 and 2024, including 3% mid-term organic growth.
- >10% EBITA margin per year in the mid term.
- <3.5x net interest-bearing debt / EBITDA pro forma



Targets and strategy in accordance with Agenda 2030

Novedo supports the UN Global Compact and Agenda 2030. The Group believes that it has the greatest ability to impact the following UN SDGs: 8 (decent work and economic growth), 9 (industry, innovation and infrastructure) and 11 (sustainable cities and communities).

- Leksand**
Nordsign AB
- Västerås**
ProvideU AB
Elektronik Mekanik i Västerås AB
- Göteborg**
Elforum Göteborg AB. Elinzity AB inkl. Elinzity Förstärkning AB. Ventilationskontroll Aeolus AB inkl. CX Ventilation AB, Ekoion AB, RC El & Styrinstallationer Zeus AB samt KG Vent AB
- Helsingborg**
Elarbeten Helsingborg AB
- Malmö**
Deramont Entreprenad AB
- Gävle**
Hansson & Ekman Isolering Aktiefbolag
- Uppsala**
Hansson & Ekman Isolering Aktiefbolag
- Stockholm**
BATAB Bygg & Akustikteknik AB. GBB Holding AB inkl. AO Entreprenadtjänst i Stockholm AB, Borrspécialisten i Stockholm AB, IMPAB AB mfl. Olle Timblads Målerifirma AB inkl. Tyresö Målericentral AB. Sentexa AB. Skanstull Måleri Aktiefbolag. Total Fasad Stockholm AB inkl. Total Fönsterrenovering Stockholm AB. Uni-Vent Rör AB. Valter Eklund Stenentreprenader AB inkl. VE Sten AB
- Norrköping**
Kultur målarna i Norrköping AB
- Linköping**
Kultur målarna i Linköping AB
- 8 locations on Jylland, Denmark**
Nordkabel A/S
- Tallin, Estonia**
ProvideU Assembly OÜ





Founders Björn Lundberg, Ola Fogelmark and CEO Peter Berntsson from Gothenburg-based Elinzity AB.

Financial performance

Sales

Third quarter 2022

Net sales increased by 345.7 percent during the quarter to SEK 457.2 million (102.6). Growth was mostly acquisition-related, but underlying growth was also good and organic growth amounted to 11.7 percent for the quarter.

January–September 2022

Net sales increased by 600.4 percent during the 9-month period to SEK 1,170.4 million (167.1). Growth was mostly acquisition-related, but the underlying growth was driven by overall good demand. Organic growth consists of companies that have been part of the Group throughout the full comparison period, which three companies have been during the current period. Novedo intends to report organic growth for the period when more companies have been part of the Group throughout the full comparison period.

Earnings

Third quarter 2022

All three segments contributed positively to the Group's good earnings and margin development.

EBITA increased year-on-year compared to SEK 49.5 million (7.4), with an EBITA margin of 10.8 percent (7.2) for the quarter. EBIT increased to SEK 43.2 million (4.4) and the EBIT margin amounted to 9.4 percent (4.3). IPO-related costs of SEK (-2.4) million (0.0) are included in the EBIT result.

Net financial items amounted to SEK -40.1 million (-4.3), of which SEK -15.4 million (0) consisted of interest expenses for bond loans, capital gain on the divestment of subsidiaries amounted to SEK -13.8 million (0) and SEK -10.1 million (-1.5) is attributable to revaluation and reassessment of additional purchase price. Changes in the additional purchase price are the result of the companies' improved earnings.

Profit before tax increased to SEK 3.1 million (0.1). Profit after tax for the quarter amounted to SEK 0.1 million (-0.6). Earnings per share amounted to SEK 2.65 (-23.40).

January–September 2022

During the 9-month period, EBITA increased to SEK 92.9 million (11.0) with an EBITA margin of 7.9 percent (6.6). EBIT increased to SEK 75.0 million (6.8) and the EBIT margin amounted to 6.4 percent (4.1). IPO-related costs of SEK (-6.6) million (0.0) are included in the EBIT result.

Net financial items amounted to SEK -93.8 million (-6.4), where SEK -42.4 million (0) consists of interest expenses for bond loans, SEK -32.8 million (-2.5) is attributable to revaluation and reassessment of additional purchase price and -13.8 (0) refers to capital gains from the sale of subsidiaries. Profit before tax amounted to SEK -18.8 million (0.4). Profit for the period amounted to SEK -28.7 million (0.9). Earnings per share amounted to SEK -920.09 (-37.32).

Financial position

Equity in the Group on 30 September 2022 amounted to SEK 466.6 million (232.0) and the equity/assets ratio was 22.5 percent (30.0). Cash and cash equivalents at 30 September 2022 amounted to SEK 396.1 million (106.0).

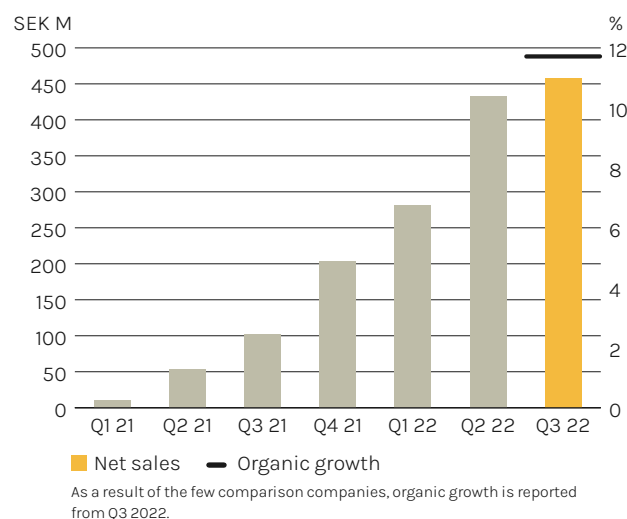
During the third quarter, Novedo issued an additional SEK 250 million within the existing bond loan, after which the outstanding volume amounts to SEK 1,000 million within a framework of a total of SEK 1,500 million. The proceeds from the bond issue will be used to finance further acquisitions. The Group's interest-bearing net debt thus increased during the third quarter and amounted to SEK 610.2 million as of September 30, 2022. The net debt/equity ratio was 1.3x (0.6) at the end of the period.

Cash flow and investments

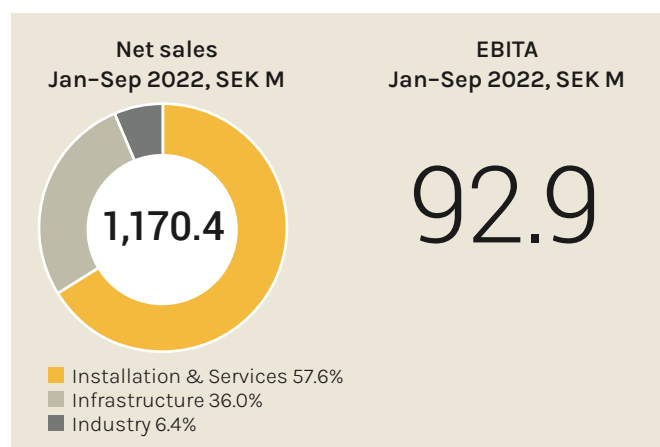
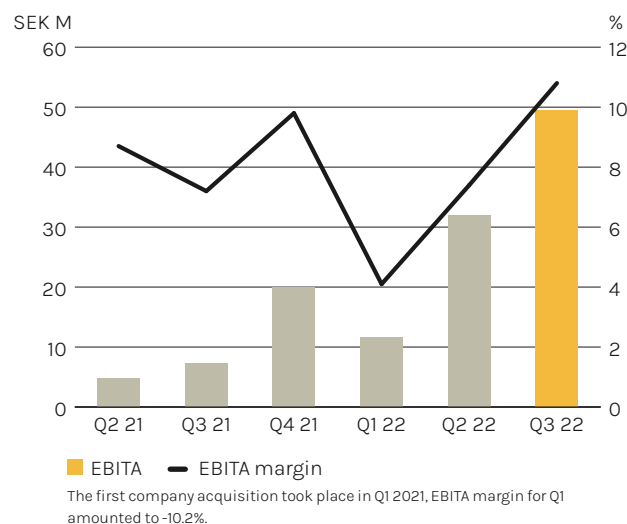
Cash flow from operating activities amounted to SEK -2.9 million (14.4) during the third quarter and to SEK 15.2 million (24.5) for the period January–September 2022. The good growth has meant some increased inventory in order to secure material availability, which has affected cash flow during current periods. Novedo applies percentage of completion method, which also has had an impact on the company's cash flow. In comparison between the quarters, the difference can be significant depending on the outcome of, above all, work in progress, accounts receivable and accounts payable.

Acquisitions of shares in subsidiaries, including settlement of additional purchasing price for previous acquisitions, amounted to a net of SEK -186.8 million (-140.0) during the third quarter and to SEK -577.8 million (-209.7) for the period January–September 2022.

Net sales and organic growth



EBITA and EBITA margin





Installation & Services

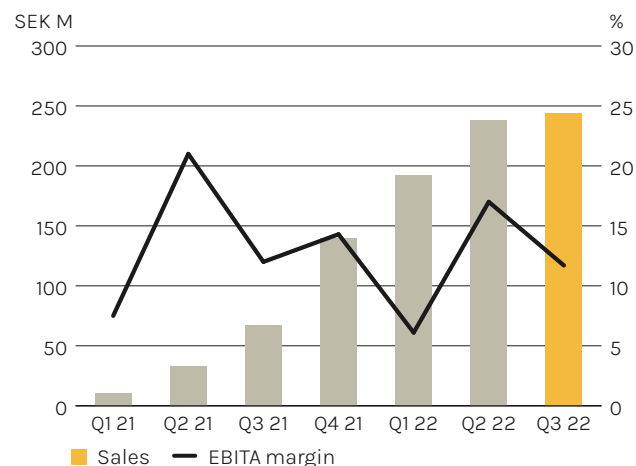
Installation & Services is Novedo's largest segment in terms of sales and comprises companies that offer installation, service and maintenance of properties (electrical, insulation, painting, heating and plumbing, etc.) and is primarily aimed at commercial property owners and public housing.

Third quarter net sales for the segment increased significantly and amounted to SEK 244.0 million (66.8). EBITA increased to SEK 28.5 million (8.0), corresponding to an EBITA margin of 11.7 percent in the third quarter. For the January–September 2022 period, net sales increased almost five times year-on-year and amounted to SEK 674.4 million (110.0). EBITA increased to SEK 72.0 million (15.1), corresponding to an EBITA margin of 10.7 percent.

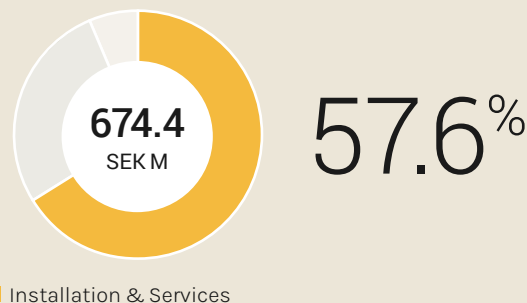
Installation & Services posted a strong third quarter and nine-month period for 2022 and, at the end of the period, the order intake was on a par with the corresponding period in 2021, even if there are some signs of reprioritisation and delays in planned projects as a result of market uncertainty and interest rate hikes. The segment's primary customer base mainly comprises stable, repeat B2B customers (both private and public sector) and the projects are of a briefer nature, often under a framework agreement. These factors have been advantageous for the portfolio companies given the prevailing uncertainty and rapid changes in price levels.

At the end of the period, the segment consisted of 14 wholly-owned operating portfolio companies with seven associated operating subsidiaries. In Q3 2022, the Swedish Leksand-based product and installation company Nordsign AB was acquired and consolidated, while BATAB Bygg- och Aukustikteknik AB with operations in suspended ceiling and acoustic solutions was consolidated.

Sales and EBITA margin



Share of consolidated sales Jan–Sep 2022



Refer to page 11 for more information about Nordsign and to Note 9 for an overview of the Group's portfolio companies and their subsidiaries.

Financial overview

SEK million	2022 Jul–Sep	2021 Jul–Sep	2022 Jan–Sep	2021 Jan–Sep	2020/2021 Jul–Dec ¹⁾
Net sales	244.0	66.8	674.4	110.0	250.0
EBITA	28.5	8.0	72.0	15.1	34.1
EBITA margin, %	11.7%	12.0%	10.7%	13.7%	13.6%

¹⁾ Actual outcome for the extended financial year of July 2020 to December 2021. The Group acquired its first company in January 2021.



Infrastructure

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

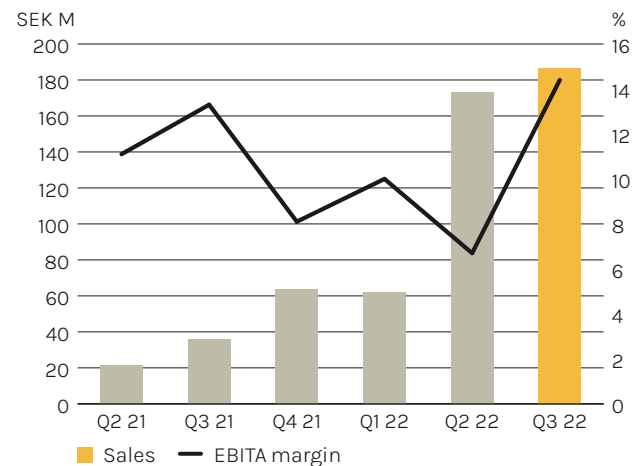
Net sales in Q3 2022 amounted to SEK 186.3 million (35.8) and EBITA totalled SEK 26.8 million (4.8), corresponding to an EBITA margin of 14.4 percent. For the January–September 2022 period, net sales amounted to SEK 421.7 million (57.1) and EBITA totalled SEK 42.7 million (6.6), corresponding to an EBITA margin of 10.1 percent.

The Infrastructure segment is Novedo's second largest segment in terms of sales and posted a strong performance in Q3 2022 and the first nine months of the year. Public sector infrastructure investments positively impact the segment and robust demand still exists for the portfolio companies' services in 2023. The segment's primary customer base mainly comprises stable, repeat B2B customers (both private and public sector).

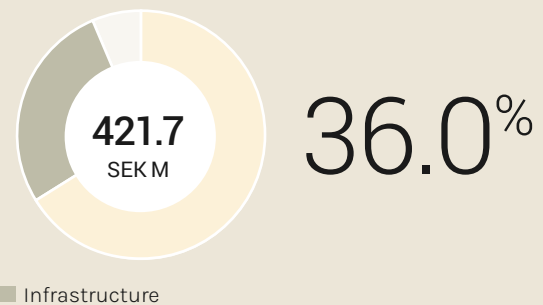
At the end of the period, the segment consisted of four operating portfolio companies with six associated operating subsidiaries. The first acquisitions in the segment were Valter Eklund Stenentreprenad AB and VE Sten AB and were consolidated in the Group in Q2 2021. Thereafter, Deramont Entreprenad AB and GBB-gruppen were consolidated in Q3 2021 and Q2 2022. Novedo has clear ambitions to continue to grow in the segment.

Novedo completed its first Nordic acquisition outside of Sweden at 22 November 2022 when it acquired the Danish company Nordkabel A/S, active in installations and service work for electricity networks, fibre and water. Consolidation into the Group is expected to take place in Q4 2022.

Sales and EBITA margin



Share of consolidated sales Jan–Sep 2022



Refer to page 11 for more information about GBB-gruppen and to Note 9 for a compiled overview of the Group's portfolio companies and their subsidiaries.

Financial overview

SEK million	2022 Jul–Sep	2021 Jul–Sep	2022 Jan–Sep	2021 Jan–Sep	2020/2021 Jul–Dec ¹⁾
Net sales	186.3	35.8	421.7	57.1	120.9
EBITA	26.8	4.8	42.7	6.6	12.7
EBITA margin, %	14.4%	13.3%	10.1%	11.5%	10,5%

¹⁾ Actual outcome for the extended financial year of July 2020 to December 2021. The Group acquired its first company in January 2021.



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 component suppliers and production companies as well as distributors and companies with in-house manufacturing.

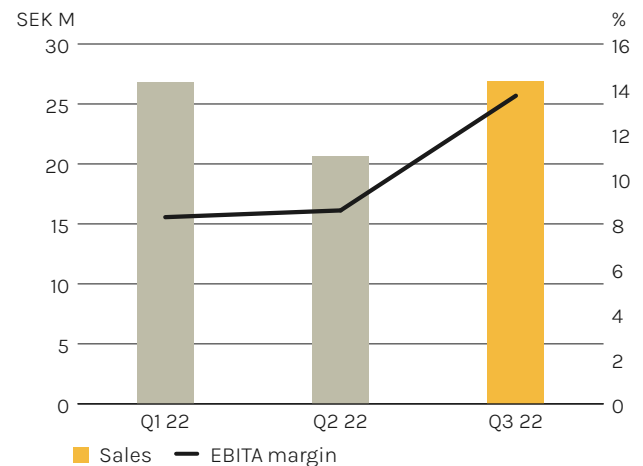
Net sales in Q3 2022 amounted to SEK 26.9 million (0) and EBITA totalled SEK 3.7 million (0), corresponding to an EBITA margin of 13.7 percent. For the January-September 2022 period, net sales amounted to SEK 74.3 million (0) and EBITA totalled SEK 7.7 million (0), corresponding to an EBITA margin of 10.4 percent.

Orders for the Industry segment portfolio companies are robust and long-term as a consequence of customers' desire to secure long-term supplies. Price increases and component shortages in the supply chain remain a challenge for industrial companies, despite slight improvements in the supply chain following the disruption caused by Covid-19. The segment's portfolio companies have been able to offset cost increases for materials well.

At the end of the period, the segment consisted of one operating portfolio company with two associated operating subsidiaries. The Swedish Västerås-based company Elektronik Mekanik i Västerås AB was acquired and consolidated in Q3 2022 by the portfolio company ProvideU.

Refer to page 11 for more information about ProvideU and to Note 9 for a compiled overview of the Group's portfolio companies and their subsidiaries.

Sales and EBITA margin



Share of consolidated sales Jan-Sep 2022



Financial overview

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2020/2021 Jul-Dec ¹⁾
Net sales	26.9	-	74.3	-	-
EBITA	3.7	-	7.7	-	-
EBITA margin, %	13.7%	-	10.4%	-	-

¹⁾ Actual outcome for the extended financial year of July 2020 to December 2021. The Group acquired its first company in January 2021.



Nordsign AB

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 customers across the Nordic countries. Products include pylon signs, facade wraps, shop interiors, shop facades as well as energy-saving LED signs and LED screens.

Sales are conducted B2B and customers include well-known and strong companies such as MAX Burgers, Biltema, Coop and Bauhaus among others, and half of sales comprises repeat business.

Nordsign has 12 employees and net sales for 2021 amounted to SEK 56 million. The company was acquired and consolidated by Novedo in Q3 2022. Nordsign is part of the Installation & Services segment.

CEO: Erik Asp

GBB-gruppen

GBB Holding AB (GBB-gruppen) was founded in 1996 and is a market-leading, full-service supplier of rock engineering related solutions and complementary services. It specialises in rock blasting and is based in the greater Stockholm area. Projects are primarily infrastructure-related for public sector and private sector customers, including the Swedish Transport Administration, Skanska and Stockholms Vatten. 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 86 employees and net sales for 2021 amounted to SEK 279 million. The company was acquired and consolidated by Novedo in Q2 2022. GBB is included in the Infrastructure segment.

CEO: Nenad Blagojevic



ProvideU

ProvideU AB was founded in 2008 and is a fast-growing industrial company within custom-made components and complete systems for B2B customers, including ABB, Flowserve and Humphree, and many of which 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 (via its subsidiary Elektronik Mekanik AB), as well as production partners in Asia.

ProvideU has 59 employees and net sales for 2021 amounted to SEK 98 million. The company was acquired and consolidated by Novedo in Q1 2022. In Q3 2022, ProvideU acquired the company Elektronik Mekanik i Västerås AB, which manufactures and assembles circuit boards. ProvideU and its subsidiaries are included in the Industry segment.

CEO: Fredrik Forngren



Other information

Seasonal variations

Novedo's segments are to a limited extent affected by seasonal variations and are to a large extent balanced within the Group as a whole. The Group uses percentage-of-completion method and in comparison periods the difference can be significant depending on the outcome of, above all, ongoing work, customer receivables and accounts payable.

Employees

At the end of the third quarter, the number of employees was 904 (521), whereof 3 (0) employees were employed within the Parent Company.

Parent Company

Parent Company's net sales comprise intra-Group management services. Third quarter net sales for the Parent Company amounted to SEK 0.8 million (0.0) and to SEK 0.8 million (0.0) for the nine-month period. EBITA totalled SEK -12.9 million (0.0) for the third quarter and SEK -41.0 million (0.0) for the nine-month period. The Parent Company's earnings were negatively impacted by interest expenses for the bond loan of SEK -15.4 million for the quarter and -42.5 for the 9-month period.

Share capital

Novedo has only one class of shares. At the end of September 2022, the share capital amounted to SEK 551,970 (551,970) allocated over 30,960 shares, each with a quotient value of SEK 17.83. All previous owners of the companies acquired by Novedo in 2022 have chosen to become partners of Novedo through preference shares in Novedo AB (a wholly-owned subsidiary of Novedo Holding AB (publ)). In the event of a stock exchange listing, these preference shares convert to ordinary shares in Novedo Holding AB (publ).

The ten largest shareholders as of 30 October 2022

	Number of shares	Holding, %	Votes, %
Spartacus Partners AB	18,849	60.9	60.9
F Holmström PE 3 AB	4,207	13.6	13.6
Esmailzadeh Holding AB	1,814	5.9	5.9
Cambo Holding AB	1,337	4.3	4.3
L Ruzgas Invest AB	588	1.9	1.9
Centripetal AB	583	1.9	1.9
Alpcot AB	316	1.0	1.0
Per-Johan Dahlgren	250	0.8	0.8
PJD Invest AB	250	0.8	0.8
Stockholm Miami Home AB	250	0.8	0.8
Total	28,444	91.9	91.9

Significant events after the balance-sheet date

Novedo's outstanding bonds were admitted to trading on Nasdaq Stockholm's list for corporate bonds on 28 October 2022. On 30 November 2022, the bonds will be delisted from the Frankfurt Stock Exchange (Open Market).

The first Nordic acquisition outside of Sweden was completed 22 November 2022 with the Danish company Nordkabel A/S which, with about 200 employees, is active in installations and service work for electricity networks, fibre and water with posted sales of DKK 215 million and EBITA of DKK 32.5 million for the financial year that ended 30 June 2022. Consolidation is expected to be completed in Q4 2022.

Financial calendar

Year-end Report 2022	23 February 2023
2022 Annual Report	Week 16 2023
Interim Report Q1 2023	12 May 2023
2023 Annual General Meeting	12 May 2023
Interim Report Q2 2023	24 August 2023
Interim Report Q3 2023	16 November 2023



Condensed consolidated statement of comprehensive income

SEK thousands	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2020/2021 ¹⁾ Jul-Dec
Operating income	2					
Net sales	3	457,224	102,597	1,170,368	167,103	370,906
Other operating income		2,090	570	12,893	910	3,144
Total operating income		459,314	103,167	1,183,261	168,013	374,050
Operating expenses						
Raw materials, consumables and goods for resale		-231,786	-46,005	-568,578	-71,052	-151,842
Other external expenses		-46,325	-10,017	-118,478	-18,102	-40,010
Employee benefit expenses		-122,264	-36,950	-377,675	-63,798	-142,479
Other operating expenses		-1,556	-41	-2,363	-53	-129
Depreciation, amortisation and impairment of tangible and intangible assets		-7,211	-3,545	-23,239	-4,769	-9,379
Depreciation of right-of-use assets		-6,968	-2,227	-17,934	-3,391	-6,933
Operating profit (EBIT)		43,204	4,382	74,994	6,848	23,278
Net financial items	4	-40,072	-4,251	-93,843	-6,401	-16,575
Pre-tax profit		3,132	131	-18,849	447	6,703
Income tax		-3,050	-735	-9,844	-1,335	-6,177
Profit/loss for the period		82	-604	-28,693	-888	526
Attributable to shareholders in the Parent Company		82	-585	-28,900	-933	475
Attributable to non-controlling interests		-	-19	207	45	51
Profit/loss for the period		82	-604	-28,693	-888	526
<i>Other comprehensive income:</i>						
<i>Items that may be reclassified to profit or loss</i>						
Exchange-rate differences		438	-	1,305	-	-
Other comprehensive income for the period		438	-	1,305	-	-
Total comprehensive income for the period		520	-604	-27,388	-888	526
Attributable to:						
Shareholders in the Parent Company		520	-585	-27,595	-933	475
Non-controlling interests		-	-19	207	45	51
Total comprehensive income for the period		520	-604	27,388	-888	526
Earnings per share for the period before and after dilution		2.65	-23.40	-920.09	-37.32	18.44
Average number of shares before and after dilution		30,960	25,000	30,960	25,000	25,751

¹⁾ Actual outcome from the extended financial year July 2020 to December 2021. The Group's first company acquisition was carried out in January 2021.

Condensed consolidated balance sheet

SEK thousands	Note	2022 30 Sep	2021 30 Sep	2021 31 Dec
ASSETS				
Intangible assets		1,071,310	447,122	443,591
Tangible assets		61,192	21,317	20,150
Right-of-use assets		73,605	59,877	57,440
Financial assets		5,025	3,733	3,272
Total non-current assets		1,211,132	532,049	524,453
Inventories		82,833	8,159	7,864
Accounts receivable - trade		268,066	93,596	85,357
Other current receivables		55,310	18,138	15,483
Contract assets		63,758	16,665	20,138
Investments in securities etc.		1,010	828	825
Cash and cash equivalents		396,051	105,956	821,432
Total current assets		867,028	243,342	951,099
Total assets		2,078,160	775,391	1,475,552
EQUITY AND LIABILITIES				
Equity attributable to shareholders in the Parent Company		466,584	232,008	377,902
Non-controlling interests		-	96	102
Total equity		466,584	232,104	378,004
Contingent consideration	6	215,179	55,089	55,562
Other acquisition-related liabilities		37,200	37,200	37,200
Lease liabilities		35,168	41,891	37,916
Bonds	7	935,521	-	737,419
Liabilities to credit institutions	7	4,734	2,766	4,651
Deferred tax liabilities		27,161	22,369	20,017
Other non-current liabilities		161	1,151	128
Total non-current liabilities		1,255,124	160,466	892,893
Lease liabilities		23,021	14,550	16,210
Acquisition-related liabilities		-	42,926	37,296
Accounts payable - trade		140,739	43,749	40,216
Contract liabilities		15,790	4,053	12,502
Liabilities to credit institutions	7	5,649	194,898	3,582
Other current liabilities		171,252	82,645	94,849
Total current liabilities		356,451	382,821	204,655
Total liabilities		1,611,576	543,287	1,097,548
Total equity and liabilities		2,078,160	775,391	1,475,552

Condensed consolidated statement of changes in equity

SEK thousands	2022 30 Sep	2021 30 Sep	2021 31 Dec
Opening equity	378,004	25	-
New share issue	116,264	134,571	278,552
Formation of Novedo Holding Group	-	-	500
Acquisition of non-controlling interests	-	51	51
Divestment of non-controlling interest	-309	-	-
Translation difference	1,318	-	-
Shareholders' contribution	-	98,345	98,375
Profit/loss for the period	-28,900	-933	475
Other comprehensive income	-	-	-
Non-controlling interests	207	45	51
Closing equity	466,584	232,104	378,004
<i>Equity attributable to shareholders in the Parent Company</i>	<i>466,584</i>	<i>231,987</i>	<i>378,788</i>
<i>Non-controlling interests</i>	<i>-</i>	<i>117</i>	<i>102</i>
SEK thousands	2022 30 Sep	2021 30 Sep	2021 31 Dec
Number of ordinary shares at the beginning of the period	30,960	25,000	25,000
Number of ordinary shares at the end of the period	30,960	25,004	30,960
Total number of shares at the end of the period	30,960	25,004	30,960

The ordinary shares have a quotient value of SEK 17.83.

Condensed consolidated statement of cash flows

SEK thousands	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2020/2021 ¹⁾ Jul-Dec
Operating profit (EBIT)		43,204	4,382	74,994	6,848	23,278
Adjustments for non-cash items, etc.	8	10,199	5,642	41,000	7,674	15,375
Net interest income/expense paid		-15,899	-2,755	-48,212	-3,922	-10,748
Income tax paid		-17,656	-4,638	-40,046	-5,051	-9,022
Cash flow from operating activities before changes in working capital		19,848	2,631	27,736	5,549	18,883
Change in operating receivables		-29,507	-20,204	-20,688	-31,503	-26,276
Change in operating liabilities		6,766	32,020	8,147	50,424	62,423
Cash flow from operating activities		-2,893	14,447	15,195	24,470	55,030
Acquisition of subsidiaries		-200,113	-139,967	-577,786	-209,682	-209,682
Divestments of subsidiaries		841	-	841	-	-
Investments in tangible assets		-	-	-3,351	-	-216
Disposals of items of property, plant and equipment		32,866	-	32,866	-	-
Change in other financial assets		4,301	2,316	11,088	2,422	521
Settlement of short-term financial liabilities		-3 000	-	-3 000	-	-
Change in current financial investments		-66	-43	-185	-	-115
Cash flow from investing activities		-165,171	-137,694	-539,527	-207,260	-209,492
New share issue		-	3,806	-	2,130	187,476
Shareholders' contribution received		-	37,998	-	98,345	98,375
Share capital Novedo Holding AB (publ)		-	-	-	-	500
Borrowings		194,715	133,362	194,715	191,637	885,428
Repayment of borrowings		-11,640	-	-77,191	-	-188,506
Repayment of lease liabilities		-7,284	-2,227	-18,573	-3,391	-7,379
Cash flow from financing activities		175,791	172,939	98,951	288,721	975,894
Cash flow for the period		7,727	49,692	-425,381	105,931	821,432
Cash and cash equivalents - opening balance		388,324	56,264	821,432	25	-
Cash and cash equivalents - closing balance		396,051	105,956	396,051	105,956	821,432

¹⁾ Actual outcome from the extended financial year July 2020 to December 2021. The Group's first company acquisition was carried out in January 2021.

Statement of comprehensive income

– Parent Company

SEK thousands	Note	2022 Jul-Sep	2021 Sep	2022 Jan-Sep	2021 Sep-Dec
Operating income					
Net sales		789	-	789	-
Total operating income		789	-	789	-
Operating expenses					
Other external expenses		-884	-	-2,014	-2,165
Employee benefit expenses		-2,393	-	-2,393	-
Other operating expenses		-	-	-1	-1
Total operating expenses		-3,277	-	-4,408	-2,166
Operating loss		-2,488	-	-3,619	-2,166
Profit/loss from financial items					
Interest income		248	-	363	-
Interest expenses		-15,387	-	-42,474	-6,002
Profit/loss after financial items		-17,627	-	-45,730	-8,168
Tax on profit for the year		4,711	-	4,711	277
Profit/loss for the period		-12,916	-	-41,019	-7,891
Profit/loss for the period		-12,916	-	-41,019	-7,891
<i>Other comprehensive income:</i>					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-12,916	-	-41,019	-7,891

The parent company was formed in September 2021.

Condensed balance sheet

– Parent Company

SEK thousands	Note	2022 30 Sep	2021 30 Sep	2021 31 Dec
Assets				
Participations in Group companies		690,410	-	191,155
Deferred tax assets		4,988	-	277
Total non-current assets		695,398	-	191,432
Receivables from Group companies		165,034	-	-
Other current receivables		843	-	615
Cash and cash equivalents		183,925	500	689,355
Total current assets		349,802	500	689,970
Total assets		1,045,200	500	881,402
Equity and liabilities				
Equity		95,606	500	136,625
Total equity		95,606	500	136,625
Bonds		935,521	-	737,419
Total non-current liabilities		935,521	-	737,419
Accounts payable - trade		139	-	2,514
Liabilities to Group companies		7,034	-	35
Other current liabilities		6,900	-	4,809
Total current liabilities		14,073	-	7,358
Total liabilities		949,594	-	744,777
Total equity and liabilities		1,045,200	500	881,402

Quarterly data

SEK thousands	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Net sales	457,224	432,454	280,691	203,655	102,596	54,082	10,424
Net sales growth, %	345.7%	699.6%	2,592.7%	N/A	N/A	N/A	N/A
Operating profit/loss (EBIT)	43,204	25,532	6,257	16,429	4,382	3,777	-1,311
EBIT margin, %	9.4%	5.9%	2.2%	8.1%	4.3%	7.0%	-12.6%
EBITA	49,547	31,875	11,576	19,961	7,356	4,726	-1,065
EBITA margin, %	10.8%	7.4%	4.1%	9.8%	7.2%	8.7%	-10.2%
EBITDA	57,383	41,186	17,596	24,582	10,154	5,806	-952
EBITDA margin, %	12.6%	9.5%	6.3%	12.1%	9.9%	10.7%	-9.1%
Pre-tax profit/loss	3,132	-5,546	-16,436	6,703	131	2,100	-1,784
Profit/loss for the period	82	-11,283	-17,493	526	-604	1,353	-1,637
Working capital	118,013	35,789	-4,183	-38,870	-17,410	9,240	-6,397
Net interest-bearing debt	610,182	422,854	138,596	-22,479	147,321	38,122	-32,529
Net debt/equity ratio	1.3	0.9	0.3	-0.1	0.6	0.4	-0.6
Net interest-bearing debt/EBITDA	10.6	10.3	7.9	-0.9	14.5	6.6	34.2
Equity/assets ratio, %	22.5%	24.7%	25.4%	25.9%	30.0%	33.0%	52.5%
Return on equity, %	0.0%	-2.5%	-4.2%	0.2%	-0.3%	1.5%	-3.0%
Return on capital employed, %	3.7%	3.0%	-1.6%	4.1%	1.4%	2.9%	-3.0%
Number of employees at the end of the period	904	890	769	521	521	160	74

Novedo conducts an acquisition-intensive business. The fair value of acquired assets and liabilities is, in some cases, preliminary pending final valuation. The final acquisition analysis may thus affect the Group's income statement and balance sheet retroactively. The above quarterly data is based on final acquisition analyses up to and including April 2022. See also Note 5 for more information.

Reconciliation of performance measures not defined pursuant to IFRS

SEK thousands	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
(A) Operating profit/loss (EBIT)	43,204	25,532	6,257	16,429	4,382	3,777	-1,311
Amortisation and impairment of acquisition-related intangible assets	6,343	6,343	5,319	3,532	2,974	949	246
(B) EBITA	49,547	31,875	11,576	19,961	7,356	4,726	-1,065
Depreciation, amortisation and impairment of other tangible and intangible assets	7,836	9,311	6,021	4,621	2,798	1,080	113
(C) EBITDA	57,383	41,186	17,597	24,582	10,154	5,806	-952
Non-recurring items							
Acquisition expenses	1,351	2,137	2,170	-	2,239	887	825
Total non-recurring items	1,351	2,137	2,170	-	2,239	887	825
(D) Adjusted EBITA	50,898	34,012	13,746	19,961	9,595	5,613	-240
(E) Adjusted EBITDA	58,734	43,323	19,767	24,582	12,393	6,693	-127
(F) Net sales	457,224	432,454	280,691	203,655	102,596	54,082	10,424
(A/F) EBIT margin, %	9.4%	5.9%	2.2%	8.1%	4.3%	7.0%	-12.6%
(B/F) EBITA margin, %	10.8%	7.4%	4.1%	9.8%	7.2%	8.7%	-10.2%
(C/F) EBITDA margin, %	12.6%	9.5%	6.3%	12.1%	9.9%	10.7%	-9.1%
(D/F) Adjusted EBITA margin, %	11.1%	7.9%	4.9%	9.8%	9.4%	10.4%	-2.3%
(E/F) Adjusted EBITDA margin, %	12.8%	10.0%	7.0%	12.1%	12.1%	12.4%	-1.2%

Notes

Note 1 Accounting principles

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The Interim Report was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. Interim financial information is provided in the notes and elsewhere in this Interim Report. The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, which follows the provisions of recommendation RFR 2 Accounting for Legal Entities. The accounting and calculation methods are the same as those applied in the 2021 Annual Report. There were no amendments to IFRS in 2022 that have a material impact on the Group's earnings and financial position. Risks and uncertainties relevant to Novedo are described in the 2021 Annual Report and no changes have been made to these assessments. All amounts are in SEK thousands for the Group and Parent Company, unless stated otherwise.

Note 2 Operating segments

The chief operating decision maker is the function responsible for making decisions about resources to be allocated to the operating segments and the assessment of their performance. Within the Novedo Group, the CEO has been identified as the chief operating decision maker. The Novedo Group has three operating segments as described below:

- *Installation & Services*
Companies delivering installation, service and maintenance of properties (electrical, insulation, painting, heating and plumbing, etc) and is primarily aimed at commercial property owners and public housing.
- *Infrastructure*
The segment consists of specialist companies active in infrastructure projects such as ground works and associated areas, including maintenance and new construction of railway, road and power transmission infrastructure.
- *Industry*
Companies delivering products and systems to industrial customers with clear customer value in terms of manufacturing or retail of products instead of B2B, for example, suppliers to component suppliers and production companies as well as distributors and companies with in-house manufacturing.

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.

2022 Jul-Sep, SEK thousands	Installation & Services	Infrastructure	Industry	Group items	Total segment
Operating segment					
Net sales from external customers	244,048	186,323	26,853	-	457,224
Other operating income	1,123	971	-4	-	2,090
Total operating income	245,147	187,294	26,849	-	459,314
Operating expenses					
Raw materials, consumables and goods for resale	-114,470	-102,836	-14,481	-	-231,786
Other external expenses	-14,633	-25,053	-2,486	-3,972	-46,325
Employee benefit expenses	-83,566	-27,944	-5,321	-5,433	-122,264
Depreciation, amortisation and impairment of tangible and intangible assets	-3,135	-2,928	-1,147	-	-7,210
Depreciation of right-of-use assets	-4,414	-2,481	-251	-	-6,968
Other operating expenses	-17	-1,409	-128	-2	-1,556
Total operating expenses	-220,235	-162,651	-23,814	-9,407	-416,110
Operating profit/loss (EBIT)	24,936	24,643	3,035	-9,407	43,204
Net financial items	-240	-663	43	-39,221	-40,072
Pre-tax profit/loss	24,696	23,980	3,078	-48,628	3,132

2021 Apr–Jun, SEK thousands	Installation & Services	Infrastructure	Industry	Group items	Total segment
Operating segment					
Net sales	66,800	35,797	-	-	102,597
Other operating income	227	343	-	-	570
Total operating income	67,027	36,140	-	-	103,167
Operating expenses					
Raw materials, consumables and goods for resale	-26,847	-19,159	-	-	-46,006
Other external expenses	-3,991	-2,296	-	-3,730	-10,017
Employee benefit expenses	-26,982	-8,270	-	-1,698	-36,950
Depreciation, amortisation and impairment of tangible and intangible assets	-2,441	-1,104	-	-	-3,545
Depreciation of right-of-use assets	-1,052	-1,175	-	-	-2,227
Other operating expenses	-8	-33	-	-	-41
Total operating expenses	-61,321	-32,037	-	-5,428	-98,785
Operating profit/loss (EBIT)	5,706	4,103	-	-5,428	4,382
Net financial items	40	-145	-	-4,145	-4,251
Pre-tax profit/loss	5,746	3,958	-	-9,573	131

2022 Jan–Sep, SEK thousands	Installation & Services	Infrastructure	Industry	Group items	Total segment
Operating segment					
Net sales	674,353	421,746	74,269	-	1,170,368
Other operating income	10,297	2,400	196	-	12,893
Total operating income	684,650	424,146	74,465	-	1,183,261
Operating expenses					
Raw materials, consumables and goods for resale	-287,178	-237,781	-43,617	-	-568,578
Other external expenses	-45,209	-50,770	-6,859	-15,640	-118,478
Employee benefit expenses	-269,356	-79,943	-14,622	-13,755	-377,675
Depreciation, amortisation and impairment of tangible and intangible assets	-10,907	-9,093	-3,239	-	-23,239
Depreciation of right-of-use assets	-11,181	-6,513	-240	-	-17,934
Other operating expenses	-635	-1,566	-157	-5	-2,363
Total operating expenses	-624,466	-385,666	-68,734	-29,400	-1,108,266
Operating profit/loss (EBIT)	60,177	38,480	5,731	-29,400	74,994
Net financial items	-1,023	-1,154	-20	-91,277	-93,843
Pre-tax profit/loss	59,161	36,956	5,711	-120,677	-18,849

2021 Apr-Jun, SEK thousands	Installation & Services	Infrastructure	Industry	Group items	Total segment
Operating segment					
Net sales	109,994	57,109	-	-	167,103
Other operating income	422	489	-	-	910
Total operating income	110,416	57,598	-	-	168,013
Operating expenses					
Raw materials, consumables and goods for resale	-40,620	-30,433	-	-	-71,053
Other external expenses	-6,871	-3,718	-	-7,514	-18,102
Employee benefit expenses	-46,861	-13,431	-	-3,506	-63,798
Depreciation, amortisation and impairment of tangible and intangible assets	-3,371	-1,398	-	-	-4,769
Depreciation of right-of-use assets	-1,434	-1,957	-	-	-3,391
Other operating expenses	-7	-45	-	-	-52
Total operating expenses	-99,164	-50,982	-	-11,020	-161,166
Operating profit/loss (EBIT)	11,252	6,616	-	-11,020	6,848
Net financial items	143	-232	-	-6,312	-6,401
Pre-tax profit/loss	11,395	6,384	-	-17,332	447

Note 3 Specification of net sales and income

The Group allocates revenue across three segments

Net sales	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2020/2021 Jul-Dec
Infrastructure	186,347	35,796	421,747	57,107	120,944
of which, installation and production	170,995	27,778	380,893	45,114	92,975
of which, service	-	-	-	-	-
of which, products	15,329	8,018	40,854	11,994	27,969
Installation & Services	244,047	66,801	674,352	109,995	249,962
of which, installation and production	199,267	46,858	531,244	74,142	157,505
of which, service	41,966	19,569	136,975	35,479	92,457
of which, products	2,814	374	6,133	374	-
Industry	26,853	-	74,269	-	-
of which, installation and production	-	-	-	-	-
of which, service	-	-	-	-	-
of which, products	26,853	-	74,269	-	-
Total net sales	457,224	102,597	1,170,368	167,103	370,906
of which, installation and production	370,262	74,636	912,137	119,256	250,480
of which, service	41,966	19,569	136,975	35,479	92,457
of which, products	44,996	8,392	121,256	12,368	27,969
Income per significant class of income and geographical area	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2020/2021 Jul-Dec
Installation and production	370,262	74,636	912,137	123,232	278,449
Sweden	369,818	74,636	911,651	123,232	278,449
EU	444	-	444	-	-
Rest of world	-	-	42	-	-
Service	41,966	19,569	136,975	35,479	92,457
Sweden	41,966	19,569	136,975	35,479	92,457
Products	44,996	8,392	121,256	8,392	-
Sweden	43,526	8,392	117,896	8,392	-
EU	1,482	-	3,324	-	-
Rest of world	-12	-	36	-	-
Total income	457,224	102,597	1,170,368	167,103	370,906
Sweden	455,309	102,597	1,166,522	167,103	370,906
EU	1,926	-	3,768	-	-
Rest of world	-12	-	78	-	-

Note 4 Financial items

	2022 Jul-Sep	2021 Jul-Sep	2022 Jul-Sep	2021 Jan-Sep	2020/2021 ¹⁾ Jul-Dec
Financial income	63	45	120	291	322
Total financial income	63	45	120	291	322
Interest expenses, bonds	-15,353	-	-42,440	-	-6,002
Interest expenses, lease liabilities	-501	-209	-1,089	-479	-621
Capital loss on the disposal of subsidiaries	-13,802	-	-13,802	-	-
Other interest-related and financial expenses	-10,479	-4,087	-36,632	-6,213	-10,274
Total financial expenses	-40,135	-4,296	-93,963	-6,692	-16,897
Net financial items	-40,072	-4,251	-93,843	-6,401	-16,575

Note 5 Business combinations

Acquisitions during the period

Novedo completed three acquisitions during the July-September 2022 period. The fair value of acquired assets and liabilities are, in certain cases, preliminary pending final valuation. Non-distributed surplus value is recognised preliminarily as goodwill. The distribution of the purchase price is a complex process and the assessment is that additional analyses are required to fully assess the future ability

to generate profit based on employees' knowledge and access to new markets, synergies and customer contracts. The acquisition balance sheet may therefore be adjusted in the coming quarters. As such, the prepared acquisition balance is considered preliminary. The assets and liabilities included in acquisitions for the period amount to the following, according to the preliminary acquisition analyses:

SEK thousands	Installation & Services	Industry	Total
Non-current assets	5,662	4,473	10,135
Inventories	1,567	13,029	14,596
Other current assets, excluding cash and cash equivalents	47,954	13,547	61,501
Cash and cash equivalents	10,050	2,204	12,254
Deferred tax assets/liabilities	-2,504	-120	-2,624
Liabilities to creditors	-	-	-
Other liabilities	-26,341	-14,404	-40,745
Acquired net assets	36,388	18,729	55,117
Goodwill	194,538	30,468	225,006
Non-controlling interests	-	-	-
Purchase price	230,926	49,197	280,123
Less, cash and cash equivalents in acquired operations	-10,050	-2,204	-12,254
Less, unpaid purchase price	-52,906	-9,839	-64,745
Impact on Group's cash and cash equivalents	167,970	37,154	205,124

All of these acquisitions are in line with the Group's strategy of growing by acquiring profitable entrepreneur-led companies. The total purchase price for the acquisitions above amounted to SEK 280,1 million.

Goodwill pertains to the surplus value from business combinations. Goodwill identified is mainly related to employees, expected future potential and the high profitability of acquired operations.

Preliminary acquisition-related expenses amounted to SEK 1.3 million. Conditional purchase prices are to be paid when future EBIT for 2022, 2023 and 2024 exceeds a level that both parties have agreed on in a contract. The maximum undiscounted amount that can be paid to the former owners amounted to SEK 298 million as of 30 September.

Impact of the acquisitions following the dates of the acquisitions on the Group's earnings July–September 2022

SEK thousands	Installation & Services	Infrastructure	Industry	Total
Net sales	46,979	–	18,864	65,843
Operating profit (EBIT)	3,658	–	4,854	5,512

Pro-forma impact of the acquisitions from 1 January 2022

SEK thousands	Installation and Services	Infrastructure	Industry	Total
Net sales	146,263	–	53,772	200,035
Operating profit (EBIT)	10,089	–	14,464	24,553

The preliminary acquisition analyses for the acquisitions completed between September 2021 and through April 2022 have been finalised. The total effect between the preliminary acquisition analyses in the Interim Report and the final acquisition analyses for these acquisitions was as follows:

- Goodwill has declined SEK -74,292 thousand
- Trademarks have increased SEK 22,682 thousand
- Customer relationships have increased SEK 61,622 thousand
- Deferred tax liabilities have increased SEK -8,008 thousand
- Conditional purchase prices have declined SEK -18,020 thousand

The change in conditional purchase prices pertain to changed discount rates in the present value calculation due to circumstances prevailing on the acquisition date.

Note 6 Contingent consideration

Change in financial liabilities – Level 3, SEK thousands	OB	Acquisitions	Paid	Revaluation/ discounted	Currency effect	CB
Conditional purchase price	55,562	132,635	–	26,982	–	215,179

The fair value of conditional purchase prices has been calculated based on the expected outcomes for the contractual targets given a discount rate of 11.9 percent.

Note 7 Borrowings

SEK thousands	2022 30 Sep	2021 30 Sep	2021 31 Dec	Borrowings on 30 Sep 2021	Interest rate, % maturity	Year of maturity	Nominal value	Carrying amount
Opening carrying amount	745,651	–	–	Bank loans	7.50	2022	188,938	188,506
Acquired borrowings	33,626	9,534	8,232	Assets with retention of title			8,726	9,158
Borrowings for the year	199,398	188,506	737,420	Closing carrying amount			197,664	197,664
Repayment for the period	-32,771	-376	–					
Closing carrying amount	945,904	197,664	745,652					

Borrowings on 30 Sep 2022	Interest rate, % maturity	Year of maturity	Nominal value	Carrying amount	Borrowings on 31 Dec 2021	Interest rate, % maturity	Year of maturity	Nominal value	Carrying amount
Bonds	STIBOR +6.5	2024	956,250	935,521	Bonds	STIBOR +6.5	2024	750,000	737,419
Assets with retention of title	0.8–3.1	2023–26	10,383	10,383	Assets with retention of title	0.8–3.1	2023–26	8,232	8,232
Closing carrying amount			966,633	945,904	Closing carrying amount			758,232	745,651

Note 8 Adjustments for non-cash items, etc.

SEK thousands	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2020/2021 Jul-Dec
Depreciation, equipment	868	571	5,236	599	1,679
Amortisation, intangible assets	6,351	2,973	18,013	4,169	6,584
Depreciation, right-of-use assets	6,968	2,227	17,934	3,391	6,933
Interest expenses, lease liabilities	-501	-209	-1,089	-331	-622
Transaction costs bonds	-2,631	-	-1,488	-	1,143
Loss on other securities and receivables	-	-45	-	-291	-
Disposals of tangible assets	-	125	686	86	389
Change in provisions	-547	-	2,017	-	-782
Transactions with non-controlling interests	-309	-	-309	51	51
Total	10,199	5,642	41,000	7,674	15,375

Note 9 Investments in subsidiaries

Name of company	Segment	Consolidated	Registration country and country of operation	Corporate ID number	Proportion of ordinary shares owned by the Group, %
Novedo AB	-	-	Sweden	559264-9841	100%
Novedo OpCo AB	-	-	Sweden	559334-8344	100%
BATAB Bygg & Akustikteknik AB	Installation & Services	Jul 2022	Sweden	556133-7642	100%
Elarbeten Helsingborg AB	Installation & Services	Jan 2022	Sweden	556464-1354	100%
Elforum Göteborg AB	Installation & Services	Aug 2021	Sweden	559133-4031	100%
Elinzity AB	Installation & Services	Jan 2022	Sweden	556694-5878	100%
Elinzity Förstärkning AB	Installation & Services	Jan 2022	Sweden	556187-5088	100%
Hansson & Ekman Isolerings Aktiebolag	Installation & Services	Sep 2021	Sweden	556459-0379	100%
Kultur målarna i Linköping Aktiebolag	Installation & Services	Sep 2021	Sweden	559203-8177	100%
Kultur målarna i Norrköping Aktiebolag	Installation & Services	Sep 2021	Sweden	556435-2887	100%
Nordsign Aktiebolag	Installation & Services	Sep 2022	Sweden	556699-2706	100%
Olle Timblads Målerifirma AB	Installation & Services	Sep 2021	Sweden	556688-5488	100%
Tyresö Målericentral AB	Installation & Services	Sep 2021	Sweden	556909-8725	100%
Sentexa AB	Installation & Services	May 2022	Sweden	556637-4921	100%
Skanstulls Måleri Aktiebolag	Installation & Services	Jan 2021	Sweden	556543-8974	100%
Total Fasad Stockholm AB	Installation & Services	Jun 2022	Sweden	559004-4375	100%
Total Fönsterrenovering Stockholm AB	Installation & Services	Jun 2022	Sweden	559133-9444	100%
Uni-Vent Rör AB	Installation & Services	May 2022	Sweden	556665-6889	100%
Ventilationskontroll Aeolus Aktiebolag	Installation & Services	Jan 2022	Sweden	556211-1343	100%
RC El & 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%
Deramont Entreprenad AB	Infrastructure	Sep 2021	Sweden	556803-5421	100%
GBB Holding AB	Infrastructure	Apr 2022	Sweden	556910-5652	100%
Gnesta Bergbyggare AB	Infrastructure	Apr 2022	Sweden	556599-9355	100%
AO Entreprenadtjänst i Stockholm AB	Infrastructure	Apr 2022	Sweden	556995-2269	100%
Borrspecialisten i Stockholm AB	Infrastructure	Apr 2022	Sweden	556929-2591	100%
GBB Syd AB	Infrastructure	Apr 2022	Sweden	559234-7297	100%
IMPAB AB	Infrastructure	Apr 2022	Sweden	556718-1069	100%
Impab International AB	Infrastructure	Apr 2022	Sweden	556881-7547	100%
Valter Eklund Stenentreprenader AB	Infrastructure	May 2021	Sweden	556071-7463	100%
VE Sten AB	Infrastructure	May 2021	Sweden	556143-4126	100%
ProvideU AB	Industry	Jan 2022	Sweden	556754-0231	100%
ProvideU Assembly OÜ	Industry	Jan 2022	Estonia	11066054	100%
Elektronik Mekanik i Västerås Aktiebolag	Industry	Sep 2022	Sweden	556506-1560	100%

During the third quarter of 2022, Fog & Byggtjänst i Åkersberga AB, Fog & Byggtjänst i Östergötland and Fog & Byggtjänst i Sverige AB were divested (see also notes 4 and 8 for more information). In addition, Air Solution D.O.O, Krovent Group D.O.O and Krovent Montaza D.O.O have been liquidated.

Note 10 Related-party transactions

Related parties are defined as the management team and the Board of Directors of the Parent Company and its subsidiaries. There are no related-party transactions, other than salaries and other remuneration.

Note 11 Pledged assets and contingent liabilities

Pledged assets, SEK thousands	30 Sep 2022	30 Sep 2021	31 Dec 2021
Floating charge	37,950	10,250	16,050
Assets with retention of title	1,666	14,969	8,512
Assets pledged for pension commitments	2,299	828	2,425
Shares in Group companies	587,219	-	538,195
Total	629,134	26,047	565,182

Contingent liabilities, SEK thousands	30 Sep 2022	30 Sep 2021	31 Dec 2021
Performance guarantees	580	261	2,687
Guarantee commitments	319	-	-
Total	899	261	2,687

Note 12 Correction of errors in Q2 for 2022

In connection with the preparation of preliminary acquisition analyses, an item of SEK 19.3 million in Q2 2022 was incorrectly reported in net financial items in the income statement instead of against the balance sheet item goodwill in the Group.

Correction of net financial items was made in Q2 2022, which meant a decrease in profit for the quarter by SEK -19.3 million and thus affected the period January-September 2022. The above adjustment has no impact on earnings in Q3 2022. See also Quarterly data on page 19 for adjusted quarterly information.

Definitions

IFRS measures	Definition/Calculation
Earnings per share	Profit for the period divided by the average number of shares.
Alternative performance measures:	
Adjusted EBITDA	EBITDA adjusted for non-recurring items.
Adjusted EBITDA margin, %	EBITDA adjusted for non-recurring items, as a percentage of net sales.
Adjusted EBITA	EBITA adjusted for non-recurring items.
Adjusted EBITA margin, %	EBITA adjusted for non-recurring items, as a percentage of net sales.
EBIT margin, %	EBIT in relation to 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, %	Net interest-bearing debt as a percentage of 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 interest-bearing debt/EBITDA, multiple	Net interest-bearing debt as a percentage of operating profit (EBITDA) according to the income statement.
Net sales growth, %	Change in sales compared with total net sales in the preceding quarter.
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	Financial information included in the pro-forma data is extracted from the acquired company's accounting system for the relevant period.
Return on equity, %	Profit/loss for the period as a percentage of equity at the end of the 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.
Working capital	All current assets less current liabilities.

Board assurance

The Board of Directors and the CEO affirm that this report provides a fair representation of the company's and the Group's operations, financial position and results of operations and describes the material risks and uncertainties facing the Parent Company and its subsidiaries.

Stockholm, 30 November 2022

Novedo Holding AB (publ)

Christer Hellström
Chairman of the board

Mouna Esmaeilzadeh
Board member

Saeid Esmaeilzadeh
Board member

Mona Öljansdotter Johansson
Board member

Fredrik Lidjan
Board member

Erik Rune
Board member

Per-Johan Dahlgren
President & CEO

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

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This information is such that Novedo Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication, through the agency of the contact persons set out above, at 7:30 a.m. CET on 30 November 2022.

The interim report is published in Swedish and in English. In the event of any inconsistency between the English version and the Swedish original, the Swedish version takes precedence.

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